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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF US\$ 10.7 MILLION
(SDR 7.90 MILLION EQUIVALENT)

TO

SAINT VINCENT AND THE GRENADINES

FOR A

SAINT VINCENT AND THE GRENADINES HD SERVICE DELIVERY PROJECT
May 4, 2017

Social Protection & Labor Global Practice
Latin America And Caribbean Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 7, 2017)

Currency Unit = Eastern Caribbean Dollar (XCD)

SDR 0.74 = US\$1

US\$ 1.36 = SDR 1

FISCAL YEAR

January 1 - December 31

Regional Vice President: Jorge Familiar

Country Director: Tahseen Sayed Khan

Senior Global Practice Director: Michal J. Rutkowski

Practice Manager: Margaret Ellen Grosh

Task Team Leader(s): Snjezana Plevko, Leandro Oliveira Costa

ABBREVIATIONS AND ACRONYMS

CANTA	Caribbean Association of National Training Agencies
CAPI	Computer Assisted Personal Interviewing
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
CLASS	Classroom Assessment Scoring System
COL	Cost of Living Support
CPA	Country Poverty Assessment
CSEC	Caribbean Secondary Education Certificate
CSR	Central Social Registry
CVQ	Caribbean Vocational Qualification
eCPA	Enhanced Country Poverty Assessment
FAD	Family Affairs Division
FM	Financial Management
GDP	Gross Domestic Product
GPE	Global Partnership for Education
GRS	Grievance Redress Service
HBS	Household Budget Survey
HD	Human Development
ITSD	Information Technology Services Division
LCS	Living Conditions Survey
LFS	Labor Force Survey
LMIS	Labor Market Information System
MDG	Millennium Development Goals
MOE	Ministry of Education, Ecclesiastical Affairs and National Reconciliation
MOEP	Ministry of Economic Planning, Sustainable Development, Industry, Information and Labour
MONM	Ministry of National Mobilisation, Social Development, Family, Gender Affairs, Persons with Disabilities and Youth
MPID	Multi-Purpose Identification
NAF	National Assistance Fund
NHA	National Household Assessment
NQD	National Qualifications Department
NVQ	National Vocational Qualification
OECS	Organisation of Eastern Caribbean States
PA	Public Assistance
PAD	Project Appraisal Document
PDO	Project Development Objectives
PSIPMU	Public Sector Investment Programme Management Unit
PMT	Proxy Means Test
RPS	Regional Partnership Strategy
SAMIS	Social Assistance Management Information System
SDG	Sustainable Development Goals
SPL	Social Protection and Labor
SSDA	Sector Skills Development Agency
SSN	Social Safety Net
SSNA	Social Safety Net Assessment
SSN SC	Social Safety Net Steering Committee

SSN TWG	Social Safety Net Technical Working Group
SVG	Saint Vincent and the Grenadines
SVGCC	Saint Vincent and the Grenadines Community College
TI	Technical Institute
TVET	Technical Vocational Education and Training
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund



BASIC INFORMATION

Is this a regionally tagged project? No	Country(ies)	Lending Instrument Investment Project Financing
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- Situations of Urgent Need of Assistance or Capacity Constraints
- Financial Intermediaries
- Series of Projects

Approval Date 25-May-2017	Closing Date 31-Jul-2022	Environmental Assessment Category C - Not Required
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Bank/IFC Collaboration No

Proposed Development Objective(s)

The objectives of the Project are to strengthen the quality of service delivery in education, to improve efficiency of social protection systems, and to improve effectiveness of labor market systems in Saint Vincent and the Grenadines.

Components

Component Name	Cost (US\$, millions)
Component 1: Strengthening Pedagogy for Basic and Special Needs Education	2.16
Component 2: Building Responsive Social Protection Service Delivery Systems	3.46
Component 3: Strengthening Labor Market Systems and Improving Skills Training of Poor and Vulnerable Populations	3.84
Component 4: Project Implementation, Monitoring and Evaluation	1.24

Organizations

Borrower : Ministry of Economic Planning, Sustainable Development, Industry, Information and Labour



Implementing Agency : Ministry of Education, Ecclesiastical Affairs and National Reconciliation
 Ministry of National Mobilization, Social Development, Family, Gender Affairs,
 Persons with Disabilities

<input type="checkbox"/> Counterpart Funding	<input type="checkbox"/> IBRD	<input checked="" type="checkbox"/> IDA Credit	<input type="checkbox"/> IDA Grant	<input type="checkbox"/> Trust Funds	<input type="checkbox"/> Parallel Financing
		<input type="checkbox"/> Crisis Response Window	<input type="checkbox"/> Crisis Response Window		
		<input type="checkbox"/> Regional Projects Window	<input type="checkbox"/> Regional Projects Window		
Total Project Cost:		Total Financing:		Financing Gap:	
10.70		10.70		0.00	
		Of Which Bank Financing (IBRD/IDA):			
		10.70			

Financing (in US\$, millions)

Financing Source	Amount
International Development Association (IDA)	10.70
Total	10.70

Expected Disbursements (in US\$, millions)

Fiscal Year	2017	2018	2019	2020	2021	2022	2023
Annual	0.00	0.53	0.87	1.39	2.57	3.40	1.94
Cumulative	0.00	0.53	1.39	2.79	5.36	8.76	10.70



INSTITUTIONAL DATA

Practice Area (Lead)

Social Protection & Labor

Contributing Practice Areas

Education

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category

Rating

1. Political and Governance

● Moderate

2. Macroeconomic

● Substantial

3. Sector Strategies and Policies

● Moderate

4. Technical Design of Project or Program

● Substantial

5. Institutional Capacity for Implementation and Sustainability

● Substantial

6. Fiduciary

● Substantial

7. Environment and Social

● Low

8. Stakeholders

● Moderate

9. Other

10. Overall

● Substantial



COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Safeguard Policies Triggered by the Project

Yes

No

Environmental Assessment OP/BP 4.01

✓

Natural Habitats OP/BP 4.04

✓

Forests OP/BP 4.36

✓

Pest Management OP 4.09

✓

Physical Cultural Resources OP/BP 4.11

✓

Indigenous Peoples OP/BP 4.10

✓

Involuntary Resettlement OP/BP 4.12

✓

Safety of Dams OP/BP 4.37

✓

Projects on International Waterways OP/BP 7.50

✓

Projects in Disputed Areas OP/BP 7.60

✓

Legal Covenants

Sections and Description

Schedule 2, Section I, A.1: Project Steering Committee - The Project Steering Committee with a composition, resources and mandate and in form detailed in the Project Operations Manual, shall be created no later than one month after the Effective Date of the Project, and maintained at all times during the Project implementation.

Sections and Description

Schedule 2, Section I, A.2: Project Coordinator, Social Assistance Officer, TVET Officer and SAMIS Officers - The Project Coordinator within MoEP, the Social Assistance Officer within MoNM and the TVET Officer within MoE, with functions, qualifications, terms of reference and resources detailed in the Project Operations Manual, shall be appointed/hired no later than one month after the Effective Date of the Project, and maintained at all times during the Project implementation. The SAMIS officers with functions, qualifications, terms of reference and resources detailed in the Project Operations Manual, shall be appointed/hired no later than eighteen (18) months



after the Effective Date of the Project, and thereafter maintained during the Project implementation.

Sections and Description

Schedule 2, Section I, A.3: Public Sector Investment Programme Management Unit (PSIPMU) - The PSIPMU within MoEP with functions, staffing and resources as further detailed in the Project Operations Manual, shall be maintained at all times during the implementation of the Project.

Sections and Description

Schedule 2, Section I, A.4: Line Ministries Focal Points - The Line Ministries Focal Points in the Recipient’s ministries in charge of education, social protection and labor, with functions, qualifications, terms of reference and resources as further detailed in the Project Operations Manual, shall be appointed no later than one month after the Effective Date and thereafter maintained at all times during the implementation of the Project.

Sections and Description

Schedule 2, Section I, B.1: Project Operations Manual - The Project implementation shall be carried out in accordance with the provisions of the Project Operations Manual approved by the World Bank.

Sections and Description

Schedule 2, Section I, C.1: TVET Operations Manual - The activities in Sub-Component 3.1. of the Project shall be carried out in accordance with the provisions of the TVET Operations Manual.

Conditions

Type

Disbursement

Description

Before disbursing under Sub-component 3.1, the Recipient has approved the TVET Operations Manual in form and substance satisfactory to the Association.

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Snjezana Plevko	Team Leader(ADM Responsible)	Social Protection	GSP04
Leandro Oliveira Costa	Team Leader	Education	GED04
Sonia Cristina Rodrigues Da Fonseca	Procurement Specialist(ADM Responsible)	Procurement	GGO04



Shonell Jodian Robinson	Financial Management Specialist	Financial Management	GGO22
Asha M. Williams	Team Member	Social Protection	GSP04
Cristina Elizabeth Coirolo	Team Member	Social Safeguards	GSU04
Isabella Micali Drossos	Team Member	Country Lawyer	LEGLE
M. Yaa Pokua Afriyie Oppong	Team Member	Social Safeguards	GSU07
Patricia M. Bernedo	Team Member	Operations	GSP04
Patricia O. Orna	Team Member	Social Protection	GSP04
Robert H. Montgomery	Team Member	Environmental Safeguards	GEN04
Shawn Michael Powers	Team Member	Education	GED04
Tatiana Cristina O. de Abreu Souza	Team Member	Finance Officer	WFALA
Uriel Kejsefman	Team Member	Education	GED04
Yevgeniya Savchenko	Team Member	Poverty	GPV04
Yves Jantzem	Team Member	Education	GED04
Zlatan Sabic	Team Member	Management Information Systems	GHN03



SAINT VINCENT AND THE GRENADINES
HUMAN DEVELOPMENT SERVICE DELIVERY PROJECT

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I. STRATEGIC CONTEXT

A. Country Context

1. **Saint Vincent and the Grenadines (SVG), a member of the Organisation of the Eastern Caribbean States (OECS), is a country with a small,¹ open economy that continues to grapple with high climate risk and natural hazards, as well as vulnerability to economic shocks and volatile growth patterns which often have debilitating effects on livelihoods, particularly for the poorest.** Since the 1980s, growth rates have oscillated significantly, often in response to external macroeconomic trends and climate shocks. The 2008-9 financial crisis and repeated climate shocks had an incapacitating effect on SVG's economy. In 2006, before the crisis struck, SVG enjoyed gross domestic product (GDP) growth at 7.7 percent. Growth would later plummet to its lowest point of -3.4 percent in 2010. It has rebounded since, though modestly, at 1.6 percent in 2015 (World Bank). Public debt has increased steadily since 2008 – from 57 percent of GDP at the end of 2008 to 74 percent of GDP at the end of 2015. Losses from hydro-meteorological disasters were estimated at US\$11.3 million between 1995 and 2014, and an annual average loss of approximately 1.3 percent of GDP.² Also, if current climatic trends continue, extreme events are expected to become more frequent and result in greater fiscal impacts.³

2. **Despite this context, the country has achieved significant human development (HD) milestones.** According to the United Nations Development Program's (UNDP) Human Development Index (HDI) classification, SVG's HDI rank, which steadily increased from 0.70 in 2000 to 0.72 in 2014, is considered high. Education coverage is almost universal at the primary and secondary levels, with gross primary enrollment rates for both boys and girls over 100 percent and near-parity in secondary completion rates (91.1 percent of girls and 90.4 percent of boys).⁴ Ninety-nine percent of births are assisted by skilled health workers. The infant mortality rate was 14.9 (per 1,000) in 2015, although 10.6 percent of babies still have low birth weight. Ninety-nine percent of children are fully immunized.⁵ These achievements have assisted the country's progress towards reaching the Sustainable Development Goals (SDGs).

3. **While the successes in human development achievement are impressive, high levels of poverty and unemployment are still major development challenges that need to be addressed from multiple fronts.** The most recent available data indicates a 30.2 percent poverty rate in 2008. Given the effects of recent economic crises and natural disasters, poverty levels have likely varied appreciably from this figure. However, an updated poverty assessment has not yet been completed, due to resource constraints.⁶ Targeted poverty-reduction interventions are therefore not informed by current poverty

¹Population of SVG is approximately 109,000.

²Sönke Kreft, et al (2015), "Global Climate Risk Index 2016", Germanwatch.

³Tompkins, Emma L and W. Neil Adger (2004), "Does adaptive Management of Natural Disasters Enhance Resilience to Climate Change?" *Ecology and Society* (2): 10. <http://www.ecologyandsociety.org/vol9/iss2/art10>

⁴World Bank (2016) World Development Indicators @ <http://wdi.worldbank.org/tables>

⁵World Bank (2016) World Development Indicators @ <http://wdi.worldbank.org/tables>

⁶An enhanced Country Poverty Assessments (eCPA) is being planned for OECS countries, through technical assistance from the Caribbean Development Bank and World Bank. Resource availability for data collection is limited and St Vincent and the Grenadines is seeking use of financing from this Project to finance data collection for the new round of the eCPA.



data;⁷ however, a common trend is for the brunt of poverty to be felt by children and female-headed households. For instance, in 2008, 48.2 percent of persons living in poor households were between 0-19 years. The lingering effects of the global financial crisis on unemployment are still evident, as the unemployment rate, particularly for women and youth, is high. At 42.7 percent, youth unemployment is higher than in other Caribbean countries⁸ and almost twice the national average, with the dangerous implication that almost one in two young adults in SVG is unemployed. Female unemployment is also higher than in other OECS countries, with 26.4 percent of women unemployed, compared to 19.4 percent of men.

B. Sectoral and Institutional Context

4. **The human development sectors - Education, Social Protection and Labor - represent an important element of Government financing and programming in Saint Vincent and the Grenadines.** The country has a strong record of public provision of HD programs and services. Education accounted for 5.09 percent of GDP in 2010,⁹ and public education is fully subsidized from pre-primary to secondary levels. Expenditure on social assistance and labor programs was 2.1 percent of GDP in 2015, of which 1.7 percent went to social assistance programs. This compares favorably with Social Protection and Labor (SPL) spending trends in the OECS countries.¹⁰ The country also has a strong record of providing social insurance. Expenditure on social insurance accounted for 2.9 percent of GDP in 2015.¹¹

5. **Despite improvements in overall HD performance and adequate spending levels, SVG still faces challenges in ensuring effective and efficient delivery of services.** One of the key cross-cutting constraints relates to persistent information gaps which make informed decision-making weak in HD sectors. Such weaknesses limit the ability of systems to respond effectively. At the same time, low levels of economic growth in recent years are likely to translate into limited increases in government spending, so improvements in outcomes will be more dependent upon improvements in efficiency both in education and social protection sectors.

6. **With regards to education sector, while there is universal access to education in SVG, many students are not acquiring basic skills.** Some of the underlying causes of low education quality are lack of clear teaching and learning standards and low capacity of teachers to use information on student learning to adjust pedagogy or to use classroom assessments to diagnose weaknesses in student learning. There is no system of teacher appraisal, limiting the ability of principals and other instructional leaders to provide feedback to teachers and improve classroom instruction. These weaknesses contribute to a failure to address learning deficiencies before a student exits the system or transitions to the next grade. The problem is further aggravated for children with special needs, who are insufficiently

⁷ Caribbean Development Bank (2008), Saint Vincent and the Grenadines – Country Poverty Assessment 2007-2008.

⁸ Among youth, the highest level of unemployment is in the 15-24 age group, which accounted for 42.7 percent of unemployed youth in 2015. This was higher than in other Caribbean countries including Jamaica (30.5 percent), Grenada (34.1 percent), and St Lucia (36.9 percent). SVG Labour Force Survey 2015.

⁹ The most recent year for which data was available. Edstats, World Bank (2016).

¹⁰ Safety net assessments conducted for OECS countries in 2009-10 revealed spending on social assistance ranging from 1.3 percent to 3.2 percent. (World Bank, Unicef, UNWomen).

¹¹ The most recent year for which data was available.



integrated into mainstream schools. In addition, mainstream teachers are not trained, nor do they have the appropriate materials, to teach children with special needs.^{12,13}

7. The OECS countries have initiated several joint activities to address the challenge of low learning achievement as part of implementation of the regional OECS Education Sector Strategy.¹⁴

With the support of a Global Partnership for Education (GPE) grant, they have completed the implementation plan for the OECS Education Sector Strategy and have initiated the development of a harmonized curriculum, a learning assessment framework that includes formative assessments, and a process for clarifying learning standards based on the harmonized curriculum. The Grant will also support initial implementation of these activities at the country level.

8. SVG provides a large number of SPL programs and services to respond to a variety of risks faced by the poor and vulnerable, but program delivery is not guided by an overall SP policy.

Programs include Public Assistance (PA), a principal cash transfer managed by the Ministry of National Mobilization, Social Development, the Family, Gender Affairs, Persons with Disabilities and Youth (MONM). PA alone provides 17 different benefits with overlapping criteria and purposes.¹⁵ The PA Act of 1990 is the only relevant legislation that applies to social safety nets, yet is irrelevant to the current and planned design of the PA program. Given the absence of an overall SP Policy, priorities and objectives for the sector are not clearly articulated, and efforts to reach the poor and vulnerable are uncoordinated and fragmented.

9. Coverage of the PA program is difficult to assess, compounded by apparent multiplication of benefits and constraints in providing comprehensive support to poor households.

At the time of the last Country Poverty Assessment (CPA) in 2008, there were approximately 32,000 poor persons in the country. Poverty data has not been updated since then, and the income-based assessment for determining eligibility is linked to thresholds from the last CPA exercise. In June 2016, there were 16,575 individuals (9,632 households) receiving one or more category of PA benefits. Assessment of the current benefit incidence is constrained by the absence of updated poverty data, and by significant data management issues with the current PA beneficiary registry that fails to record multiple benefits within a single household. Although the intake assessment is household-based, benefit delivery and support services are often individual-focused. Providing frequent follow-up to beneficiaries has been a challenge due to high caseload of case workers.

10. The country recently initiated several reforms to strengthen the social safety net (SSN), which to date remain incomplete due to capacity and resource constraints.

These efforts were informed by recommendations from a 2010 SSN assessment to strengthen the system's performance, including the need to modernize service delivery; improve objectivity of targeting; reduce duplication of benefits; improve program monitoring and evaluation; and establish a policy foundation for the SP system.

11. Skills training and labor market outcomes have been weak due to ad-hoc service delivery; program responses that are not sufficiently informed by the labor market data; outdated labor

¹² See Education for All 2015 National Review Report: Saint Vincent and the Grenadines (<http://unesdoc.unesco.org/images/0023/002321/232118e.pdf>).

¹³ OECS Education Sector Strategy 2012-2021 (<http://www.oecs.org/edmu-resources/oecs-education-strategy>).

¹⁴ The OECS Education Sector Strategy is available at: <http://www.oecs.org/edmu-resources/oecs-education-strategy>.

¹⁵ Family Affairs Division, Procedural Manual. There is a household cap of EC\$800 (US\$296) per household, per month – but there are higher maximum benefit sizes for Medical Assistance (EC\$2,100 – US\$778) and Burial Assistance (EC\$2000 – US\$740).



legislation; and capacity constraints. Despite the availability of job seekers in the labor market, employers have cited an inadequately educated workforce as a major obstacle to employment in the most recent enterprise survey (2010). In addition, the systems for delivering labor market programs, and responding to the needs of employers and job seekers in a coherent way, need strengthening. Schools are insufficiently equipped to provide Technical and Vocational Education and Training (TVET) and certification to students. Programs to facilitate skills upgrading of unemployed persons are often small-scale and depend on volatile donor funding. Skills training programs are implemented without being informed by relevant demand-side and supply-side data as implementing agencies lack the resources to carry out frequent labor demand and labor force surveys. Furthermore, there is limited assessment of program performance or impact.

12. **The development of a strong TVET framework is a strategic priority for the Government, and although there has been considerable progress on this front in recent years, key gaps remain.**¹⁶ A Sector Skills Development Act was passed in 2010 and the TVET certification framework has been established, enabling the country to issue National Vocational Qualifications (NVQs) and Caribbean Vocational Qualifications (CVQs).¹⁷ The Ministry of Education, Ecclesiastical Affairs and National Reconciliation (MOE), through the Sector Skills Development Agency (SSDA) and its secretariat, the National Qualifications Department (NQD) is responsible for developing and implementing TVET training programs, as well as NVQ and CVQ certification. The SSDA also delivers small-scale skills training to unemployed youth, financed mainly by external donors, through Technical Institutes (TIs) under the MOE's jurisdiction.

13. **The Labour Department, under the Ministry of Economic Planning, Sustainable Development, Industry, Information and Labor (MOEP), has overall responsibility for the administration of industrial relations laws, the establishment of effective workplace policies, and the promotion of efficient employment services.** Critical to these are up to date labor related legislations and regulations, and the availability of reliable and timely labor market data. However, challenges of outdated data and legislation, and limited capacity, have hampered the Department's ability to carry out its responsibilities effectively.

14. **SVG has made great progress in narrowing gender inequalities in education.** While enrollment rates and completion are slightly higher for males in primary education, these gaps reverse in secondary education, where females show slightly better outcomes. However, this equity does not reflect in the transition to employment, where crucial indicators of economic opportunity expose remaining inequalities in labor markets –the ratio of female-to-male labor force participation in 2014 was 71.7 percent (World Bank Gender Data Portal). As a result, labor market transition and training programs are a promising avenue to address gender gaps in this vital transition.

¹⁶ Including outdated labor market data, limited adaptation of formal school system for TVET delivery, and shortage of trainers, assessors and verifiers in TVET skills competencies.

¹⁷ NVQs and CVQs are work-related, competence-based certifications, which trainees can be certified in after their performance of a work role is assessed against established Occupational Standards by trained and certified assessors. NVQs are recognized in the local territory where they are offered, while CVQs are recognized by the Caribbean Community (CARICOM) countries using in the Caribbean Association of National Training Agencies (CANTA) Framework. CVQs are CARICOM-approved occupational standards developed by industry experts and CVQ holders are able to seek employment in other CARICOM countries with available jobs. NVQs and CVQs are offered from Level 1 (entry level/basic competency) to Level 5 (professional management/advanced competency).



15. **SVG will require more sustained support to:** i) ensure that HD service delivery is effectively able to support the country's development objectives, ii) ensure efficiency gains in a climate of tight fiscal constraints; and iii) improve the relevance of HD programs to poor and vulnerable households who routinely face repeated shocks.

C. Higher Level Objectives to which the Project Contributes

16. **The Project contributes to the Bank's twin goals of eliminating extreme poverty and boosting shared prosperity by facilitating improvements of human development outcomes through better quality education, strengthened social protection systems, and improved labor market outcomes.** Specifically, the Project investments would: (i) improve service delivery systems through the use of clear standards to guide teaching and learning and thereby improve capacity; (ii) build stronger and more efficient social protection service delivery instruments, human resources, and institutional mechanisms to improve protection of the poor and vulnerable during shocks, and better address chronic poverty through targeted interventions; and (iii) develop a more sustainable and evidence-based skills training framework, guided by updated and comprehensive labor policies and frameworks.

17. **The Project is also consistent with the World Bank Group OECS Regional Partnership Strategy (RPS) FY2015-2019 (Report No. 92666) discussed by the Board of Executive Directors on November 13, 2014.** The Project activities are aligned in particular with outcomes 6 and 7 under the resilience pillar, which are improved targeting and reduced fragmentation of the social protection system, and establishment of quality education standards, respectively. The RPS recognizes the importance of strengthening the capacity of HD systems for the delivery of quality services to ensure access by the most vulnerable populations to critical social services that will contribute to breaking the poverty cycle.

18. **Furthermore, the Project aims to contribute directly to sectoral strategies.** The Project will support the implementation of agreed actions in the regional OECS Education Sector Strategy 2012-2021. In particular, increasing access to TVET training for disadvantaged youth and enhancing the system's capacity for TVET delivery directly supports the strategic imperative to "provide opportunities for TVET for all learners". The Project will also provide critical technical assistance to support the country in finalizing a Social Protection Strategy which will provide a roadmap for the delivery of SPL programs and services.

19. **The Project aims at strengthening the climate change (adaptation and mitigation) co-benefits by improving the knowledge of climate resilience and post-disaster response.** SVG is at high risk from the effects of climate change including hurricanes, storm surges and drought. The Regional Disaster Vulnerability Reduction project (P117871) is developing a pilot curriculum on climate resilience, which will be integrated into the teacher training Sub-component 1.1 under this Project, aiming to enhance the awareness and improve the resilience to adverse climate events and the longer term impact of climate change. Also, the strengthening of the safety net system under Sub-component 2.2 will, in part, be informed by the currently on-going Rapid Social Response (RSR) grant for SVG (P161103), which focuses on improving the effectiveness of the social safety net programs in responding to climate change and climate variability. Specifically, the RSR Grant, which complements the Project, will contribute to SVG's objectives for better preparation and effective response to poor and vulnerable households hit by disasters, by: (i) carrying-out critical stocktaking and risk analyses; (ii) identifying options for improving critical SP delivery system instruments and developing some key tools to respond to disasters; and (iii) providing capacity building for staff and improving understanding of the linkages between SPL and



disaster response among key stakeholders. Enhancing teachers' knowledge on climate resilience and the improving social protection instruments will contribute to strengthening the awareness of the climate issues and making human development systems in the country more responsive to shocks thus reducing the vulnerability of population affected by climate change events.¹⁸

II. PROJECT DEVELOPMENT OBJECTIVE (PDO)

A. PDO

20. The objectives of the Project are to strengthen the quality of service delivery in education, to improve efficiency of social protection systems, and to improve effectiveness of labor market systems in Saint Vincent and the Grenadines.

B. Project Beneficiaries

21. The strengthened service delivery in human development systems will indirectly benefit the overall population. However there are several stakeholder groups that will receive specific focus from project interventions, as follows:

- (a) Project interventions in primary and secondary education will directly benefit students, teachers, and school leaders (principals, deputy principals, and senior teachers) at all 68 primary and 26 secondary schools in the country.
- (b) Poor and vulnerable households will benefit from strengthened mechanisms to provide safety net support to them and facilitation of human capital development. These improvements will also facilitate resource efficiencies in contexts of significant resource constraints. Specifically, the Project will benefit at least 1,200 poor and unemployed persons in Saint Vincent and the Grenadines through improved access to skills training. To support gender equity, at least half of those receiving training are expected to be women, and a supplemental childcare stipend will be provided to at least 400 parents of young children to prevent this type of dropout.

C. PDO-Level Results Indicators

22. The following indicators will measure progress toward achieving the PDO:
- (a) Percentage of primary and secondary teachers in SVG rated effective on classroom practices;¹⁹
 - (b) Share of PA beneficiaries whose eligibility is determined through a household assessment using the revised targeting tool; and

¹⁸ The Team estimated at the time of appraisal that the co-benefits amount to about 20 percent of the total investment.

¹⁹ Effective teaching practices will be determined through classroom observation that uses guidance provided by Kane, Kerr, and Pianta (2014). *Designing Teacher Evaluation Systems: New Guidance from the Measures of Effective Teaching Project*. John Wiley & Sons. Baseline will be established using Classroom Assessment Scoring System (CLASS) by May 2017.



- (c) Share of graduated trainees employed or in further training 12 months following training completion.

III. PROJECT DESCRIPTION

A. Project Components

23. **The Project would be structured around four components.** A brief summary of the Project components is presented here, with additional details on results in Annex 1 and on components in Annex 2.

24. **Component 1: Strengthening pedagogy for basic and special needs education (USD\$2.16 million).** This Component aims to strengthen the capacity of teachers to deliver, and of school leaders to support, high-quality classroom instruction, with the ultimate goal of improved learning outcomes for primary and secondary school students in SVG. Based on the new assessment framework and guidelines developed under the project supporting the regional OECS Education Sector Strategy, teachers will be trained to conduct formative assessments and use them to target instruction to students' current levels of comprehension, which is essential to effective learning. The Component will be delivered through two sub-components:

25. **Sub-component 1.1. Strengthening teaching capacity (USD\$1.81 million)** by: (i) adapting the OECS teaching and learning standards developed at the regional level to the Saint Vincent and the Grenadines context;²⁰ (ii) disseminating the adapted teaching and learning standards to all teachers through cascading training sessions and printing and distribution of teacher's manuals and guidelines on the new learning standards, using formative assessments, and effective pedagogical practices; (iii) upgrading the skills of selected teachers through targeted training modalities; (iv) carrying out annual monitoring of teacher classroom practices through the use of classroom observation instruments; (v) carrying out a pilot remedial program to be delivered through both teachers and after-school tutors; and (vi) strengthening special education through materials, teacher training, and training for parents of children with autism and spectrum and behavioral disorders. The Sub-component will also support an impact evaluation to assess the effectiveness of the activities, and focus group discussions will be conducted with principals, teachers, parents, and students to ensure citizen engagement.

26. **Sub-component 1.2. Developing capacity of school leaders to support teachers in improving pedagogy and help build a pipeline of effective future school leaders (USD\$0.346 million).** It will include: (i) provision of training for new principals and senior teachers, (ii) printing and distribution of handbooks on school management, (iii) the development of a performance appraisal tool for principals, and (iv) a mentoring program for new principals.

²⁰ The OECS GPE grant will not only support the development of teaching and learning standards to improve teachers' pedagogy, but also the development of guidelines for revision of teachers' professional development. The adaptation to the country level under this project will not only incorporate regular teachers but also Special Education teachers and occupational standards for TVET teachers.



27. **Component 2: Building Responsive Social Protection Service Delivery Systems (US\$3.46 million).** This Component will aim to: (i) improve SPL service delivery instruments to support a household approach to providing safety net benefits; (ii) strengthen human resource capacity for provision of SPL programs and services; and (iii) enhance institutional mechanisms and strategy for more efficient, coordinated, and transparent service delivery, and improved communication and education strategies for safety net beneficiaries. The Project will also finance poverty data collection to ensure evidence-based decision making in identification of beneficiaries and program responses to address poverty challenges. The activities will be complemented by the recently approved TA financed through the Rapid Social Response Trust Fund (RSRTF) to improve emergency safety net response to climate shocks.²¹ The Project will provide support to three implementing agencies under this Component.

28. **Sub-component 2.1. Support in Completing an Enhanced Country Poverty Assessment (eCPA) (US\$0.80 million).** The Sub-component will finance data collection, data processing, and analysis to carry out a Living Conditions Survey (LCS) and Household Budget Survey (HBS) for an eCPA to inform safety net program design and poverty reduction strategies and policies.

29. **Sub-component 2.2: Support in Strengthening the SP System (MONM) (US\$2.66 million).** The Sub-component will finance the development and implementation of a targeting system; beneficiary registry linked to a new MIS; improved payment system; institutional assessment, capacity building, knowledge exchange and training to MONM staff, strengthened operational procedures, and better monitoring and evaluation (M&E), as well as improved public communication and beneficiary education.

30. **Component 3: Strengthening Labor Market Systems and Improving Skills Training of Poor and Vulnerable Populations (US\$3.84 million).** This Component will finance labor market data collection to inform training and labor market policy; direct delivery of TVET training to poor and unemployed persons; improvements in the learning environment for TVET education in selected schools; and technical assistance and investments to strengthen the overall institutional capacity and policy framework for a sustainable TVET and labor market system. There are two implementing agencies under this Component.

31. **Sub-component 3.1: Support in Strengthening the Certification Framework (US\$3.32 million).** This Sub-component will finance technical assistance, investments, and training to fill remaining gaps in service delivery, including:

3.1.1.: Expanding Access to Training for Poor and Vulnerable Youth and Adults. This Sub-component will provide competency-based technical training, core-skill training, applied learning and simulation activities, individual career guidance, and interview coaching sessions consistent with labor market needs²² to a cohort of approximately 1,200 poor unemployed youths and adults in CVQ Level I unit programs. Training will employ incentives to encourage

²¹ P61103 - Strengthening Social Protection System for Disaster Preparedness and Response in Saint Vincent and the Grenadines (P161103). The TA complements the Project by financing the analyses needed to identify options for systems improvements for a more adaptive and disaster-responsive system.

²² Some of the main programs are expected to be Electrical Installation, Plumbing, Data Operations, Food Preparation, Food and Beverage, Cosmetology, Auto Mechanics, Data Operations, Welding, and House Keeping.



female participation and prioritize participation of the poor, with a share of beneficiaries to be referred from the Public Assistance register.

3.1.2.: Enhancing the system’s capacity for TVET delivery. This Sub-component will address the long and short-term capacity-building needs for expanding access to TVET programs and improving the learning environment of TVET instruction and management. This includes:

(i) *Improving the learning environment and TVET delivery in selected secondary schools* through procurement and installation of tools, ICT and other equipment, furniture and other required curriculum-support materials, as well as through works, including minor retrofitting and repairs to TVET laboratories.

(ii) *Improved human resource capacity for TVET training and administration.* This activity will include training for approximately 100 master assessors, assessors and verifiers to support implementation of CVQs in SVG as well as skills upgrades for 40 TVET instructors.

32. **Sub-component 3.2: Support in Strengthening of Labor Legislative Framework (US\$0.52 million).** This Sub-component will finance technical assistance to the Labour Department under the MOEP to update the Protection of Employment Act of 2003 and Labour Relations Bill of 2001, and to carry out a labor force survey and labor demand survey by the Statistical Office. The capacity of the Labour Department and relevant agencies will be strengthened through external training on the latest research and practices in labor market interventions. A tripartite approach will be used to ensure citizen feedback into the legislative update process, including employers, employees, and government.

33. **Component 4: Project Implementation, Monitoring and Evaluation (US\$1.24 million).** This Component would finance activities related to the management of the Project to ensure its effective administration and implementation, and develop and put in place an effective monitoring system.

B. Project Cost and Financing

34. The total cost of the Project is US\$10.7 million (SDR7.90 million equivalent), to be financed fully by the IDA Credit to the SVG. The overall Project costs are presented in the table below.

Table 1: Project Costs

Project Components	Project cost	IDA Financing
Component 1: Strengthening Pedagogy for Basic and Special Needs Education	2,160,000	2,160,000
Component 2: Building Responsive Social Protection Service Delivery Systems	3,460,000	3,460,000
Component 3: Strengthening Labor Market Systems and Improving Skills Training of Poor and Vulnerable Populations	3,840,000	3,840,000
Component 4: Project Implementation, Monitoring and Evaluation	1,240,000	1,240,000
Total Project Costs	10,700,000	10,700,000
Total Financing Required	10,700,000	10,700,000



C. Lessons Learned and Reflected in the Project Design

35. **The Project's design draws on lessons learned from other operations, including the ones in small OECS countries:**

(a) *Simplicity.* In countries with limited institutional environment it is important to keep the project design simple. While this Project was initially envisaged as a multi-country multi-sector project, its structure has been revised to a country-specific approach to HD service delivery, focused on the education, social protection and labor sectors.

(b) *Aligning Project design with implementation capacity.* The Project scope aims to ensure that the activities of each of implementing agencies are sequenced and aligned with the capacity of these agencies. The Project will sequence implementation of Project activities so as not to jeopardize regular activities of implementing agencies.

(c) *Strong ownership and commitment.* Strong country ownership has proven to be critical for successful implementation of the Project. To ensure it the Project has been designed to support the implementation of SVG's sectoral strategies in Education, Social Protection and Labor. Also, continuous intense involvement of the representatives of implementation agencies throughout the development of Project design strengthens their ownership and commitment to the Project.

(d) *Continuous capacity building.* The capacity in Project implementing agencies is limited, and can change rapidly. To mitigate the risk of Project delays due to such changes, it is important that the continuous capacity building is provided throughout the Project.

(e) *Strong implementation support.* Limited capacity also requires intensified World Bank implementation support. Along with regular missions, the Government and the Bank team also plan to continue relying on frequent meetings via phone/video.

(f) *Operational arrangements.* Project Implementation Units are important repositories of fiduciary capacity in Caribbean countries. For SVG, a national-level Public Sector Investment Programme Management Unit (PSIPMU) can help protect portfolio quality and ensure cost-effectiveness better than separate implementation units for each project. Thus the Project will rely on the existing PSIPMU. In Education, a separate coordinating committee will be established to enable representatives of key OECS partners implementing the regional education strategy to ensure coherence and consistency in implementation and to benefit from country experiences.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

36. **The fiduciary aspects of the Project will be supported by institutional and implementation arrangements that are built on established mechanisms and based on lessons learned from other Bank-financed projects in OECS.** These arrangements are detailed in Annex 3.

37. **Given the multi-sectoral design of the Project, both the planning and implementation of Project's investments will require working across ministerial boundaries and close coordination at various levels.** The MOEP will be responsible for the management and coordination of the Project. The MOEP will engage a Project Coordinator who will be responsible for the day to day management of the



Project. The Project Coordinator will report to the Director of Planning of the MOEP. An intergovernmental Project Steering Committee, comprised of representatives from each implementing agency, will be established and maintained at all times throughout Project implementation. Also, at least one Focal Point for the Project will be appointed in each of the implementing agencies who will work closely with the Project Coordinator in the MOEP. The fiduciary aspects of the Project will be managed by the aforementioned PSIPMU that is already operational in the MOEP. These arrangements are meant to provide strong Government ownership and oversight for the reforms supported by the Project, as well as to ensure improved coordination of HD sectors on a country level, which would further enhance service delivery systems supported by the Project.

38. **The MOEP, the MOE, and the MONM will be the implementing agencies for the Project.** Those will be responsible for the preparation of ToRs, activity scheduling, budgeting, selection of consultants/suppliers, some aspects of activity supervision, as well as results monitoring of their respective indicators.

39. **The Project will support strengthened capacity of implementing agencies through financing training and knowledge exchange, and complementary support for Project execution where necessary.** Various training activities and knowledge exchange for implementing agency staff are detailed in the Project Description section of this PAD. Given the complexity of some components, some complementary support may be needed for implementing agencies to ensure effective implementation and monitoring of project activities. Given capacity constraints at the MONM, the Project will finance technical/operational support for the MONM to support Project Coordination, and for the roll-out of new service delivery tools. To ensure sustainability, an institutional assessment of MONM will be financed to inform the human resource needs under the reformed processes.

B. Results Monitoring and Evaluation

40. **The Project will support interventions to strengthen monitoring and evaluation capacity of the implementing agencies and regular reporting is to be coordinated by MOEP.** The Project will finance M&E related training as part of capacity building exercises, including capacity building in data analysis to improve monitoring and reporting of labor market outcomes. Development of the MIS for the MONM will also facilitate improved monitoring of service delivery to PA beneficiaries. On gender, the Project will track the share of female beneficiaries for the Social Safety Net under Sub-component 2.2 and TVET training under Sub-component 3.1; as well as the share of enrolled females who complete training. For the childcare benefit, which is aimed to mitigate against dropout, particularly among female parents, the Project will monitor completion rates of those receiving the benefit through progress reports on training implementation. At the Project level, each implementing agency will be required to submit a progress report on project activities to MOEP, and the MOEP will submit the consolidated report to the Bank. This will be done on a quarterly basis during the first two years of the Project, and semi-annually during the final three years for the Project. The Project will also include an impact evaluation under Component 1 to assess the effectiveness of the activities under Sub-component 1.1.

C. Sustainability

41. **Strategies to ensure sustainability have been built into the Project design.** The Project is fully aligned with the sectoral and national strategies, supporting Government efforts to improve the quality



of education; improve the efficient delivery of social protection services and benefits; and support a more effective labor market system. Each component includes capacity building of Government implementing agencies as core activities, with the objective of improved human resource capacity to deliver HD programs and services. These are detailed in the Project Description and Annex 2. Training a cadre of staff in the MOE, MONM, Statistical Office and Labour Department will also help mitigate the risks of capacity deficiencies due to staff turnover in this small country context. Equipping of schools under Component 3 will ensure sustained ability to deliver TVET training well beyond the Project's closing date.

D. Role of Partners

42. **The activities are closely coordinated with development partners in the region that are supporting SVG with strengthening service delivery in HD Sectors.** In particular, the activities under the Education Component are linked directly to the regional OECS Education Sector Strategy 2012-2021 and necessitate continued collaboration with the OECS Commission to achieve these objectives. The Education Component will also be closely coordinated with the regional and country activities supported by the GPE grant. The remedial education activity will use tools developed with the United Nations Children's Fund (UNICEF) Child-Friendly Schools Program. For Social Protection, the eCPA activities are being carefully coordinated with the Caribbean Development Bank (CDB) and the OECS Commission to avoid duplication and ensure consistency with the regional approach for the eCPA exercise.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

43. **The overall risk for the Project is Substantial.** While there is a very strong ownership from all the implementing agencies, the Project faces substantial Macroeconomic, Institutional Capacity, Technical Design and Fiduciary risks primarily due to capacity constraints.

44. **Risk mitigation.** To mitigate the technical design and institutional capacity risks, the Project activities are aligned with the capacity of implementing agencies. Also, a strong focus is placed on capacity building for the implementing institutions. The fiduciary risks, as well, are mainly due to capacity constraints. To mitigate the risk, the Project would rely on the support of a well-established fiduciary infrastructure – the PSIPMU in the MOEP, as well as capacity building. Macroeconomic instability could undermine the focus on the reform agenda. The social protection reforms supported under the Project are widely recognized as critical in ensuring the support to the poorest in the situations of fiscal tightening, and the Project will ensure on-time technical assistance in the case of such instability.



VI. APPRAISAL SUMMARY

A. Economic and Financial (if applicable) Analysis

45. **The economic benefits of the Project have been assessed through three lenses: (i) the development impact of the Project; (ii) the adequacy of public sector provision/financing; and (iii) the value added by the World Bank.** Although difficult to quantify accurately, estimates economic and social rates of return are expected to be high due to: (i) improved quality of primary and secondary education; (ii) strengthened mechanisms to provide safety nets support; (iii) higher economic productivity of youth who would otherwise fail to develop adequate skills; and (iv) improved data for monitoring poverty and labor market trends that will enable informed policy development. The World Bank's extensive experience in supporting reforms in education, social safety nets, as well as vocational training and productive inclusion in a large number of countries across the globe, makes the Bank best positioned to assist the Government in making well informed decisions based on the best international practices. A more detailed economic rationale for support to the strengthening of HD service delivery in SVG is presented in Annex 4.

B. Technical

46. **The Project builds on best practices and innovations.** In education, the project's emphasis on pedagogy, teacher training, and monitoring teacher performance is well supported by international evidence. An assessment of systematic reviews in education found that the interventions most consistently found effective focused on improving pedagogy, and in particular on tailoring instruction to student skills (Evans and Popova 2015). A review of evaluations of in-service teacher training found that training programs that focus on a specific subject, include follow-up visits, and provide complementary materials tend to be effective (Popova, Evans, and Arancibia 2016). Therefore, the training and classroom observation activities are essential complements to each other, and will be reinforced through the teacher appraisal framework to be developed as part of the Project. Finally, school leadership has been found to be secondary only to classroom instruction among school-related factors that influence student outcomes (Leithwood 2005).

47. **For Social Protection, social safety nets (SSNs) have a proven record of smoothing consumption of poor households and assisting them with mitigating the risks they face.** Moving from a fragmented program delivery to service delivery anchored in a systems approach facilitates increases in resource efficiencies, which is particularly relevant for the fiscally constrained context in SVG. The Project will finance key approaches for the delivery of SSNs, including development and roll-out of objective targeting mechanisms for better identification of poor households; development of management information systems and social registries to ensure better monitoring of beneficiaries; and referral mechanisms to better match the poor to complementary programs and services.

48. **Lack of key data has constrained the ability to make evidence-based policy decisions.** The Project will directly contribute to a strengthened evidence-based, by financing data collection in key areas to ensure that policy and program decision making is rooted in recent data and responsive to current country contexts. This includes improving the repository of labor supply and demand data, and an update of country poverty data.



49. **The Project design includes strong focus on capacity building of implementing ministries and key staff responsible for delivering HD programs and services.** SVG has been hampered by capacity constraints in the HD sector. The capacity building activities financed by the Project will support sustainability, by ensuring knowledge transfer to Government staff.

C. Financial Management

50. **As noted previously, the FM of the Project will be undertaken by the Public Sector Investment and Program Management Unit (PSIPMU) already established within the MOEP.** The PSIPMU is familiar with World Bank financed projects and is cognizant with the Bank's policies and guidelines. The World Bank conducted a FM assessment of the Project in accordance with OP/BP 10.00 and the Financial Management Practice Manual (issued by the Financial Management Sector Board (FMSB) on March 1, 2010). In the FMS's opinion, the implementing entity in the MOEP has in place an adequate financial management system that can provide, with reasonable assurance, accurate and timely information on the status of the funds as required by the World Bank.

D. Procurement

51. **The Project is using the Bank's new Procurement Framework.** Therefore, procurement for the project shall be carried out in accordance with the Bank's Procurement Regulations for Borrowers for Goods, Works, Non-Consulting and Consulting Services dated July 1, 2016 and applicable to Investment Project Financing (IPF), herein after referred to as "Regulations". The project shall be subject to the Bank's Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016. The Project Procurement Strategy for Development (PPSD) was prepared in collaboration with the Borrower and informed the procurement plan. Under the new framework, the PPSD is used to analyze and determine the optimum procurement approach to deliver the right procurement result.

52. The PSIPMU will be responsible for all procurement activities under the Project. It will be directly responsible for the procurement of goods, works, and consulting and non-consulting services. The capacity assessment of PSIPMU to carry out procurement for the Project was completed. The PSIPMU has experience in procurement of consulting services, goods, works and training, and has been trained in the new procurement regulations for IPF Borrowers. However, lack of experience with the new regulations would warrant increased initial support from the World Bank, which is expected to be reduced with time as the PSIPMU staff becomes more familiar with the practical implications of the new World Bank procurement regulations. Accordingly, additional training to the PSIPMU may be required by the World Bank. Although the need to hire additional procurement staff to increase procurement capacity at the PSIPMU is not envisaged at present, the situation needs to be closely monitored and the needs assessed continuously, given the expected increase of procurement work to be undertaken by the PSIPMU.

53. **Proposed procurement methods.** The PPSD carried out for the project entailed a strategic assessment of the operating context and as well of the market, the different stakeholders, and the risks impacting procurement processes, and informed the Procurement Plan that was finalized during negotiations.



E. Social (including Safeguards)

54. **Improved service delivery in Education, Social Protection and Labor systems is expected to indirectly benefit the entire population.** Several beneficiary groups, however, are expected to directly benefit from the proposed Project. Project interventions in primary and secondary education will directly benefit students, teachers, and school leaders in primary and secondary schools. Interventions targeted specifically to children with disabilities will directly impact these children, their teachers and families. Poor and vulnerable households will benefit from strengthened mechanisms to provide safety net support to them and facilitation of human capital development. Components 2 and 3 will be closely monitored to ensure potential social safeguard risks are mitigated throughout implementation. This will include establishment of grievance procedures for Public Assistance benefits as part of the review of operational processes under Sub-component 2.2; and establishment of clear grievance mechanisms for addressing potential trainee complaints, with clear codes of conduct for training providers and employers at internship locations under sub-component 3.1. For sub-component 3.1, this will be supported by routine spot-checks to training and internship locations.

F. Environment (including Safeguards)

55. **The Project's Environmental Assessment Category is rated C.** None of the Project-supported activities are expected to lead to adverse environmental impacts since the project will not involve any major civil works (only minor retrofitting and repairs are envisaged) nor other activities that have environmental or social implications as per the Bank's safeguard policies.

56. **The Project has been screened for climate and disaster risks.** The overall risk rating is low given that the project will not finance any civil works to construct or rehabilitate physical facilities. However, it is possible that some of the Education or Social Protection activities could be interrupted due to unpredicted climate events during Project implementation. In terms of benefits, however the improvements in service delivery systems, capacity-building, and training activities will help in improving the preparedness for and response to adverse climate events. Also, inclusion of climate resilience curriculum into the teacher training will enhance awareness.

G. World Bank Grievance Redress

57. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : St. Vincent and the Grenadines
Human Development Service Delivery Project

Project Development Objectives

The objectives of the Project are to strengthen the quality of service delivery in education, to improve efficiency of social protection systems, and to improve effectiveness of labor market systems in Saint Vincent and the Grenadines.

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Percentage of primary and secondary teachers rated effective on classroom practices		Text	TBD in 2017	10% higher than baseline	Annual	Classroom observation using Classroom Assessment Scoring System (CLASS)	MOE
<i>Description:</i> Baseline will be established using the Classroom Assessment Scoring System (CLASS) in May 2017. Each year, a nationwide sample of primary and secondary teachers will be evaluated by trained observers. The value of the indicator is the number of observed teachers rated effective in classroom practices as a percentage of all observed teachers.							
Name: Share of PA beneficiaries whose eligibility is determined		Percentage	0.00	70.00	Semi-annual	Project Reports, MIS, Beneficiary Registry	MONM



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
through a household assessment using the revised targeting tool							
<p>Description: The number of PA beneficiaries that have been determined as eligible based on an assessment of the beneficiary's household using the new targeting instrument/the total number of PA beneficiaries.</p>							
Name: Share of graduated trainees employed or in further training 12 months following training completion		Percentage	57.00	65.00	Semi-annual	Project Reports	NQD
<p>Description: This indicator measure the proportion of graduates from training programs outlined in subcomponent 3.1.1. who report employment or further studies in the field of training during a follow-up interview. The follow-up interview will be conducted no later than 12 months of training completion, and will include all graduates (census). The baseline is estimated from a previous analogous training.</p>							

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Comp 1: Percentage of primary and secondary teachers using formative assessment based on learning		Percentage	0.00	30.00	Annual	MOE administrative data. Principals will verify use of formative assessment and report to Senior Education Officer for Inspection.	MOE



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
standards							
Description: Number of teachers using formative assessment/Total number of primary and secondary school teachers							
Name: Comp 1: Percentage of primary and secondary school principals prepared in leadership training programs		Percentage	0.00	70.00	Annual	MOE administrative data, collected by Senior Education Officers for Primary and Secondary Education	MOE
Description: Number of primary and secondary school principals that completed the leadership training/Total number of primary and secondary school principals							
Name: Comp 1: Focus group discussions held with education component beneficiaries (citizen engagement)		Number	0.00	19.00	Annual	Project Reports	MOE
Description: Focus group discussions held with: principals (one group each for primary and secondary), teachers (one group each for primary and secondary per training modality plus special education teachers), parents and students (one group of each for remedial and special education activities).							
Name: Beneficiaries of Safety Nets programs (number)	✓	Number	TBD	TBD	Semi-annual	Project Reports, MIS, Beneficiary Registry. (Baseline expected by March 2018)	MONM



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Beneficiaries of Safety Nets programs - Female (number)	✓	Number	TBD	TBD	Semi-annual	Project Reports, MIS, Beneficiary Registry (Baseline and end targets to be included by December, 2018)	MONM
<p>Description: This indicator measures the number of individual beneficiaries covered by safety nets programs supported by the Bank. Safety nets programs intend to provide social assistance (kind or cash) to poor and vulnerable individuals or families, including those to help cope with consequences of economic or other shock.</p>							
Name: Comp 2: Enhanced Country Poverty Assessment completed		Text	CPA last completed in 2008	eCPA final report published	Annual	Project Reports	Statistical Office
<p>Description: Data collection completed, validated and final report published. Data analysis completion will be confirmed by completion of basic tabulations - including disaggregation of poverty by age, gender, and region.</p>							
Name: Comp 2: Number of households from priority geographic areas with complete information stored in the Central Social Registry		Number	0.00	3000.00	Annual	MIS, Central Social Registry	MONM
<p>Description: Number of households from geographic areas pre-identified for survey sweep for application of the revised targeting instrument with complete information stored in the Social Registry. Households identified based on geographic prevalence of poverty identified through the LCS and hazard risk modeling supported by the RSRTF (P161103). Complete information will be assessed by ensuring that data corresponding to all core questions in the targeting instrument (i.e. those variables needed to calibrate the targeting score and to assess household eligibility) is entered in the Central Social Registry.</p>							



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Comp 2: Number of information and education sessions held with PA beneficiaries (citizen engagement)		Number	0.00	45.00	Annual	Project Reports, MIS	MONM
Description: Number of information and education sessions held with PA beneficiaries on SSN reform and to get citizen feedback on SP policy. end target is cumulative							
Name: Comp 2: SP Strategy Completed		Text	No SP strategy in place	SP Strategy Completed	Once	Cabinet Note, Project Report	MONM
Description: SP Strategy is submitted to Cabinet							
Name: Beneficiaries of Labor Market programs (number)	✓	Number	0.00	1340.00	Annual	Program Reports	NQD
Beneficiaries of Labor Market programs - Female (number)	✓	Number	0.00	670.00	Annual	Program Reports	NQD
Description: This indicator measures the number of individual beneficiaries covered by passive and active labor market programs (ALMPs) – including entrepreneurship programs - supported by the Bank.							



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Comp 3: Share of enrolled trainees who complete the training		Percentage	83.00	87.00	Annual	Program Reports	NQD
Comp 3: Share of enrolled trainees who complete the training - Female		Percentage	82.00	87.00	Annual	Program Reports	NQD
<p>Description: This indicator measure the proportion of those who graduate from the training program as a share of the total enrolled in training under subcomponent 3.1.1. The baseline is estimated from a previous analogous iteration of this training.</p>							
Name: Comp 3: Share of enrolled trainees certified in at least three CVQ units		Percentage	0.00	80.00	Annual	Program Reports	NQD
<p>Description: This indicator measure the proportion of enrolled trainees under subcomponent 3.1.1, who are trained and certified with at least CVQ unit certification Level 1. Measured by calculating the number of trainees who receive CVQ unit certification divided by the total enrolled trainees.</p>							
Name: Comp 3: Protection of Employment Act and Labor Relations Bill both tabled in Parliament		Text	Protection of Employment Act not updated since 2003 and Labor Relations Bill not	Protection of Employment Act and Labor Relations Bill are tabled in Parliament	Once	Project Reports, Cabinet Note, Parliament records	MONM



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
			updated since 2001				
Description: Protection of Employment Act and Labor Relations Bill both reviewed and updated and tabled in Parliament							

**Target Values****Project Development Objective Indicators**

Indicator Name	Baseline	YR1	YR2	YR3	YR4	YR5	End Target
Percentage of primary and secondary teachers rated effective on classroom practices	TBD in 2017						10% higher than baseline
Share of PA beneficiaries whose eligibility is determined through a household assessment using the revised targeting tool	0.00	0.00	0.00	0.00	40.00	70.00	70.00
Share of graduated trainees employed or in further training 12 months following training completion	57.00		57.00	60.00	63.00	65.00	65.00

Intermediate Results Indicators

Indicator Name	Baseline	YR1	YR2	YR3	YR4	YR5	End Target
Comp 1: Percentage of primary and secondary teachers using formative assessment based on learning standards	0.00	0.00	15.00	20.00	25.00	30.00	30.00
Comp 1: Percentage of primary and secondary school principals prepared in leadership training programs	0.00	10.00	30.00	50.00	60.00	70.00	70.00



Indicator Name	Baseline	YR1	YR2	YR3	YR4	YR5	End Target
Comp 1: Focus group discussions held with education component beneficiaries (citizen engagement)	0.00						19.00
Beneficiaries of Safety Nets programs (number)	TBD						TBD
Beneficiaries of Safety Nets programs - Female (number)	TBD						TBD
Comp 2: Enhanced Country Poverty Assessment completed	CPA last completed in 2008	LCS/HBS data collection initiated	LCS/HBS data analysis completed	CPA final report published			eCPA final report published
Comp 2: Number of households from priority geographic areas with complete information stored in the Central Social Registry	0.00				1500.00	3000.00	3000.00
Comp 2: Number of information and education sessions held with PA beneficiaries (citizen engagement)	0.00	5.00	15.00	25.00	35.00	45.00	45.00
Comp 2: SP Strategy Completed	No SP strategy in place	SP Strategy drafted and reviewed	SP Strategy submitted to Cabinet				SP Strategy Completed
Beneficiaries of Labor Market programs (number)	0.00	0.00	390.00	790.00	1180.00	1340.00	1340.00
Beneficiaries of Labor Market programs - Female (number)	0.00	0.00	182.00	367.00	583.00	670.00	670.00



Indicator Name	Baseline	YR1	YR2	YR3	YR4	YR5	End Target
Comp 3: Share of enrolled trainees who complete the training	83.00	83.00	84.00	85.00	86.00	87.00	87.00
Comp 3: Share of enrolled trainees who complete the training - Female	82.00	82.00	83.00	84.00	85.00	87.00	87.00
Comp 3: Share of enrolled trainees certified in at least three CVQ units	0.00	0.00	60.00	65.00	70.00	80.00	80.00
Comp 3: Protection of Employment Act and Labor Relations Bill both tabled in Parliament	Protection of Employment Act not updated since 2003 and Labor Relations Bill not updated since 2001	Legislations reviewed	Draft legislations reviewed and submitted to Cabinet	Protection of Employment Act and Labor Relations Bill are tabled in Parliament			Protection of Employment Act and Labor Relations Bill are tabled in Parliament



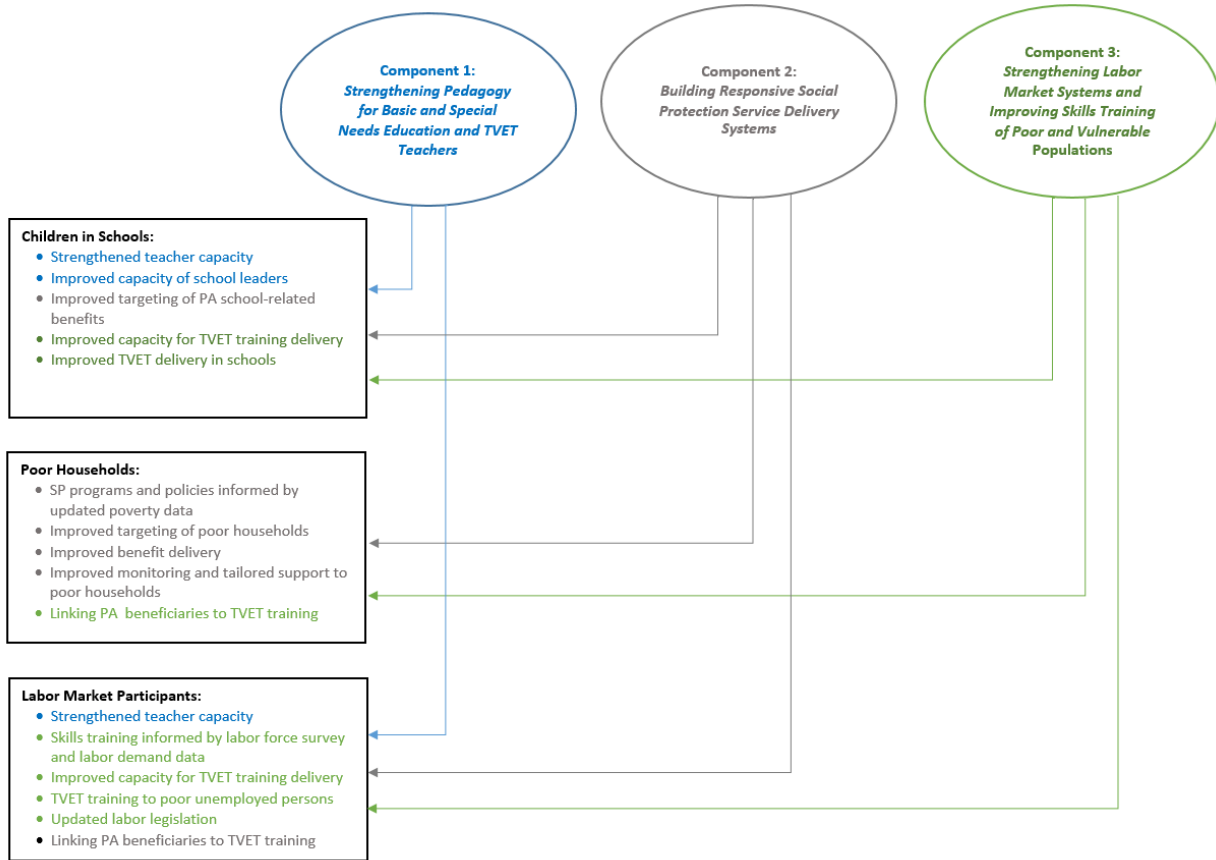
ANNEX 1: DETAILED PROJECT DESCRIPTION

COUNTRY : Saint Vincent and the Grenadines Human Development Service Delivery Project

1. **Overall PDO.** The objectives of the Project are to strengthen the quality of service delivery in education, to improve efficiency of social protection systems, and to improve effectiveness of labor market systems in Saint Vincent and the Grenadines.
2. **The Project will be structured around four components.** The first component will provide support for pedagogy for basic education teachers. The second component will build responsive social protection service delivery systems, and the third component will strengthen labor market systems for improved skills training of poor and vulnerable populations. A fourth component will support project implementation, monitoring and evaluation.
3. **The outputs and expected results from the Project's three core components are intrinsically interlinked, with direct and indirect benefits to three groups of beneficiaries of HD services – children at schools, poor households, and labor market participants.** Children in schools are expected to benefit from improved quality of education facilitated by strengthened capacity of teachers and school leaders under Component 1. For school children from poor households enrolled in PA, improved targeting and benefit delivery of school-related PA transfers supported by Component 2 will help ensure that poor children receive an adequate package of support to facilitate their attendance in school. Component 3 will also facilitate direct improvements in the delivery of TVET education in schools through adaptation and equipping of TVET classrooms and training of teachers in TVET assessment and verification. For poor households, along with SP policy and PA reforms better informed about the poverty constraints they face, the outputs of Component 2 will also establish improved targeting of PA transfers and faster and more efficient benefit delivery. Besides, the registry of PA beneficiaries will enable better identification of unemployed PA beneficiaries, and facilitate their inclusion in skills training and certification under Component 3, to improve their employability. Outputs under Component 3 are expected to improve skills and certification outcomes for a cadre of unemployed youth and adults; help ensure that training programs and labor policies are informed by current data; and improve labor legislation to strengthen workplace conditions and protections. Persons in, and preparing for, the labor market will benefit from the activities supported by the three core components.



Figure 1: Linking Project Components and Results



Component 1: Strengthening pedagogy for basic and special needs education (US\$2.16 million)

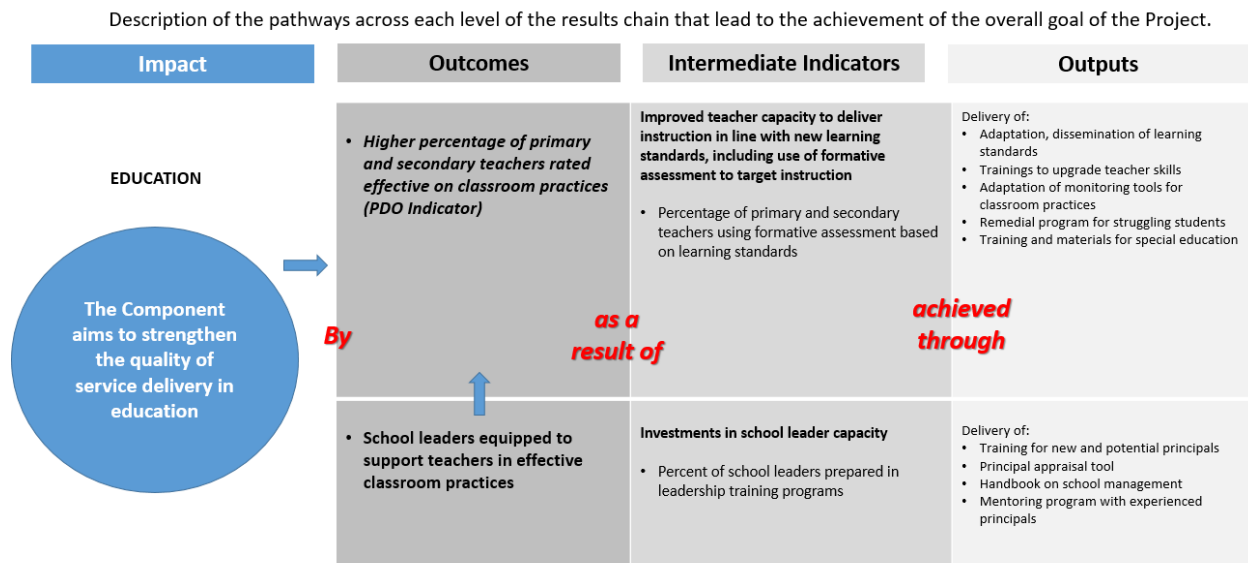
4. **A growing body of evidence indicates that teachers’ instructional practices play a key role in what, how, and how much students learn.** However, teachers’ specific characteristics that lead to better student-learning outcomes are less clear. Thus, devising effective policies to improve teaching quality remains a challenge. Effective professional development for teachers coupled with efficient monitoring of classroom instruction stand out as a powerful tool to raise student achievement. Without doubt, global changes demand the teaching of new learning content and skills to equip increasingly diverse student populations to function in the 21st century. Students must be provided with effective teaching if schooling and education are to remain relevant. In light of the aforementioned, effective professional development and monitoring, curriculum review and student support will be aligned in this Project.

5. **Principals are in the front line of the battle to create an environment for quality education.** However, school leaders in Saint Vincent and the Grenadines work under a number of constraints, and are often not sufficiently prepared for the tasks they must undertake. School principals are expected to be school leaders, and thus it is important to understand what types of powers and responsibilities



principals will have, and which types of powers and responsibilities make a principal an effective leader. Defining the role and responsibilities of principals and training them to achieve the needed competencies and abilities are very important in the process of improving quality of education. If a principal is required to set standards for the performance of teachers, then it is important for him or her to be equipped with tools to ensure that these standards are met. In order to support principals and potential principals acquire the knowledge and skills and to become more effective, efficient and professional leaders, this Project will provide the resources to establish a framework for promoting the leadership training for school principals.

Figure 2: Component 1 Results Chain



6. **Sub-component 1.1. Strengthening teaching capacity (USD\$1.81 million)** by: (i) adapting the OECS teaching and learning standards developed at the regional level to the Saint Vincent and the Grenadines context with support from the GPE;²³ (ii) dissemination of the adapted teaching and learning standards to all teachers through cascading training sessions and printing and distribution of teacher’s manuals and guidelines on the new learning standards, use of formative assessments, and effective pedagogical practices; (iii) upgrading the skills of selected teachers through targeted training modalities; (iv) annual monitoring of teacher classroom practices through the use of classroom observation instruments; (v) a pilot remedial program to support struggling students, to be delivered both through teachers and after-school tutors; and (vi) strengthening special education through materials, teacher training, and training for parents of children with autism and spectrum disorders and behavioral disorders.

²³ The OECS GPE grant will not only support the development of teaching and learning standards to improve teachers’ pedagogy, but also the development of guidelines for revision of teachers’ professional development. The adaptation to the country level under this project will not only incorporate regular teachers but also Special Education teachers and occupational standards for TVET teachers. The OECS GPE grant (P158836) provides US\$2 million equivalent of support. It was approved on July 5, 2016 and will close on September 30, 2019.



7. **The OECS GPE grant will support the adaptation of teaching and learning standards to improve teachers' pedagogy by reviewing the national curriculum and the teachers' professional development guidelines.** This Project therefore builds on activities conducted under the GPE grant. Adaptation will not only incorporate regular teachers but also Special Education teachers and occupational standards for TVET teachers.
8. **This Sub-component will first review and develop ten subject-level curriculum guides, five each at the primary (kindergarten to grade six) and secondary (forms 1-3) levels.** Training will be provided for all primary and secondary principals, senior teachers/deputy principals, and at least one teacher per subject at each school. These school leaders and teachers will then train the other teachers in their schools through professional development sessions.
9. **The Sub-component will upgrade teacher skills through three training modalities tailored to the needs of different groups of teachers in Saint Vincent and the Grenadines.** First, a one-year training and certification will be provided through the Division of Teacher Education (DTE) at Saint Vincent and the Grenadines Community College (SVGCC) to 100 regular teachers who are tertiary graduates but lack teaching certificates. The second modality will focus on providing basic teacher training to uncertified, non-graduate teachers who work on temporary contracts. This training will include one week of face-to-face sessions during the summer, nine additional days of face-to-face training during the following school year, and structured in-classroom practice with observation and feedback. The third modality will target education officers, new principals, and new (certified) teachers, who will be trained on effective pedagogies, including differentiated instruction, lesson planning, catering to the needs of the male adolescent learner, classroom management techniques, and planning assessments and using data to inform instruction. The length and format of the third modality will be similar to that of the second, with face-to-face sessions over one year combined with practical exercises to reinforce the skills. All of these trainings will include modules on formative assessment and on sensitization to the needs of special education students. In line with international best practice, the trainings will be in the context of specific subjects (as opposed to general principals of pedagogy) and will use the new learning standards, curriculum guides, and guidelines on effective pedagogy.
10. **All three training modalities - the certification of untrained graduate teachers, the training for untrained non-graduate teachers, and the pedagogy training - will also include a pilot curriculum on climate resilience.** The curriculum on climate resilience which will be integrated into the teacher training Sub-component 1.1 under this Project is being developed under the Regional Disaster Vulnerability Reduction project (P117871). This will aim at strengthening the climate co-benefits by improving the knowledge of climate resilience and post-disaster response.
11. **The Sub-component will reinforce teacher's skills by developing an appraisal system for teachers' performance in the classroom.** The tool will be adapted from the CLASS instrument which is being used to monitor progress at the project level. Twenty-five education officers, 60 school leaders, and 100 heads of department and subject coordinators will be trained in the use of monitoring tool, and it will also become part of the training for school leaders in Subcomponent 1.2. Teachers' classroom appraisals will become part of teachers' personnel files, which are used to inform decisions about promotion. The appraisals will also become part of the selection process for a new teacher recognition program to be established by the Ministry during the 2017-18 academic year.
12. **The Sub-Component will also include a pilot remedial education activity in a set of low-performing primary and secondary schools.** The activity will target students who are below proficiency



in the grades 2 and 6 exams. It will include: (i) after-school remedial tutoring with trained community members, likely unemployed college graduates and retired teachers; (ii) weekly sessions during school hours in which students will be regrouped by proficiency in reading mathematics, rather than grade level, and taught according to learning level by teachers; (iii) behavior modification sessions led by school counselors using materials developed and adapted for Saint Vincent with the UNICEF Child-Friendly Schools program; and (iv) enrichment sessions on science and technology, intended to help improve student motivation and provide early awareness of careers. The activity incorporates features demonstrated effective by rigorous international evaluations, including regrouping by learning level during the school day (Banerjee et al. 2016), after-school tutoring (Cabezas et al. 2011), and combining academic and behavioral intervention (Heller et al. 2015).

13. Finally, the Sub-component will support inclusive education of children with special needs.

The support will include furnishing materials (e.g. braille texts, resources for hearing-impaired students, and manipulables for children needing to develop fine motor skills); integrating awareness of special needs into the other teacher training modalities; providing professional development for 25 special education teachers (through ten days of face-to-face training during the summer and at intervals during the school year); and providing training to 50 parents of students with autism and spectrum disorders and 100 parents of students with behavioral disorders. The materials will help support teachers who have already received training from the Mico University College in Jamaica in teaching students with visual, hearing and other impairments, but lack classroom materials required to meet these children's needs. The training activities will address skills gaps in the country's teaching workforce, including identification and intervention for special needs students among general teachers and techniques to help students with autism, spectrum disorders, and behavioral disorders among Special Education teachers. The parent training will seek both to destigmatize these disorders and equip parents with techniques to help manage children's behavior and support their learning, and it will include parents of out-of-school children. The number of beneficiaries for the parent training are based on the number of children known to the Ministry of Education to have autism, spectrum disorders and behavioral disorders, both in and out of school; population-level data on the prevalence of these disorders are not available.

14. An impact evaluation will provide lessons on the effectiveness of the Project activities in changing classroom practices and, in turn, improving learning outcomes.

The design of the impact evaluation will be finalized in conjunction with the detailed implementation plans for the Project. One possible design, if feasible, will be to phase in the Project activities first to a randomly selected subset of schools in SVG. These schools would be eligible to receive the project activities during the first year of implementation, and the other schools would be phased in subsequent years. The random selection would be stratified by school size and/or performance to ensure comparability across the range of schools in the country.

15. Sub-component 1.2. Developing capacity of school leaders to support teachers in improving pedagogy and help build a pipeline of effective future school leaders (USD\$0.35 million).

It will include: (i) provision of training for new principals (having two years of service as principal or less) and potential principals; (ii) printing and distribution of a handbook on school management; (iii) the development of a performance appraisal tool for principals, to be used by supervising Education Officers; and (iv) a mentoring program to match new principals with experienced principals.



16. **The training of school leaders aims at developing the capacity of monitoring classroom and instructional practices and providing feedback to teachers in support of more effective teaching.** The training will be provided to 40 new (i.e., promoted in the last two years) principals and sixty teachers identified as having the qualifications, experience, and potential for leadership to become principals in the near future. The key contents of the training will include: (i) providing effective feedback; (ii) using the classroom observation instrument developed in Sub-component 1.1; (iii) developing teacher coaching and intervention plans; and (iv) supporting the preparation of the School Development Plans (PDEs), whereby schools diagnose their problems using information from classroom observation and formative assessments and outline strategies to address those problems. As part of the PDEs, whenever appropriate, schools will be asked to include a strategy for inclusion of disabled students and, as such, ensure that those concerns are addressed in the schools. The mode of delivery will be online and face-to-face in three batches, and the duration will be six months with one module per month.

17. **The Sub-component will also develop a system of principal performance appraisal and mentoring.** The principal performance appraisal tool will be used by the Education Officers who supervise principals and will be adapted from existing tools, such as the World Management Survey. The mentoring activity will match new principals to experienced, high-performing principals for two weeks of shadowing and ongoing mentoring and coaching.

Component 2: Building Responsive Social Protection Service Delivery Systems (US\$3.46 million)

18. **While Saint Vincent and the Grenadines provides a range of safety net benefits, service delivery is fragmented and hampered by severe inefficiencies, which limit the ability to effectively respond to the risks faced by the poor and vulnerable.** The country also does not have a clear guiding policy or strategy for Social Protection, the Public Assistance Act of 1990 being the only relevant legislation that applies to social safety nets.

19. **The flagship SSN program Public Assistance, (PA) managed by the Ministry of National Mobilization, Social Development, the Family, Gender Affairs, Persons with Disabilities and Youth (MONM), currently provides 17 different benefits with overlapping criteria and purposes.** These include the National Assistance Fund (NAF) targeted to elderly, chronically ill and people with disabilities (PWDs), and other benefits including monthly Cost of Living (COL) support to elderly; cash support for basic amenities; cash support for school meals and transportation; vouchers for school uniforms; basic amenities (including food and household items); and utilities, among others. PA also provides emergency-related benefits such as vouchers for funeral costs, cash and vouchers for fire victims, and other emergency safety net support, with fluid eligibility criteria. Benefit sizes vary depending on the support provided, but there is a household cap of EC\$800 (US\$296) per household per month.²⁴

20. **Coverage of the PA program is difficult to assess, compounded by apparent duplication of benefits and constraints in providing comprehensive support to poor households.** At the time of the last CPA in 2008, there were approximately 32,000 poor persons in the country. Poverty data has not been updated since then, and the income-based assessment for determining eligibility is linked to thresholds from the last CPA exercise. In June 2016, there were 16,575 individuals (9,632 households)

²⁴ Family Affairs Division, Procedural Manual. There are higher maximum benefit sizes for Medical Assistance (EC\$2,100 – US\$778) and Burial Assistance (EC\$2000 – US\$740).



receiving one or more category of PA benefits. Assessment of the current benefit incidence is not only constrained by the absence of updated poverty data, but also by significant data management issues with the current PA beneficiary registry. Several PA beneficiaries receive support in the form of temporary / emergency-related transfers, and the incidence of duplicate benefits within a single household has been difficult to assess, due to quality concerns with the existing beneficiary registry data. Although the intake assessment is household-based, benefit delivery and support services are very individual-focused. Case workers have also expressed difficulties with providing frequent follow-up to beneficiaries, given high staff-client caseloads.

21. The country previously initiated several reform efforts to strengthen the social safety net (SSN) in recent years, which to date remain incomplete due to capacity and resource constraints.

These efforts were informed by a social safety net assessment (SSNA) in 2010, which provided several recommendations to strengthen the system's performance, including the need to modernize service delivery; improve objectivity of targeting; reduce duplication of benefits; improve program monitoring and evaluation; and establish a policy foundation for the SP system. Recent reform efforts include technical assistance from the Government of Argentina for the design of a Management Information System (MIS), which has not been finalized due to resource constraints. An income-based household assessment was introduced following the SSNA's completion, and a draft manual for the Public Assistance Division was completed, but processes correspond to weak program design. There are also staffing constraints, which limit the ability to effectively perform intake and monitoring of beneficiary households.

22. Although an MIS for the PA program was designed for the MONM with bilateral support, its completion was not finalized, and the costs for its replacement outweigh the resources that would be needed for development of a new system.

A rapid assessment of the system carried out in August 2016,²⁵ determined that although the conceptual design of the system was ambitious and intended to support delivery and monitoring of multiple benefits, functionality of the system was severely limited. The assessment found that the system was not in compliance with professional software development standards and lacked inter-operability with key related systems (for example national insurance). Due to this, it is not able to fully support daily operations related to managing PA, and alternatively, paper forms and other software options (such as Google Docs and Excel) are being used by staff. Based on these findings, the assessment found that the investments required to improve the existing system were significant and its revision will also present significant implementation challenges to the Government.

23. This Component will finance technical assistance and investments in system elements to help complete recently initiated reform efforts to improve the performance of social safety nets and address weak design elements that have hindered effective delivery of SSNs over the years.

These inefficiencies are well documented in various assessments.²⁶ The package of TA and investments will be centered on three results areas: (i) improvements of SPL service delivery instruments to support a household approach to providing safety net benefits; (ii) strengthening human resource capacity for provision of SPL programs and services; and (iii) enhancement of institutional mechanisms and strategy for more efficient, coordinated, and transparent service delivery, and improved communication and education strategies for safety net beneficiaries. The Project's results areas and results chain are

²⁵ Carried out by Zlatan Sabic on behalf of the World Bank, August 2016.

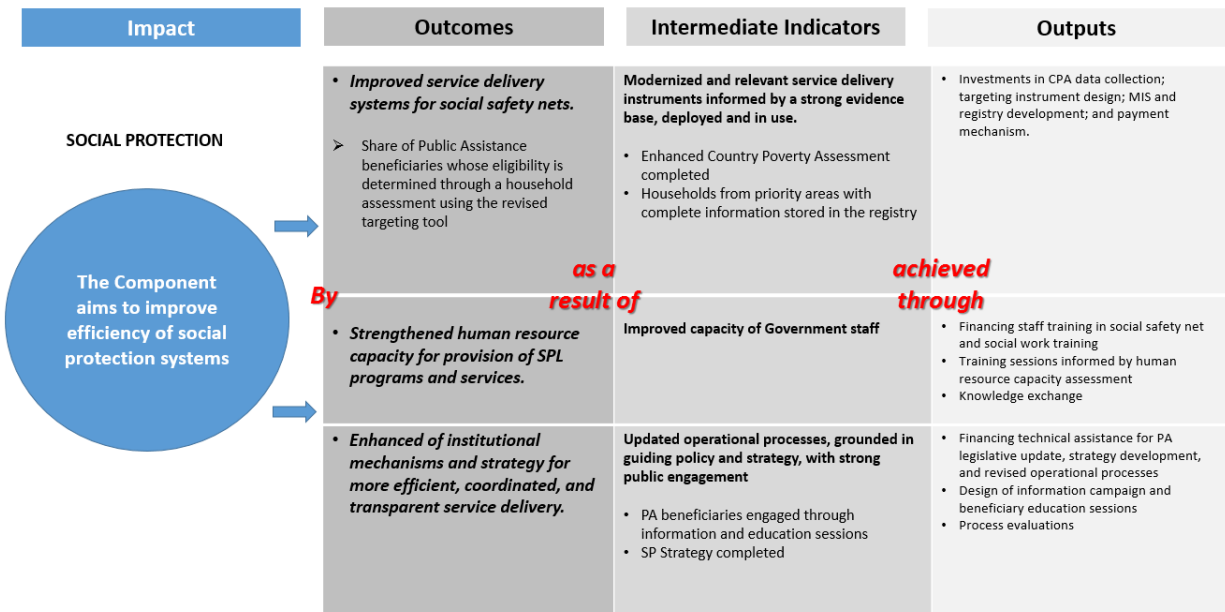
²⁶ Blank, Lorraine. 2016. Social Protection Rapid Assessment (St Vincent). World Bank, UNICEF, UNWomen. 2010. Social Safety Net Assessment – St Vincent and the Grenadines; Sabic, Zlatan. 2016. Technical Note on ICT.



illustrated in Figure 3.

24. These activities will be complemented by recently approved TA financed through the Rapid Social Response Trust Fund (RSRTF).²⁷ The TA complements the Project by financing the analyses needed to identify options for systems improvements for a more adaptive and disaster-responsive system. In particular, the TA will: (i) assess readiness of SP delivery instruments for disaster response and recommend options for improved design; (ii) carry out risk modelling to simulate SP requirements based on anticipated natural disasters; and (iii) strengthen capacity and coordination for a more adaptive SP system. The TA is scheduled to close in July 2018.

Figure 3: Component 2 Results Chain



25. **Sub-component 2.1. Support in Completing an enhanced Country Poverty Assessment (eCPA) (US\$0.80 million).** The Project will finance data collection, data processing and analysis, to carry out a Survey of Living Conditions (SLC) and Household Budget Survey (HBS) for an enhanced CPA to inform safety net program design and poverty reduction strategies and policies. The activity will be led by the Statistical Department under the MOEP. The last CPA was completed in 2008, and to date there has not been an update on household poverty data for SVG. Updated poverty data is critical for informed decision making, particularly for poverty-targeted SSNs. The current targeting instrument currently uses 8-year old income thresholds to determine eligibility for PA benefits. A new round of the eCPA is scheduled to be implemented in the OECS with ongoing technical assistance (TA) from the Caribbean Development Bank (CDB). However this financing does not extend to data collection.²⁸ Given the importance of current poverty data to inform revision of the targeting tool and implementation of programs and policies to support Government’s poverty reduction efforts, financing through this Project

²⁷ P61103 - Strengthening Social Protection System for Disaster Preparedness and Response in Saint Vincent and the Grenadines (P161103).

²⁸ The CDB is financing technical assistance and minor equipment procurement through eCPA project implementation unit placed at the OECS Commission, valued at US\$74,000.



would be directed to complete a new round of SLC and HBS data collection to complete the updated CPA.

26. **The eCPA exercise includes 4 components, including the SLC/HBS; Participatory Poverty Assessment (PPA); Institutional Assessment; Macro, Social and Economic Assessment, all of which will be supported by the Project.** Additionally, support for GIS Poverty Mapping will also be provided. The SLC/HBS will provide timely data on poverty distribution and trends among the population and across geographic areas in the country and will also help update the Consumer Price Index (CPI). The PPA is intended to complement the SLC/HBS with findings on perceptions of poverty and coping mechanisms through deploying multiple qualitative research methods in communities across the country. The institutional assessment is administered in a questionnaire format and focuses on reviewing interventions targeted to the poor by organizations that have a poverty-reduction objective. GIS Poverty Mapping will assist with exploring the spatial relationship between poverty and a number of risk factors including those related to natural disasters. Specifically the Project will finance:

- (a) Design of a sample frame and weights
- (b) Contracting and training of enumerators
- (c) Data collection, data entry, processing, and analysis
- (d) Information campaign on the eCPA Exercise
- (e) Report preparation and publication

27. **The activities under this Sub-component are to be carefully sequenced to ensure the outputs inform systems design and policy decisions financed under the Project.** The SLC/HBS will be initiated jointly using the same instrument and will be prioritized at the start of Project implementation, to inform the design of the revised targeting instrument under Sub-component 2.2. Data turnover to inform the targeting tool design is expected by 12 months after the LCS/HBS has been initiated. The full completion of all components and associated report publication are expected to take two years to reach their full completion.

28. **The activity will be coordinated closely with the World Bank's Poverty Global Practice, who has been carrying out a series of TA to improve statistical capacity in OECS countries, as well as the OECS Commission and CDB.** The activities under this Sub-component are closely coordinated with the CDB's eCPA project implementation unit at the OECS Commission, which is leading the TA to member countries on the eCPA exercise, with the CDB financing. The CDB's indicative co-financing includes procurement of a nominal number of complementary equipment; support for participation in regional workshops; expert attachment and training.

29. **Sub-component 2.2: Support in Strengthening the SP System (MONM) (US\$2.66 million):** The Ministry of National Mobilization, Social Development, the Family, Gender Affairs, Persons with Disabilities and Youth (MONM) has overall responsibility for social safety nets and is responsible for delivering the PA program. The Ministry has concurred with the challenges identified in various technical assessments of the SP sector and has completed a Medium Term Strategy 2016-2018 with milestones and strategic plans for addressing these deficiencies. Technical assistance and investments are needed to assist MONM with completing planned reforms. The support to MONM is aligned to the three results areas under this Sub-component, and will be primarily focused on strengthening the PA program and its associated benefits to improve efficiency and reduce duplication. The systems developed will ultimately



establish the foundations for more integrated service delivery for safety nets.

Results Area 1: Improved Service Delivery Systems

30. **The activities under this results area will finance systems design and development to support a household approach to providing safety net benefits.** Key implementation processes are to be strengthened to support improved processes for identification, enrollment, benefit delivery and beneficiary monitoring. The intermediate outcomes of these activities are modernized and relevant service delivery instruments informed by a strong evidence-based, deployed, and in use. The activities to be financed include consulting services and technical assistance on systems design and development; equipment; and training. The activities are linked to the eCPA exercise conducted under Sub-component 2.1.

31. **Targeting System:** The Project will finance a review and update of the existing income-based test for determining eligibility for PA benefits. The revision and update of the instrument is critical for ensuring improved targeting accuracy, given the occurrence of various shocks since the 2008-2009 thresholds were established, on which the current eligibility criteria is based. The literature points to more effective targeting of the poorest quintiles through the use of a combined approach.²⁹ As such, the Government has indicated preference for revision of the instrument to combine means and proxy means testing, with geographic prioritization. The new instrument will be used to determine eligibility for PA benefits in the short term, and the wider safety net in the medium term.

32. **Develop, pilot, and provide training on the revised instrument:** The Project will finance a consultancy to revise the targeting system; provide training to MONM and other key Government staff; and assist MONM with its pilot and roll-out. The revised system will be based on an update of poverty thresholds when the SLC/HBS for the eCPA exercise is completed (anticipated by Year 2 of implementation). Additionally, the RSRTF will complement this task by proving recommendations for establishing eligibility criteria for post-disaster safety net support. These recommendations will feed into the targeting system design, with an expected filtering of applicants to regular benefits or emergency support.

33. **Re-assessment of the existing PA beneficiary register and assessment of households in priority districts:** The existing PA beneficiary register (estimated to be 16,575 individuals (9,632 households) in June, 2016), will be re-assessed using the revised targeting instrument. This re-assessment exercise will be prioritized once the targeting instrument is revised. Following PA re-assessment, a National Household Assessment (NHA) of poor households will be conducted to apply the instrument to households in priority geographic areas based on poverty prevalence and hazard risk identified through risk modeling supported by the RSRTF, and validated in the updated SLC/HBS. The approach for the NHA will be based on a survey sweep approach of the identified districts. MONM case workers will be responsible for carrying out the re-assessments, but given the magnitude of the initial assessment exercise, they will be supported by trained enumerators to be contracted with Project financing. Based on initial planning discussions, the National Census is also planned for the year the NHA is expected to take place. It would therefore be important to combine these exercises to reduce the risk of respondent fatigue in a way which is sensitive to the confidentiality rules for the census data. The proposed approach will allow NHA enumerators to accompany the census enumerators in the poorest

²⁹ Leite (2014); Handy et al (2012); Grosh et al (2008); Castaneda and Lindert (2005); Coady et al (2004).



enumeration districts identified for the targeting tool survey sweep, and a disclaimer noted to the respondents about the confidentiality of the census data versus the purpose of the targeting instrument survey sweep. The data will be collected in two separate instruments, with the NHA likely using Computer Assisted Personal Interviewing (CAPI) technology. In non-poor districts, census enumerators would offer the additional option of completing the targeting questionnaire instrument if the household wishes to be considered for potential safety net support. The expected outcomes from this activity include at least 70 percent of PA beneficiaries identified through a household approach using the revised targeting instrument.

34. **Despite the initial survey sweep approach for PA benefits, the targeting system is expected to maintain an on-demand approach for application.** Given SVG's vulnerability to shocks, and the omission of some districts in the initial survey sweep due to geographic prioritization, citizens will be able to apply for PA benefits when needed. This flexibility is expected to help facilitate the instrument's improved responsiveness.

35. **Social Assistance Management Information System (SAMIS):** The Project will finance the design and deployment of an MIS to support the management and administration of all PA benefits, which will also contain a Central Social Registry of poor households (CSR) and PA Beneficiary Registry for PA benefits. The system design will be based on a business process review financed by the Project. Expected improvements include strengthening the supporting software architecture for PA, and ensuring modules are capable of supporting all stages of the program implementation cycle and related business processes (outreach, intake, registration, application, cross-checks, eligibility determination, verification/validation, benefit calculation, notification, payments, monitoring and evaluation, grievance procedures, etc.). The system design will be focused not only to information system design, but also the re-design of business processes, including changes in organizational set-up, changes in regulations, rulebooks, operational manuals, etc. The SAMIS will allow interfaces for automatic connection to external registries for the purpose of cross-checks. The Project will finance software development and related training, testing and deployment of the system. The Sub-component will also finance the purchase of hardware and other equipment for the MIS. The MONM will be supported by the Information Technology Services Department (ITSD) to manage the system, including troubleshooting of technical glitches and training of staff. This model of delivery will also ensure sustainability of the system's administration.

36. **The CSR and PA Beneficiary Registry:** The SAMIS database will be single data repository, but will have a two-fold purpose: (i) to serve as proper Central Social Registry (CSR) that will be used to support intake, enrollment and referral processes for social safety nets, and (ii) to serve as operational Beneficiary Registry for administration of specific PA benefits. The CSR will be initially populated through the assessment of existing Public Assistance beneficiaries using the revised targeting instrument. A second phase of populating the registry will include a survey sweep of priority communities described under the targeting system above. Once fully operational, the SAMIS will allow continuous registration of the poor, thus eliminating the need for survey based data collection. The CSR will therefore store vital information on both the poorest households and those most vulnerable to the effects of natural disasters. The CSR will facilitate fast identification of priority households before and after disaster events, while both registries will facilitate reducing duplication in the receipt of benefits within households, and improved referral processes for better linkages to complementary programs and services for poor and vulnerable households. At the end of the Project, at least 3,000 households from the pre-identified priority districts are to have complete information stored in the CSR. The SAMIS



business modules (that will support PA delivery chain) will use the Beneficiary Registry. It will be integrated with the CSR allowing direct use of the records from the CSR, but with additional data fields needed for the specific benefits administration (from the technical point of view, the CSR and Beneficiary Registry are only different logical views of the same database). The Beneficiary Registry will contain operational data on the status of the individual benefit management records allowing automatization of business processes in PA delivery chain. Additionally, a Beneficiary Registry for all Public Assistance benefits will facilitate improved monitoring of PA beneficiaries.

37. **The SAMIS Development Process.** The development, support to operations and maintenance of the new system will require strong IT infrastructure and expertise, which might be a challenge to secure in the MONM. Therefore, the responsibility for the system's functional design and utilization will remain with the MONM, while the responsibility for the system's technical design, operational functioning and maintenance will be with the Information Technology Service Division (ITSD). The MONM will have a service arrangement with the ITSD that defines roles and responsibilities of both sides. The Project will finance the system's conceptual, functional and technical design that will be carefully coordinated with other Project components that will re-define the social assistance delivery and targeting system. The system design will result in functional and technical specifications for the SAMIS development. Based on that, the software development will be contracted to a software company.

38. **To avoid long delays in SAMIS deployment, the analysis of processes and system design will be synchronized and conducted in parallel to other activities.** The SAMIS design will not "wait" for full restructuring of social assistance delivery and targeting system because that will result in almost two years of lag in full availability of the SAMIS for the rollout of new delivery and targeting system. Instead, (i) the SAMIS conceptual and logical design will start right after the finalization of basic policy and legislation for the SSN reform; (ii) the SAMIS analysts (MONM and ITSD staff and consultants) will work together with the working structures under the results area of the sub-component to Enhance Institutional Mechanisms to make sure the functional design of SAMIS corresponds to required PA processes, information management and operating procedures; and (iii) the SAMIS analysis will not wait for full finalization of all details on operating procedures and documentation (detailed operations manuals confirmed and adjusted through pilot targeting exercise), but will finalize SAMIS specifications as soon as appropriate level of details is clear. The software supplier will be required to carry on more detailed analysis during the final stages of the operation manuals preparation and pilot targeting exercise. The MONM and ITSD will work together with the software supplier on system construction, testing and implementation, ensuring the knowledge transfer for the future system maintenance and support. During the system development, the ITSD will develop the technical specifications for the hardware purchase, based on initial requirements prepared by the software supplier. The Project will purchase the server and networking equipment for the central location (the ITSD will host the system in its datacenter) and workstations for local social workers and the MONM staff. The hardware delivery and installation will be managed by the ITSD. The MONM, ITSD, and software supplier will support the system implementation into the "real life", including initial data migration from existing systems and registries, training, additional adjustments of the system etc.

39. **Resources for the SAMIS Implementation:** The Government will establish stable structures and ensure human resources for the SAMIS design and implementation:

- (a) The Government will establish an inter-ministerial Social Safety Net Steering Committee (SSN SC). The SSN SC is at the level of the permanent secretary and supervises not only the SAMIS development, but all SSN related activities. In terms of steering the SAMIS related



activities the SSN SC will guide the process and provide approvals of stages and products in system design and implementation.

- (b) The MONM and SSN SC will convene a SSN Technical Working Group (SSN TWG) consisting of the MONM social assistance staff and technical persons from involved institutions. Among other responsibilities, the SSN TWG will define functional requirements and do the verification of SAMIS functions
- (c) The MONM will appoint one of its staff to be SAMIS Officer. The SAMIS Officer will ensure coordination between all parties involved in SAMIS design, development and deployment. He/she will be responsible for daily work on SAMIS development.
- (d) The ITSD will appoint one of its staff as the SAMIS IT Officer who will be responsible for daily technical support for SAMIS development and implementation, including contract management with software and hardware suppliers.
- (e) The Project will finance consultants to support analysis, design and implementation of SAMIS. It will include one international consultant for the initial system analysis and design phase who will bring experience in implementing of similar systems and will be responsible for drafting of SAMIS functional and technical specifications. He/she will work with two local consultants. One local consultant will support the international consultant and SAMIS Officer in initial assessment and analysis, and defining the functional requirements of the system. Another local consultant will work with the ITSD SAMIS Officer and help in providing technical IT assistance. Local consultants will continue working with the MONM and the ITSD during the software contract implementation.
- (f) The Project will fully finance software and hardware contracts. Before the system becomes fully operational, the Government should ensure appropriate budget lines are established to cover recurrent costs of system operations, maintenance and further development. These include: (i) maintenance service contract with software and hardware suppliers, (ii) SAMIS human and other resources in the MONM, and (iii) SAMIS human and other resources in the ITSD.

40. **Payment System:** The current payment mechanisms in place combine check and cash payments at Treasury Offices and through the National Assistance Fund, often with long processing times. Additionally, for some PA benefits³⁰, payments are provided directly to service providers, with lengthy processing and delayed delivery to beneficiaries. The new payment mechanism will be informed by an assessment aligned with the Inter-Agency Social Protection Assessment (ISPA) payment tool, financed by the RSRTF. The assessment will inform Government of the optimal options for revising the payment mechanism to facilitate increased security and transparency; more efficient delivery; and to help facilitate financial inclusion objectives. The Project will finance a consultancy to identify and recommend the optimal payment mechanism to be used based on the RSRTF-funded assessment and develop a strategic action plan for the revised payment system.

41. The development and design of the payment system will ensure, *inter-alia*: (i) assessment of financial institutions to identify tier one payment providers; and (ii) developing an operating guide for the payment system that outlines the detailed procedures for the payment system, including:

- (a) The payment system's Functional Architecture

³⁰ This is done For Burial Assistance, Medical Assistance, School Uniforms, and Utilities.



- (b) The payment system's Functional Requirements
- (c) Procedural guidelines, including:
 - (i) Failed Payment Procedure (verification, re-try procedure or payment back-up process)
 - (ii) Payment Processing Procedure (data collating, staggering and scheduling, permissions)
 - (iii) Mobile Device issuing and activation procedure, if applicable
 - (iv) Account Selection Procedure (forms, data capture, duplicate check)
 - (v) Beneficiary Enrollment Procedure (forms, ID check, duplicate check)

42. Once the Cabinet approves the proposed payment mechanism, the development of the system will be financed. An indicative amount has been included in the project for the payment system based on country experiences from other World Bank-financed projects supporting SSN payment systems.

Results Area 2: Strengthened human resource capacity for provision of SPL programs and services

43. **This results area will assess the current institutional structure of MONM and provide technical assistance and training to build MONM's capacity in service and program delivery.** These activities are essential to ensuring the MONM has the capacity to manage the new tools and systems to be developed under the Project and to improve implementation of PA and other SSNs, as well as broader social services. The activities to be financed include:

44. **Institutional Assessment of MONM.** This assessment will review the efficiency and effectiveness of the current MONM structure, as well as review the planned structure outlined in the Ministry's Medium Term Strategy. The assessment will also inform human resource needs for the reformed safety net and service delivery tools, and key knowledge and learning gaps among different categories of staff. Based on the recommendations from this assessment, a submission would be made to Cabinet for revision of the MONM institutional structure and additional staff if needed.

45. **Capacity Building, Knowledge Exchange, and Training.** The Project will finance training to MONM staff based on identified learning needs and knowledge gaps in SP service delivery. Specific activities include development of training plans, curriculum and training delivery for general program management; development of a training program for advanced social work practices and delivery of training to MONM social workers; training on SP program design; and staff training workshops. Knowledge-exchange to other SSN programs in the Latin America and Caribbean region will also be facilitated, to improve staff knowledge on key building blocks of SP systems. Finally, non-tuition costs for yearly participation of at least two MONM staff in the World Bank's Safety Net Core Course per year during the Project's duration will be financed.

46. **Complementary Staffing and Equipment:** As the instruments and processes under the reformed program will entail increased level of effort for an already stretched MONM, some complementary staffing and supporting equipment is required. For complementary staffing, this includes short term contract staff to support the Ministry of Social Development with project coordination, and MIS support. Contracted officers will report to the Permanent Secretary through the Director of Social Development. In addition, some minor equipment is required to support the MONM with administrative and managerial tasks related to the Project.



Results Area 3: Enhanced institutional mechanisms and strategy for more efficient, coordinated, and transparent service delivery.

47. **The final results area will focus support on updating operational processes for PA, and SSNs as a whole that is grounded in updated guiding policy and strategy, with strong public awareness and beneficiary engagement; and improved mechanisms for monitoring and evaluation.**

48. **Update of the Policy and Legislative Framework for SP.** The Project will finance technical assistance to inform an update of the Public Assistance Act and development of an SP Policy and Action Plan. The existing PA Act has not been updated since 1990 and there is no policy to guide delivery of SP programs, and SSNs in particular. Support for TA and consultancies is required to complete these legislative updates due to capacity constraints. The completion of the Act and Policy, will ensure that the reformed SSN is rooted in updated Government policy and endorsed by the political administration. The development of the SP Policy will be prioritized at the start of the Project to ensure its completion before year 2 of implementation. The update of the PA Act will follow from the SP Policy. Both activities will involve reengaging an inter-ministerial Social Safety Net Technical Committee, which has not met in several years, to ensure adequate sectoral input into the policy design and legislative update. The Policy will also set clear guidelines for grievance and redress as well as outlining graduation and productive inclusion objectives. Citizen and beneficiary engagement will be facilitated through public consultations on the SP Strategy and SP Policy.

49. **Develop Standard Operating Procedures for a Reformed PA.** The MONM will require support to develop and roll out new operating procedures associated with the new service delivery processes. The operational procedures will be grounded in a single entry point and will reduce duplication, where feasible, among the program's 17 benefits. Set criteria for emergency-related benefits will also be established, informed by the TA carried out under the RSRTF. Clear procedures for grievance redress will also be established. A revised operations manual for the reformed PA program will be developed, to ensure documentation of revised processes and to assist with training of staff and beneficiaries. Additionally handbooks for clients based on the new processes will also be developed. Linked to this, a consultancy to support the development of a graduation strategy will also be financed.

50. **Process Evaluations and Tracer Studies.** Two process evaluations will be completed during the Project's lifetime to ensure that implementation lessons are addressed. The first process evaluation will take place during year 1 of implementation to provide a comprehensive review of the performance of the existing PA program and identify key implementation bottlenecks. The results from this process evaluation will feed into the redesign of PA operational processes. A second process evaluation is planned by year 4 of implementation to assess initial performance of the revised program and to address these challenges as necessary. Tracer studies of existing PA beneficiaries will also be carried out to help assess key deficiencies in benefit delivery, benefit structure, and productive elements of the PA program. This will help ensure that program reforms are informed by evidence and will also help facilitate beneficiary perspective in the redesigned PA program.

51. **Information Campaign and Beneficiary Education:** The proposed reform efforts will represent a significant departure from the processes that current beneficiaries and the general public are familiar with. A strong public Information and Education Campaign (IEC) campaign will therefore be essential to ensure that citizens are engaged and aware of the planned changes to the safety net system. The Project will finance a consultancy to develop an IEC strategy and campaign, and to support the Government with its roll-out. The financing will also include procurement of IEC-related materials, training and public



education, and publication of media messages, with particular emphasis on reaching underserved communities. The IEC campaign will also include measures to gather public feedback to inform planned legislative reform and revision of program operational processes. The activity will be initiated from Project effectiveness, to support initial activities related to the SP Policy, Revised PA Act and eCPA exercises. It will continue as implementation of other activities are completed throughout the lifetime of the Project. This activity will also support MONM with roll-out of beneficiary education to improve household resilience and on specific topics related to household and family vulnerabilities. These trainings include a Parenting Training Program that were previously designed, but not rolled-out due to resource constraints. Training consultancies will help MONM update the training modules for the beneficiary education programs to facilitate this as an established complement to cash and in-kind benefits.

52. The activities under Component 2 will be staggered over the course of five years of implementation, with priority to establishing policy foundations; expanding the knowledge base through updating national poverty data; reforming the operational processes for the flagship PA program; and strengthening operational capacity in the first two years of implementation. Years 3 – 5 will then focus on rolling out revised service delivery systems for the reformed SSN, informed by sound policy and reliable data. It is however anticipated that design of some instruments will be initiated before year 3.

Component 3: Strengthening Labor Market Systems and Improving Skills Training of Poor and Vulnerable Populations (US\$3.84 million)

53. Despite high levels of unemployment, employers have cited an inadequately educated workforce as a major obstacle to employment in recent enterprise surveys. Programs to facilitate skills upgrading of unemployed persons are often small-scale and depend on volatile donor funding. Skills training programs are implemented without being informed by relevant demand-side and supply-side data. Implementing Ministries lack the resources to carry out frequent labor demand and labor force surveys.

54. For SVG, the development of the Technical and Vocational Education and Training (TVET) is a strategic priority. A Sector Skills Development Act was passed in 2010 and recent efforts to establish a certification framework for Technical Vocational Education and Training (TVET), the country is now able to issue Caribbean Vocational Qualifications (CVQs).³¹ However, some key gaps remain with finalizing the operationalization of this framework. Outdated labor market data; limited adaptation of the formal school system for TVET delivery; and a shortage of trainers, assessors, and verifiers in TVET skills competencies are persistent challenges that have been cited by Government. The Ministry of Education, through the NQD has been working to address these limitations, but has been constrained by resource limitations. The NQD is responsible for developing and implementing training programs in the TVET

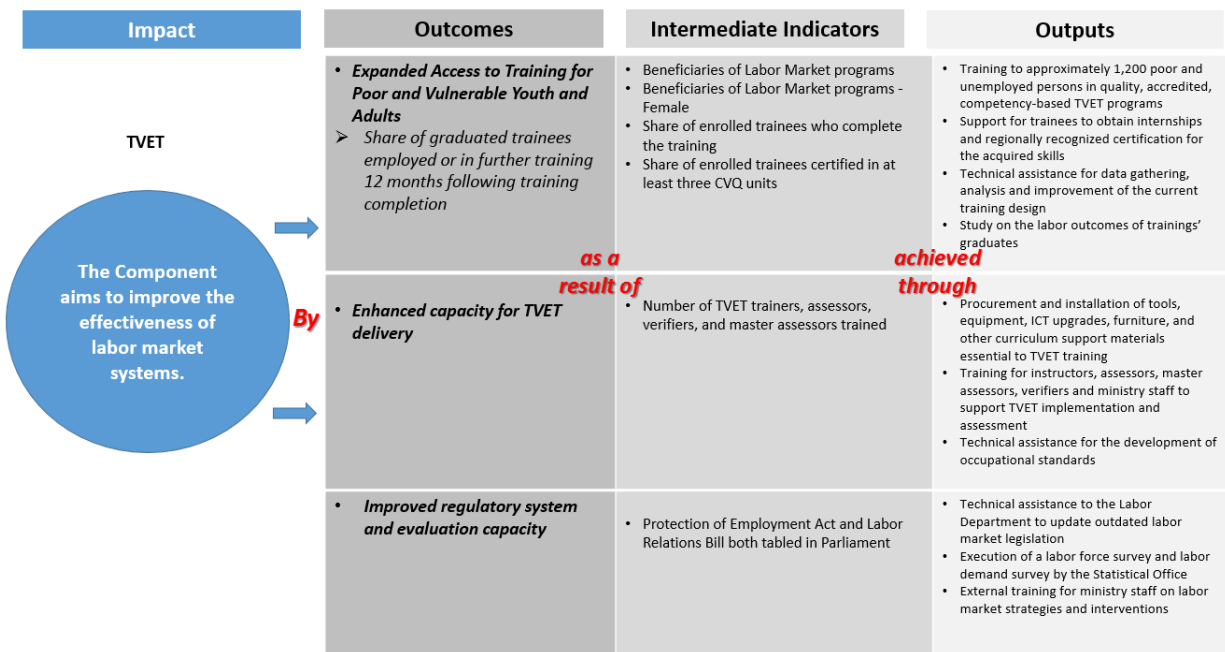
³¹ NVQs and CVQs are work-related, competence-based certifications, in which trainees can be certified after their performance of a work role is assessed against established Occupational Standards by trained and certified assessors. NVQs are recognized in the local territory where they are offered, while CVQs are recognized by CARICOM countries using in the Caribbean Association of National Training Agencies (CANTA) Framework. CVQs are CARICOM-approved occupational standards developed by industry experts and CVQ holders are able to seek employment in other CARICOM countries with available jobs. NVQs and CVQs are offered from Level 1 (entry level/basic competency) to Level 5 (professional management/advanced competency).



sector as well as certification of National Vocation Qualifications (NVQs) and CVQs. The Department also delivers small-scale skill training to unemployed youth, financed principally by external donors. These include a recently completed training program financed by the Government of Canada, which has since ended.

55. **Challenges in SVG’s labor market are compounded by the fact that several pieces of SVG’s labor legislation are not updated to reflect the current labor market climate and needs.** These include the Protection of Employment Act of 2003 and Labour Relations Bill of 2001. Additionally, a comprehensive Labor Code is needed to establish labor standards including minimum requirements for physical conditions for work; health and safety standards; ensuring proper oversight and monitoring of health and safety conditions; clear remedies for addressing noncompliance. The Labour Department, under the Ministry of Planning, has overall responsibility for establishing workplace policies that are essential for operating in a competitive environment, to disseminate accurate and timely information on the labor market, and to ensure that the labor laws are upheld. However, challenges of outdated data and legislation and limited capacity have hampered the Department’s ability to carry out its responsibilities effectively.

Figure 4: Component 3 Results Chain



56. **This Component will support country efforts to improve labor market outcomes through strengthening the skills certification framework and providing training that is responsive to market needs and employer feedback.** The Component will finance technical assistance and investments to strengthen the overall institutional and policy framework for the labor market; update the knowledge base for training delivery; improve the delivery of TVET education in schools; build institutional capacity;



and provide direct delivery of training to poor unemployed youth and adults. The Component's expected result chain is illustrated in Figure 4.

57. **Sub-component 3.1: Support in Strengthening the Qualifications Framework (US\$3.32 million).** The Project will help the NQD strengthen the certification framework by financing technical assistance and training to fill remaining gaps in service delivery. The package of activities to be financed under this sub-component are detailed below.

58. **3.1.1.: Expanding Access to Training for Poor and Vulnerable Youth and Adults.** This component of the Project will finance training for 1,200 poor and unemployed at-risk youth in SVG. This training is the continuation and scale-up of a recently completed training program financed by the Government of Canada. Delivery of training will be outsourced to the four main public technical institutes with adequate geographic spread across the country: Barrouallie, Kingstown, Campden Park and Georgetown. Training will be informed by the completion of at least two labor demand surveys during the Project's lifetime, financed through support to the Labour Department. A proportion of beneficiaries will be referred from Public Assistance households identified through established eligibility criteria. Training will be complemented by literacy, numeracy, and communication instruction; counselling and coaching sessions; and workplace preparation. It is expected that this design will evolve during the life of the project to better accommodate to new labor market information as well as changes in context, especially as part of a programmed mid-term review of the training, which will be heavily supported by technical assistance. Based on regional lessons learned, grievance mechanisms to address potential trainee complaints will be established, with clear codes of conduct for training providers and employers at internship locations.

59. **Type of training:** Trainees will participate in a short-term evening program encompassing 192 hours of training – four hours per day, four days per week for 12 weeks. The specific units of training focus on the most essential skills needed to perform and gain meaningful employment in these professions. These beneficiaries will also complete at least three-week work attachments/internships following completion of their training programs. Life skills training will be provided to all trainees, with two Life Skills instructors being hired by the NQD to facilitate life skills training at all TIs each week. The curriculum design will be based adapted based on previous training life skills curricula. After the work attachments/internships with employers, trainees will participate in a final two-day session at each training institution which will focus on assessment/verification and the preparation of a portfolio to identify the skills and competences acquired during the training program. It is anticipated that training will result in at least 3 units of CVQ Level 1 certification in Caribbean Association of National Training Agencies (CANTA) approved regional occupational standards areas for a share of beneficiaries.

60. **Target beneficiaries.** Beneficiaries will be vulnerable and at-risk youth and adults of both sexes who are unemployed, including household heads with low levels of education, household heads with no certified skills and/or low skill levels, school leavers and drop-outs, and participants in the informal sector. A share of beneficiaries will be referred from the PA program. The program's intake process will channel applicants to each type of training depending on vacancy constraints, explicit preference, and attained qualifications for success in each. Given the unemployment gap among men and women, the program will employ a concerted effort to guarantee that at least 50 percent of beneficiaries are women and to encourage the participation of males and females in "non-traditional" training fields.³² Following

³² Currently the participation across programs is highly segregated by gender, with fields such as electrical installation,



lessons learned from previous trainings and other projects in the region,³³ a supplemental transfer will be given to parents of young children to prevent daycare costs from being an impediment to completion for this population.

61. **Occupational Areas.** Based on labor market information reports and consultation with local employers, the National Training Agency (Sector Skills Development Agency -SSDA) determined that the areas of electrical installation, plumbing, data operations, home economics, food preparation, food and beverage, technical welding, housekeeping and cosmetology are all careers where a demand for skilled workers exists in SVG. Each of the four TVET institutions participating in the program will offer training in two to three of these occupational areas during each round of training. The SSDA will prepare course outlines for the various occupational areas that are based on the CVQ occupational standards. This will enable trainees to gain core skills in the selected occupational area derived from CANTA-approved regional occupational standards, which will allow graduates to get recognition across the region. New occupational areas may be added or current ones dropped during the life of the project as market needs and employer demands evolve.

62. **3.1.2.: Enhancing the system’s capacity for TVET delivery.** The long and short-term capacity-building needs for expanding access to TVET programs and the quality of TVET instruction and management will be improved through:

63. **Improving the learning environment and TVET delivery in selected secondary schools.** This activity will improve the delivery of TVET instruction in the formal school system by financing the procurement and installation all necessary materials needed for a sample of secondary schools to meet the required CVQ Level 1 facility standards. The activity will be piloted in 12 public secondary schools, selected on criteria to ensure adequate geographic spread; availability of classroom space and available human resources to deliver training. Once complete, the selected schools will be better equipped to deliver TVET instruction to young people preparing to exit the secondary school system. The learning environment will be improved through:

(a) *Improvements in tools, equipment and furniture and other required curriculum support materials* will be provided for selected programs, including digitized materials. Some examples are:

Table 1: Proposed Materials for Enhanced TVET Learning Environment

Masonry	hammers, saws, portable power tools, levels, squares, helmets, safety goggles, chisels, tile cutters, etc.
Woods	jigsaw, stationary planers, routers, finishing sander, saws, hand tools, bench plane, clamps, doweling jigs, etc.
Electrical	Digital multi-meters, clamp meters, circuit tester, cable cutters, fish tape, breaker panels, pipe vises, bench grinders, etc.

mechanics, plumbing, welding being almost exclusively attended by men, whereas food preparation, cosmetology, housekeeping are almost exclusively attended by women.

³³ Antigua and Barbuda Public and Social Sector Transformation Project, P126791.



Home Economics	Cookers, refrigerators, mixers and blenders, food processors, cutlery set, pitchers, mixing bowls, chopping boards, pots and pans, teapot sets, glassware, platters, pans, baking sheets, kitchen scales, spoons, ladles etc.
Technical drawings	Drawing tables, chairs, drawing boards and instruments etc.
Other Equipment	Filing Cabinets, sewing machines, steam irons, dressing table, mirrors, living room suite, washer, dryer, tap and die set, pipe wrench, etc.
Audio-visual Equipment	LCD Projector, digital camera, document camera, speakers, camcorder, overhead projector, microphone.

(b) *Minor retrofitting and repairs to TVET Laboratories:* The works to be done will include proper material storage, enhancements of lighting and ventilation and installation of safety lanes in the classrooms.

(c) *ICT upgrades:* The procuring of computers/tablets hardware and software equipment will support TVET learning (especially in crucial fields such as drafting and technical drawing) and allow for the execution of Caribbean Examination Council exams via e-testing. The latter includes the Caribbean Certificate of Secondary Level Competence, the Caribbean Secondary Education Certificate, and CVQ levels. Technology integration into classroom instruction will also support technological literacy among TVET graduates, which is increasingly demanded by local employers. The ICT upgrades may include an adaptive-learning pilot.

64. **Capacity building to support the certification framework.** This activity will finance technical assistance to help the NQD address capacity building needs to improve the quality of TVET instruction and management of TVET programs. Specifically, the activity will finance:

(a) *Training of 20 master assessors, 50 assessors and 30 verifiers to support certification of CVQs.* The training will be coordinated by SSDA and include local workshops. The external verifiers will be drawn from industry;

(b) *Consultancy to provide training in Occupational Standards Development.* This will address issues surrounding the use of an appropriate approach to support the development of National Occupational Standards. The idea is to train a cadre of individuals who will in turn assist the Ministry of Education in the development of National Occupational Standards;

(c) *In-service training (skills upgrade) for 40 TVET instructors/teachers* so that these instructors attain CVQ Level 3 certification, which in turn would allow them to instruct at CVQ Level 2 in the future;

(d) *Participation of four TVET managers from the Ministry of Education in specialized training on social safety nets, jobs and migration, and labor markets issues.* This external, international training will bring a cross-sectoral approach, including perspectives on trade and competitiveness, macroeconomics, agriculture and urbanization and provide the ministry’s staff with models, tools for assessment, and better understanding of frameworks for creating policy and programming to create jobs in the formal sector, improve the quality of jobs in the informal sector, and help connect individuals to jobs or move from low to higher quality jobs.



65. **Tracer Studies and Mid-Term Review:** The Project will finance at least two tracer studies to assess the impacts of short-term TVET training on participants. The first tracer study is proposed to be carried out for the trainees of the training round immediately prior to this Project. A second tracer study is proposed to be carried out on the later cohorts of trainees once implementation is underway (by year 2 of implementation). The results from these tracer studies will help the Government assess the effectiveness of TVET training to employment and skills outcomes, and adjust training design as needed. Additionally, a mid-term review of the training design will be carried out by the second year of TVET training delivery. The TVET training design would then be reviewed based on the findings of these assessments and data collected from labor demand and labor force surveys (described in Component 3.2 below). The TVET training design and any further changes will be reflected in a TVET Program Manual describing processes for beneficiary application, enrollment, payment to instructors, delivery of stipends, reporting and monitoring.

66. **Sub-component 3.2: Support in Strengthening the Labor Legislation Framework (US\$0.52 million).** The Project will finance technical assistance to the Labour Department and Statistics Department of the MOEP, to update outdated legislation not relevant to current contexts; strengthen capacity at the Labour Department to carry out analysis of labor market data; and finance the execution of a labor force survey and labor demand surveys.

67. **Strengthen the evidence base for informed skills training and labor market decision making.** The Project will finance delivery of at least one Labor Force Survey (LFS) and two labor demand surveys to inform policy decisions on labor markets and delivery of training to poor and unemployed persons. These activities will be led by the Statistical Office in close coordination with the Labour Department. A Labor Force Survey was last conducted in 2015, providing some labor force data to inform Government programs and policy. The Project-financed LFS is planned to be carried out in 2019, as Government will also finance another LFS with its own resources in 2017. Additionally, the Government requires technical assistance to analyze data collected from a Jobs and Labor Turnover Survey (JOLTS) that was carried out in 2014 with support from the OECS Secretariat and ILO. Although the survey was completed, the Statistical Department still needs technical assistance to analyze the data collected. Training provided as part of capacity building (described below), will enable the Statistical Office and Labour Department to analyze the data from the JOLTS Survey. This data analysis will be prioritized, to inform initial rounds of TVET training to be delivered under Sub-component 3.1 of the Project. The Project-financed labor demand surveys will be strategically timed in years 2 and 4 of the Project to inform subsequent rounds of TVET training. The methodology for the Project-financed labor demand surveys will be selected with consideration for the country's small size and specificity of the regional certification framework.

68. **Capacity Building:** The Project will finance consultancies to provide training to staff from the Labour Department, Statistical Department and other Government staff on tools and methodologies in labor market data analysis. This training will be timely given the need to analyze data collected for a 2014 JOLTS survey and the plans to support at least two labor demand surveys and one labor force survey under the Project. Other training will also be facilitated to improve the capacity of Government end users of labor market data to analyze and interpret data. The capacity of the Labour Department and relevant agencies will also be strengthened through external training on the latest practices in labor market program delivery.

69. **Strengthen the Legislative Framework.** The Project will finance consultancies to support the Labour Department with improving the labor legislative framework, including, review and update of the Protection of Employment Act; review and update of the Labor Relations Bill; and support for



developing a comprehensive labor code. A tripartite approach will be used to ensure citizen feedback into the legislative update process, including employers, employees, and government. Complementary studies and assessments to inform the legislative update will also be financed. The updated legislation and strengthened capacity at the Labour Department, will improve Government's ability to respond to the needs of both job seekers and the employed.

Component 4: Project Implementation, Monitoring and Evaluation (US\$1.24 million)

70. **This Component would finance activities related to the management of the Project to ensure its effective administration and implementation, and develop and put in place effective monitoring system.** In particular the Component would finance: (i) project coordination; (ii) external technical verifications and audits; and (iii) the development and implementation of Project monitoring and evaluation systems for the Project. Bank financing would support project management through financing part of the incremental operating costs of the existing PSIPMU, as well as training to project staff, purchase of necessary office equipment, and independent project audits. The Project would also support the design and implementation of tools to monitor the results framework for the Project. Bank financing would be provided for technical assistance, services and training of the staff engaged in monitoring.

ANNEX 2: IMPLEMENTATION ARRANGEMENTS

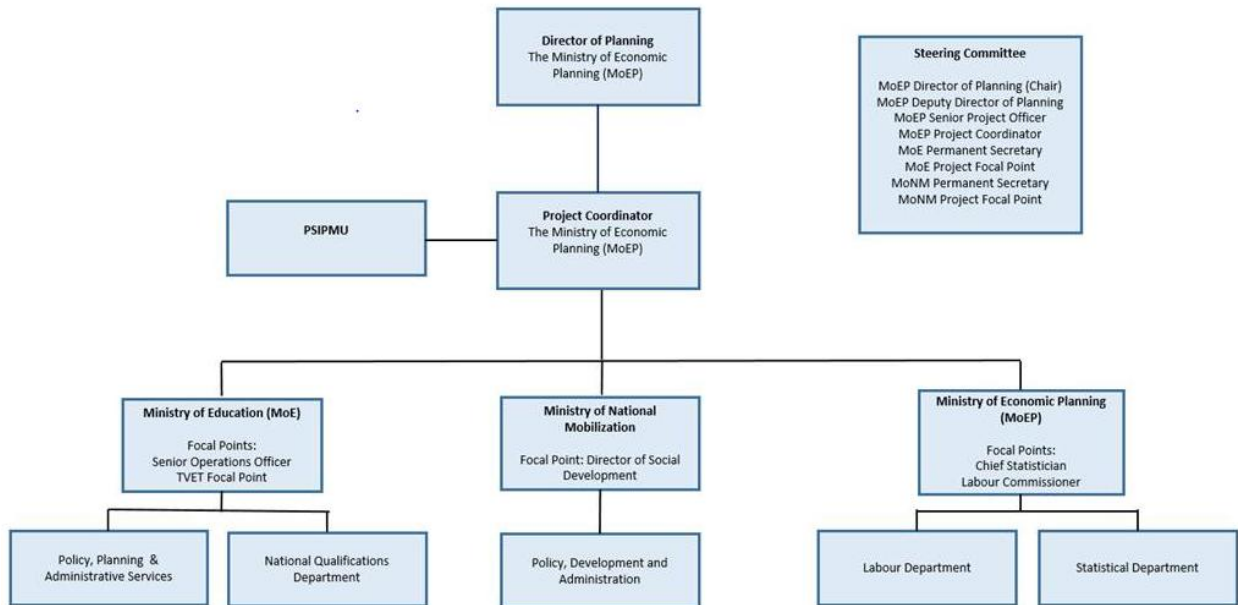
COUNTRY : Saint Vincent and the Grenadines
Human Development Service Delivery Project

Project Institutional and Implementation Arrangements

1. **The institutional and implementation arrangements are built on existing mechanisms and based on lessons learned from other Bank-financed projects in OECS.** These arrangements detailed in the subsequent paragraphs will help ensure effective implementation and quality assurance of the Project. Given the multi-sectoral design of the Project, both the planning and implementation of Project’s investments will require working across ministerial boundaries and close coordination at various levels.

2. **Project Implementation Framework.** The Project implementation framework would encompass a Project Coordinator, an intergovernmental Project Steering Committee, Focal points for each Component in each implementing agency (Government officials), and the PSIPMU that is already operational. These arrangements are meant to provide strong Government ownership and oversight for the reforms supported by the Project, as well as to ensure improved coordination of HD sectors on a country level, which would further enhance service delivery systems supported by the Project.

Figure 1: Project Implementation Framework



3. **Project Steering Committee.** This Committee will be responsible for ensuring the smooth execution of Project activities and the successful accomplishment of Project objectives and will be chaired by the Director of Planning in MOEP. The Committee will meet quarterly to review project implementation performance and be convened, when necessary, to attend to urgent matters, which



may arise in the course of implementation of the Project. Generally, the role of the Steering Committee will be to:

- (a) Assess project progress;
- (b) Provide advice and guidance on issues facing the project;
- (c) Assist with resolving strategic level issues and risks;
- (d) Use influence and authority to assist the project in achieving its outcomes.

The composition of the Project Steering Committee is presented in Table 1.

Table 1: Project Steering Committee

Organization	Representative
MOEP	Director of Planning (Chair) Deputy Director of Planning Senior Project Officer (Focal Point) Project Coordinator
MOE	Permanent Secretary Project Focal Points
MONM	Permanent Secretary Project Focal Point

4. **Management and Coordination.** The Ministry of Economic Planning, Sustainable Development, Industry, Information and Labour (MOEP) will be responsible for the management and coordination of the Project. The MOEP will appoint a Project Coordinator who will be responsible for the day to day management of the project. The Project Coordinator will report to the Director of Planning MOEP, and work closely with the Project focal points within the participating agencies. The national implementation arrangements are summarized in Figure 1.

5. **Project Implementing Agencies.** Project activities will be carried out by three Government agencies -- the MOEP, the MOE, and the MONM. These agencies will provide the necessary technical support and guidance on their respective activities to enable smooth execution. This will include the preparation of ToRs, activity scheduling, budgeting, selection of consultants/suppliers and some aspects of activity supervision. The participating ministries will also be champions of the activities for which they are responsible. Representatives from each of the participating line ministries have been identified to serve as Focal Points to the project.

6. **Focal Points.** The Focal Points will be the coordinators of Project activities in each of the implementing agencies. Focal Points would ideally be senior technical staff of the Implementing Agencies with convening power in their respective ministry.³⁴ They would be responsible for ensuring

³⁴ The Government formally identified Focal Points during Appraisal. These are the technical staff that led preparation of Project activities.



implementation of activities under the respective component for their sector, and keeping management in their respective ministries updated on Project implementation. Table 2 below lists each focal point.



Table 2: Implementing Agencies - Focal Points

Participating Agency	Department	Focal Person
MOEP	Statistical Department	Chief Statistician
	Labour Department	Labour Commissioner
MOE	Policy, Planning & Administrative Services	Senior Project Officer
	National Qualifications Department	TVET Director
MONM	Policy, Development and Administration	Director of Social Development

7. **Project Implementation Team.** To ensure smooth flowing of the Project, a Project implementation team will be established. The team will meet monthly to review project progress including identification and addressing of implementation bottlenecks. The team will comprise:

- (a) **Project Coordinator.** The Project Coordinator will have full responsibility for day-to-day management and delivery on time of the project. Therefore the Project Coordinator is expected to convene and chair all team meetings which will be held monthly. He / She will also compile reports and update the team on the overall progress of the project, including any major constraints.
- (b) **Procurement Officer.** All procurement and contracting activities will be managed by the Procurement Officer with technical input from the participating ministries’ focal points. The procurement officer will report on the progress of the procurement activities at the monthly meetings.
- (c) **Procurement Assistant.** The Procurement Assistant would be recruited to support the Procurement Officer in handling the procurements under the Project.
- (d) **Financial Management Specialist.** The FM Officer will present accurate and timely reports at the team meetings, which include, but are not limited to, expenditure, disbursements, commitments, forecasts and analysis of variance.
- (e) **Monitoring and Evaluation Officer/Specialist.** This officer will track the progress of the project and provide monthly reports to the team on the project result indicators.
- (f) **Project Focal Point in each Implementing Agency.** The Focal Point will have full responsibility for delivering an on time project, therefore s/he is expected to convene and chair all team meetings which will be held monthly. S/He will also compile reports and update the team on the overall progress of the project, including any major constraints.

8. **Project Implementation Unit.** The Project implementation would rely on the support of the existing PSIPMU currently supporting other WB projects. The capacity of the PSIPMU has been assessed, and the Project will support the needed strengthening of the PSIPMU to ensure smooth implementation of the Project without creating additional organizational units. Specific activities and responsibilities of the PSIPMU will include inter alia: (i) coordination of overall Project implementation activities as



specified in the Operations Manual; (ii) preparation of all the necessary Project implementation documents to ensure effective planning of Project activities; (iii) close cooperation with the implementing agencies on all Project implementation issues; (iv) oversight and control of disbursements; (v) effective monitoring and evaluation of Project achievements and outcomes and managing monitoring and evaluation budget; and (vi) preparation of progress reports in accordance with the provisions of the Financing Agreement.

9. The implementing agency for all Component 1 activities will be the Ministry of Education. Given that the MOE is responsible for activities under both components 1 (all activities) and 3 (TVET activities), two focal points will be appointed to oversee implementation of MOE-led activities under two components. For Component 1, the Project Management Unit (one Senior Project Officer, two Project Officers, and one Administrative Officer) will coordinate implementation of all project activities, including support for developing Terms of Reference and selection of consultants. The implementation of specific activities will be assigned to the relevant Senior Education Officers in the Directorates of Primary and Secondary Education, Special Education, Curriculum, and School Inspection. The project implementation team will have regular meetings chaired by the Permanent Secretary and attended by the Chief Education Officer, as well as the SVG focal point for the OECS regional GPE project, to ensure adequate implementation progress.

10. There are multiple implementing agencies responsible for activities under Components 2 and 3. This complexity will be remedied by placing lead responsibility for the overall Component with a Component Coordinator for each component. For Component 2, the component coordinator will be the MONM. MONM will be responsible for administration and management of the reformed safety net and all related activities. The MOEP will have responsibility and oversight of the activities related to the completion of surveys and update of labor legislation. Specifically MOEP will oversee the Statistical Office, which will be primarily responsible for the execution and completion of the updated Country Poverty Assessment. Responsibility for delivery of Component 3 will primarily rest with the National Qualifications Department (NQD) of the MOE and as such, the NQD will serve as Component Coordinator for Component 3. MOEP will also have oversight of the Labour Department, which is responsible for implementing activities under this Component, including capacity building and consultancies to support strengthening of the legislative framework.

11. Implementing Arrangements at MONM: Ensuring a core team is in place to manage the activities under MONM's responsibility for this Component is critical. This core team will need to be in place before Project activities begin to mitigate against implementation delays and risks associated with staff turnover. The number of activities, and their scale, will require multiple persons and responsibilities to effectively administer and manage all aspects of Project implementation. These activities are expected to improve business processes and service delivery provided by MONM, and as such, ideally Government staff would be assigned these responsibilities. If these positions cannot be located within the Government services, the Project would finance the required consultancies if required, to ensure these roles are filled. With the institutional assessment of MONM that is also being financed, MONM will have a clear assessment of required human resource needs that could facilitate transitioning of Project-financed consultancies to staff positions, if feasible. Furthermore, all Divisions of the MONM need to be actively engaged in Project implementation, as the reforms will affect the Ministry's work across departments. In addition to the MONM Focal point, the positions essential for MONM's effective implementation of the Project include: (i) a Social Assistance Officer, responsible for overall administration of all activities under the responsibility of MONM for the Project; (ii) a SAMIS Officer,



responsible for overall coordination between all parties involved in SAMIS design, development and deployment; and (iii) a Business Process Local Consultant to support the work of the SAMIS Officer. It would also be critical that ITSD appoints one of its staff as the SAMIS IT Officer to support the SAMIS deployment and ensure effective institutional coordination and central management of the system.

12. **Implementation Arrangements at NQD:** The Director of the NQD will serve as focal point for all TVET-related Project activities. The Director would be supported by NQD staff in implementation of TVET training and other relevant activities under Component 3.1. However, given the scope of these activities, a TVET Officer will be hired as a consultant to support overall implementation and monitoring of training activities. The TVET Officer will serve as a key interlocutor between the NQD and the TIs and Community College in the delivery of training. He/she will also be responsible for supporting the overall supervision of activities to enhance the learning environment in schools. The TVET Officer will report directly to the NQD Focal Point. Finally, before TVET training is rolled out, the NQD will prepare and submit for the Bank's approval, a Program Manual for the TVET training program. The manual will clearly describe processes for beneficiary application, enrollment, payment to instructors, delivery of stipends, addressing grievances, reporting and monitoring. The Program Manual will be in place throughout the duration of the Project and can be updated as changes to Project design are required based on lessons learned and availability of new data.

13. **Implementation Arrangements at the Statistical Office:** The Chief Statistician would be the Focal Point for the Statistics Department for all Project-related activities. A Statistician would be responsible for the LFS and labor demand surveys while a Senior Statistician will be responsible for the CPA. Support would be provided by other officers within the Statistical Office when needed. Additionally, the activities are carefully timed to ensure that completion of any survey activity is not jeopardized by the carrying out of another survey. However, complementary short term support for enumeration, field supervision, and data analysis and processing, would be essential for ensuring this is achieved.

14. **Project Operations Manual.** All implementation arrangements are in the Project Operations Manual (POM). The POM includes detailed information on roles and responsibilities of all participating agencies, administrative processes and fiduciary roles, as well as details regarding reporting and auditing. The Bank team reviewed the POM during negotiations and is satisfied with its content.

Financial Management

15. **The FM of the Project will be undertaken by the PSIPMU already established within the MOEP.** The PSIPMU has experience and is currently responsible for the FM aspects of several World Bank financed projects. The FM assessment for the PSIPMU is explained in the following paragraphs.

16. **Risk assessment.** Although the PSIPMU is experienced in coordinating World Bank financed projects, given the complex nature of the project and the multiple line ministries involved, the overall FM risk rating assigned to this project is Substantial.



17. **Staffing.** There is an experienced financial management team within the PSIPMU that supports all World Bank financed projects. From this team, a FM officer will be specifically assigned to this project, and will be dedicated to fulfil its required FM function. Throughout implementation, the World Bank's FM team will provide hands-on support on World Bank's policies and guidelines.

18. **Accounting.** The accounting of the Project will be done by the PSIPMU and will be covered by the current accounting procedures and processes as for all other World Bank financed projects implemented by the PSIPMU. The accounting records for the project will be maintained in the accounting system, Peachtree v2012, and the Government's IFMIS will be updated with the project's transaction for the month on a monthly basis through a journal entry. The daily operations of the project will be guided by an operations manual which will incorporate the financial management procedures. The manual will be updated throughout the life of the project as needed to reflect the current procedures and processes. Given the nature of the TVET program, the manual will cover specific procedures for payments and stipends which will be made to learning providers and trainees respectively. The criteria for such payments should also be clearly defined in the TVET manual.

19. **Budgeting.** A budget for all the activities of the project for the entire implementation period will be prepared at the beginning of the project by the PSIPMU in the MOEP. The budget will be revisited quarterly and revised where necessary, so as to depict implementation progress. The annual work plan will be derived from this master budget. The project's annual approved budget should be included in the Government of SVG's annual estimates under the line ministry, MOEP.

20. **Reporting.** Interim Financial Reports (IFRs) are required quarterly and should be submitted 45 days after each calendar quarter. Annual external audits are required with each audit covering one fiscal year (ending December 31). The audit reports are due to the World Bank no later than six months after the end of each audit period.

21. **Funds Flow.** A U.S. dollar designated bank account and a local currency (Eastern Caribbean Dollar) bank account will be opened upon effectiveness of the project at the Bank of Saint Vincent and the Grenadines. Both accounts will be segregated accounts. The U.S. dollar Bank account will be used to receive funds from the World Bank as well as make U. S. dollar payments throughout implementation. Funds will be transferred from the U. S. dollar designated account to the local currency (Eastern Caribbean Dollar) bank account to facilitate local currency payments. Both bank accounts should only be used to facilitate payments for eligible activities that relate to the project. For all components, the PCU will make payments directly to suppliers, beneficiaries, institutions, consultants etc., via wire transfer or manager's cheque.

22. **Supervision Strategy.** The supervision strategy for this project is based on its FM risk rating, which will be evaluated on a regular basis by the FMS in line with the FMSB's FM Manual and in consultation with the relevant Task Team Leader.

Disbursements

23. **Disbursements.** The following disbursement methods may be used to withdraw funds from the loan: (i) reimbursement, (ii) advance, and (iii) direct payment, being the advances the primary method of disbursement. Disbursements will be report-based. Initially an advance equivalent to six months'



forecast will be provided to the DA and subsequently quarterly IFRs will be the basis of documentation of the expenditures on the use of the advances and for reimbursement requests. Subsequent IFRs will also provide a forecast for the following six months, the basis of which the amount of funds to be disbursed will be determined. Eventual Direct Payments may be requested and documented by copy of the invoices. Overall disbursement arrangements will follow standard disbursement policies and procedures established in the Disbursement Guidelines for Investment Project Financing and in the Disbursement Letter of the Project.

24. **Disbursements to TVET Trainings under Sub-component 3.1.1 will follow the procedures reflected in the TVET Operations Manual, to be submitted and approved by the Bank prior to enabling the disbursements under this Sub-Component.** The manual should describe the TVET training criteria for selection of eligible beneficiaries, the roles and responsibilities for the implementation of the TVET programs, the definition and calculation of the stipends, the complete flow of funds for amounts to be paid to the trainers and trainees in the form of stipends, the description and screening of minor retrofitting and repair works, reporting, monitoring and audit requirements, the grievance mechanism and other administrative, financial, technical and organizational arrangements and procedures.

25. **Retroactive financing** will be allowed for this Project up to 20 percent of the credit amount (USD2,140,000) to be made for payments made for eligible expenditures up to twelve months prior to the signing date of the financing agreement. For Component 1, retroactive financing will assist in adaptation of regional learning standards and development of curriculum guides. For Component 2, retroactive financing will assist with the early implementation of priority Project activities to ensure that risks of delays do not jeopardize activities to be implemented later in Project preparation. Activities likely to be financed under retroactive financing include, contracting of the Social Assistance Coordinator at MONM; initiating eCPA activities; consultancy for developing the Payment System’s functional requirements and action plan; and the consultancies to develop the SP Strategy and update the Public Assistance Act.

26. The Bank financing would disburse against eligible expenditures (taxes inclusive) as in the table below.

Category	Amount of the Credit Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Non-Consulting Services, Consulting Services and Training under Part A of the Project	2,160,000	100%
(2) Goods, Non-Consulting Services, Consulting Services and Training under Part B of Project	3,460,000	100%
(3) Goods, Works, Non-Consulting Services, Consulting Services, Training, Operating Costs and	3,320,000	100%



Stipends under Part C.1 of Project		
(4) Goods, Non-Consulting Services, Consulting Services, and Training under Part C2 of Project	520,000	100%
(5) Goods, Non-Consulting Services, Consulting Services, Training and Operating Costs under Part D of the Project	1,240,000	100%
TOTAL AMOUNT	10,700,000	

Procurement

Procurement Capacity

27. **The fiduciary aspects of the project will be handled by the PSIPMU of MOEP, which was set up to oversee the implementation of major projects in SVG.** The PSIPMU has considerable experience in the fiduciary aspects of Bank-funded projects and experience and knowledge of its procurement procedures and policies, although it shall be noted this will be one of the first projects implemented under the New Regulations for IPF Borrowers.

28. The PSIPMU Procurement Staff includes:

- (a) One Procurement Officer: A permanent member of the MOEP staff, who has been part of the PSIPMU since 2012 working on Bank-funded projects.
- (b) One Engineer: A permanent member of the MOEP staff who has been part of the PCU since 2005, working with Bank-funded projects.
- (c) Two Procurement Assistants: One has been with the PSIPMU for 4 years, and the other for 2 years. Both have experience in Bank-funded projects.
- (d) One Contract Management Assistant.

29. The key issues/risks concerning procurement for implementation of the Project have been identified during the procurement capacity assessment, as follows:

- (a) Although the need to hire additional procurement staff to increase procurement capacity at the PSIPMU is not envisaged at present, the situation may change as the PSIPMU is expected to handle new projects currently in the pipeline. This situation needs to be monitored and reassessed over the course of the Project, and, if necessary, the team composition may need to be adapted to ensure smooth implementation. To allow for possible increase, the allocation for an additional procurement officer has been included on the procurement plan;
- (b) The Project will require to provide special attention to the coordination and communication between the implementing agencies and fiduciary staff. This may impact timelines for procurement activities;



- (c) The PSIPMU has experience in the implementation of World Bank funded projects (including through the procurement of consulting services, works, goods and training) and has been trained in the new procurement regulations for IPF Borrowers. However, the absence of experience in the new Regulations would warrant initial support from the World Bank which is expected to be reduced with time as the Procurement staff becomes more familiar with the practical implications of the new World Bank Procurement Regulations. Accordingly;
- (d) The overall Procurement risk rating is **Substantial**, based on the assessment of the PSIPMU capacity, considerations and complexity of the procurement arrangements reviewed and exposed. The Procurement Accredited Staff (PAS) assigned to this project, will monitor the procurement risk during implementation and will support, train and guide the Borrower's procurement team assigned to the Project.

30. **The proposed Project was identified as an Early Adopter and will follow the new procurement regulations for IPF Borrowers dated July 1st, 2016 for the supply of goods, works, non-consulting and consulting services.** The Project Procurement Strategy for Development (PPSD) is used to determine the optimum procurement approach to deliver the right procurement result. The PPSD needs to consider the market situation, operational context, previous experience, and the risks. That assessment is used as a basis to determine adequate procurement approach that will yield the right type of response from the market, increasing likelihood for participation of right bidders, better bids will be received, and the overall chance of achieving value for money will increase. Therefore, determining the right procurement approach, informed by appropriate analysis, is a critical activity that affects every subsequent step of the procurement process, into project implementation.

Procurement Methods

31. **Procurement Plan** - The Borrower, at appraisal, developed a Procurement Plan for Project implementation which provides the basis for the procurement methods (subject to the applicable thresholds included in the Operations Manual) based on the conclusions of the PPSD and is available (as required for all projects subject to the New Regulations for IPF Borrowers) in STEP (Systematic Tracking of Exchanges in Procurement). The Procurement Plan will be updated in agreement with the Project Team annually or sooner, as required, to reflect the actual project implementation needs.

32. **The Project will finance mainly the procurement of consultant services, goods and, to a much lesser extent, minor retrofitting and repairs to TVET classrooms.** Contracts will generally be procured through open competition, direct contracting (as described below), individual consultants and national or international market approach.

33. **The Project identified the need to contract Saint Vincent and the Grenadines Community College (SVGCC) to offer teacher training and certification under the Project.** The SVGCC is a state-owned enterprise established by the SVGCC Act in 2005. After careful analysis was concluded that SVGCC fails to meet the criteria included under paragraph 3.23 b) of the Procurement Regulations for IPF Borrowers concerning the contracting of SOE's. Therefore an exception under paragraph 3.23 c) was requested to Procurement. The exception was granted to contract SVGCC under Direct Selection under paragraph 7.14 (g) of the Regulations for the above mentioned activities included under Component 1 and 3 after satisfactory assessment of the request and its basis.



34. **The following main activities are envisaged to be procured:** Consulting Services such as In-service Teacher Training (which includes Training for Untrained Non-Graduates and Training teachers, education officers and principals on effective pedagogical practices), Adaptation and Dissemination of Learning Standards and Curriculum Guides and Principal Training and Mentoring and Development of Performance Appraisal Tools under Component 1, and procurement of Goods such as TVET training materials to enhance schools and ICT equipment for schools under Component 3.

35. **The Project also identified a large number of small individual consultancy services for enumeration in the field and also contracting field supervisors and data analysis support.** Due to the natures of those services, those need to be contracted individually. In this case, the target will be to streamline the procurement in order to minimize and lean the administrative work for the PSIPMU.

36. **Low-value, low-risk activities such as the minor retrofitting and repairs, shall be procured via request for quotation (RFQ) following the applicable procedures included on the Regulations for IPF Borrowers.**

37. **Frequency of Procurement Supervision** - Supervision of procurement for this Project is based on its Procurement risk rating, which will be evaluated on a regular basis by the Procurement Accredited Staff (PAS) assigned to this project and in consultation with the Task Team Leader and will include supervision missions at least twice a year. In addition to the prior review supervision to be carried out from Bank offices, the capacity assessment of the implementing agency has recommended: (i) close procurement support and guidance in the more complex bidding processes, and (ii) bi -annual supervision missions in the field to carry out the post review of procurement actions.

Environmental and Social (including safeguards)

38. **The Project is rated C, and as such none of the Project-supported activities are expected to lead to any adverse environmental impacts.** The Project will not involve any civil works or other activities that have environmental or social implications as per the Bank's safeguard policies. Further, no social safeguards are triggered by this project. Nevertheless, the MOEP has historically managed the social development and social safeguards-related aspects of Bank-financed projects and the social team within the MOEP has the capacity and experience to manage social-development related issues and associated consultations that might arise.

Monitoring and Evaluation

39. **The Project will support interventions to strengthen monitoring and evaluation capacity of the implementing agencies and regular reporting is to be coordinated by MOEP.** The Project will finance M&E related training as part of capacity building exercises, including capacity building in data analysis to improve monitoring and reporting of labor market outcomes. Development of the Management Information System (MIS) for the MONM will also facilitate to better monitor service delivery to PA beneficiaries. At the Project level, a progress report on the Project will be prepared and shared with the Bank on a quarterly basis during the first two years of the Project, and semi-annually during the final 3 years for the Project. Each implementing agency will be required to submit inputs to progress report on project activities to Project Coordinator who will consolidate these inputs and finalize the report to the Bank.



Role of Partners

40. **The activities are closely coordinated with development partners in the region that are supporting SVG with strengthening service delivery in HD Sectors.** In particular, the activities under the Education Component are linked directly to the OECS Regional Education Strategy 2012-2021 and necessitates continued collaboration with the OECS Commission to achieve these objectives. The Education Component will also be closely coordinated with the regional and country activities supported by the OECS regional Global Partnership for Education (GPE) grant. For Social Protection, the eCPA activities are being carefully coordinated with the CDB and OECS Commission to avoid duplication and ensure consistency with the regional approach for the eCPA exercise.



ANNEX 3: IMPLEMENTATION SUPPORT PLAN

COUNTRY : Saint Vincent and the Grenadines
Human Development Service Delivery Project

Strategy and Approach for Implementation Support

1. **The Implementation Support Plan (ISP) has been developed based on the nature of this multi-sectoral project and its corresponding risks.** Given that the Project design is a new model for delivering support to Small Island States using a single operation to support several sectors where institutional capacity remains uneven, implementation pace varied, and where fragile macroeconomic climate and susceptibility to shocks exists, timely and flexible implementation support will be very critical for the successful implementation of the Project.

2. **Therefore, the purpose of this ISP is to ensure that adequate and efficient Bank technical implementation support to the Government is in place so it can support the achievement of the Project's PDO.** In addition, the ISP focuses on implementing the risk mitigation measures described in the SORT. In particular, the ISP emphasizes, close support and frequent communication between the Bank, Project Director, Implementing Agencies, and PSIPMU; Bank's regular field visits; and strengthening trust and communication channels with the MOEP, its PSIPMU, and key co-implementers such as the Ministry of Education, Ministry of National Mobilization, as well as with other key stakeholders in the countries. The following key areas and actions have been defined as part of the strategy:

- (a) **Coordination:** The core team will closely monitor Project implementation to promote coordination, and detect possible lack of communication, duplication of efforts, and delays in implementation. Moreover, the team will strive to maximize the benefits of the Bank's involvement in other sectors and periodically convene stakeholders.
- (b) **Procurement:** Given that some equipment and minor retrofitting and repairs work will be contemplated under the project, the Bank's procurement specialist will work closely with the PSIPMU and technical specialists to ensure that Procurement processes and the PP are well implemented and the corresponding adjustments to the PPSD are made as needed.
- (c) **Financial Management:** During implementation, the Bank's financial management specialist will routinely review the project's financial management capacity, including but not limited to accounting, reporting, and internal controls to ensure that they are satisfactory to the Bank.

Implementation Support Plan and Resource Requirements

3. **In order to execute the ISP, the World Bank's implementation support team will comprise a multi-sectoral task team and fiduciary, procurement, safeguards staff and sector specialists.** As a result, the Project is likely to incur project supervision costs that exceed current norms. The ISP will be revised as needed taking into account any evolving circumstances and any adjustments could be reflected in future Implementation Status Reports (ISRs).



- (a) **Tools.** The ISP will make use of the following tools for review and technical capacity building: (a) regular joint sectoral implementation support missions at least twice a year including field visits; (b) a joint sectoral Mid-Term Review, used as the opportunity to make major adjustments in project design and funding allocations, if needed; (c) use of monitoring and evaluation data for performance adjustment; and (d) search for available trust fund resources to enhance delivery of capacity building as applicable. Detailed inputs from the Bank team are outlined below:
- (b) **Technical Inputs:** Sectoral experts in the team will provide guidance and technical assistance, organize technical workshops and provide information on best practices, assist in technical exchange, participate in missions to support the implementation of Project-related activities, review and provide advice on the TORs, and assist in establishing sound monitoring and evaluation.
- (c) **Fiduciary Inputs:** Supervision of FM arrangement would be carried out as part of the Project supervision and support would be provided on a timely basis to respond to Project needs. Procurement supervision would be carried out as required.
- (d) **Country Relations:** The Task Team Leaders would coordinate within the Bank to ensure Project implementation is consistent with Bank requirements, as described in the Legal Agreement. In addition, constant channels for information exchange would be maintained with senior officials, taking advantage of trust and communication capacity.

Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Senior Economist (co-TTL; SP)	10	2	Administrative responsibilities, oversight of the entire operation and supervision of technical and fiduciary aspects.
Senior Economist (co-TTL; EDU)	6	2	Oversight of the Education and TVET education aspects of the Project.
Social Protection Specialist	8	2	Support to implementation of Components 2 and 3
Poverty Specialist	3	2	Support to implementation of Sub-Components 2.1. and 3.2.
Education Specialist	4	2	Support to implementation of Component 3
TVET Specialist	4	2	Support to implementation of Component 3
MIS Specialist	2	1	Support the MIS development



Procurement Specialist	3	1	Support PSIPMU on procurement
FM Specialist	3	1	Support PSIPMU on FM
Disbursement Specialist	1	0	Support PSIPMU on disbursements

Partners

Name	Institution/Country	Role
Geraldine St Croix	OECS Commission	Regional Project Coordinator for the CDB-financed eCPA Technical Assistance to OECS countries
Daisuke Kanazawa	Global Partnership for Education	Senior Education Specialist
Marcellus Albertin	OECS Commission, Education Management Unit	Head, Education Development Management Unit



ANNEX 4: ECONOMIC ANALYSIS

COUNTRY: Saint Vincent and the Grenadines Human Development Service Delivery Project

1. **The economic benefits of the Project have been assessed through: (i) development impact of the Project; (ii) adequacy of public sector provision/financing; and (iii) World Bank value added.** Although difficult to quantify accurately, estimated economic and social rates of return are expected to be high due to: (i) improved quality of primary and secondary education; (ii) strengthened mechanisms to provide safety nets support; (iii) higher economic productivity of youth who would otherwise fail to develop adequate skills; and (iv) improved data for monitoring poverty and labor market trends that will enable informed policy development.

Development Impact of the Project

Component 1: Strengthening pedagogy for basic and special needs education

2. **This Component aims at improving the education quality through better teaching and school management practices.** The economic benefits of this intervention rely on the assumption that student learning outcomes will improve, which will then translate into higher earnings throughout the lifecycle.

3. **There is growing evidence that teachers play a key role in what, how, and how much students learn.** However, it is less clear what policies are the most effective to increase student learning outcomes through improved teaching practices. A recent meta-analysis on randomized experiments aimed at improving learning in primary schools of developing countries (McEwan, 2014), estimated that teacher training interventions improve, on average, students learning outcomes by 0.12 standard deviations. On the other hand, in the Indian state of Haryana, tailoring teaching to the students' actual learning level led to gains in language of 0.15 standard deviations (Banerjee et al, 2016). Regarding feedback provision on teaching practices, a randomized evaluation of a program in the Brazilian state of Ceará found that secondary teachers who were provided with benchmarked feedback from classroom observations and access to expert coaching improved their students' scores by 0.13-0.23 standard deviations on the state test and 0.13-0.17 standard deviations on the higher on the national test (Bruns et al, forthcoming).

4. **On the other hand, there is also a growing literature, particularly from the U.S., that shows that school principals, district superintendents, and other system managers matter for school and student outcomes, and that the practices they implement are key drivers of their effectiveness** (Branch, Hanushek, and Rivkin 2012; Hitt and Tucker 2015). Based on both educational and business research, Bloom et al (2015) demonstrate that best practices in management correlate strongly with student outcomes. In particular, using data from over 1,800 high schools in eight countries, they found that one standard deviation increase in the management quality index score is associated with an increase of 0.232 of a standard deviation in pupil achievement. Additionally, a recent randomized field experiment in Houston shows that introducing best management practices from charter schools in lower performing schools lead to gains in student math achievement of between 0.15 to 0.18 standard deviations per year (Fryer 2014).



5. **Given that the interventions under this Component bundle together teacher training, tailored teaching practices, feedback provision from classroom observations and improvement of school leadership, it seems reasonable to assume that students' learning outcomes in Saint Vincent and the Grenadines are expected to increase by between 0.12 and 0.23 standard deviations by the end of the project.** Additionally, evidence from PIAAC shows that, on average, a one-standard-deviation increase in numeracy skills is associated with an 18 percent wage increase among prime-age workers (Hanushek et al, 2015). Consequently, the benefits of this component are estimated as the additional earnings that students will get over their life cycle as a result of the improved teaching practices, using the two estimates aforementioned.

6. Assuming that the project costs will be disbursed with the same schedule of the overall Project, that the improved teaching practices will last for 20 years, that the first cohort who will benefit from an improved teaching in all grades is expected to enter in the labor market in 2031 and a discount rate of 10 percent, this component is expected to have an IRR of between 11 percent and 22 percent.

7. The estimated benefits of this component reflect a lower bound of the expected benefits:

- (a) The individual returns to increased educational attainment do not capture the potential dynamic effects of an overall increase in productivity, resulting in improved economic growth.
- (b) Educational attainment is correlated with several social benefits such as longer life expectancy and higher civic engagement, that haven't been quantified in this analysis.
- (c) The benefits from the activities aimed at strengthening special education haven't been considered in the analysis.

Component 2: Building Responsive Social Protection Service Delivery Systems

8. **Improved targeting accuracy expected.** SVG currently uses an income-based assessment for determining eligibility linked to thresholds from the last CPA exercise. The revision and update of the instrument is critical for ensuring improved targeting accuracy, given the occurrence of the 2008-9 crisis, compounded by repeated climate-related shocks since these thresholds were established. As such the Government has indicated preference for revision of the instrument to combine the use of means and proxy means testing to assess poverty, and by extension, determine eligibility for PA in the short term, and the wider safety net in the medium term. The approach for rolling out the instrument will be based on a survey sweep approach of the poorest and highly-vulnerable geographic districts identified through risk modeling supported by the RSRTF, and validated in the updated CPA. The benefits of targeted safety net programs is well established in literature and evaluations. The seminal work on this is Coady, Grosh and Hoddinott's 2004 global assessment of 122 programs in 48 countries, which found that the median program provided approximately 25 percent more resources to the poor than would be provided with random allocations. That study also found that it was possible to attain progressive results despite program type and country income level. The literature also points to more effective targeting of the poorest quintiles with use of a combined approach.³⁵ SVG's decision to combine means and proxy means testing, with geographic prioritization, is therefore expected to facilitate improved targeting of the poorest. With limited resources and a fiscally constrained environment for financing safety net

³⁵ Leite (2014); Handy et al (2012); Grosh et al (2008); Castaneda and Lindert (2005); Coady et al (2004).



benefits, improved targeting will enable the country to focus resources more effectively on the poorest for better results in poverty reduction. Simulations to estimate potential targeting accuracy improvements were not possible due to integrity issues with data management of the current beneficiary registry, compounded by resource and capacity constraints to clean the database in time before Project preparation is completed. As such, baseline data is not readily available. Once the targeting instrument is designed and piloted in year 2-3 of the Project, the existing beneficiary register will be assessed to establish baselines with the new thresholds, following which targeting accuracy – particularly of the poorest two quintiles – is expected to increase. It will be difficult to include set targets for beneficiary incidence and coverage without this baseline data. Furthermore, given the timing for rolling out these activities, related indicators have not been included in the Project’s results framework. Despite this, they are expected to be reported in routine Project reports.

9. **Reduced duplication and consequent efficiency gains to be facilitated by registry and MIS.** The importance of registries and information systems for improving delivery of SP programs, particularly for a systems approach to delivering SP programs and services has been noted in several reviews and assessments.³⁶ The design of a social registry and MIS, complemented by a household-intake system for safety net support, is expected to reduce duplication in the receipt of benefits within households, and improve effectiveness of support to poor households that addresses their myriad vulnerabilities.

10. **More efficient payment delivery would be facilitated.** The current payment mechanisms in place combine check and cash payments at Treasury Offices and through the National Assistance Fund, often with long processing times. Additionally, for some PA benefits³⁷ payments are provided directly to service providers, with lengthy processing and delayed delivery to beneficiaries. Cash delivery also entails a degree of financial security risk in the use of public funds. Duryea and Schargrotsky (2008) examined the effects of changing the delivery of welfare benefits from cash to linked bank accounts, and found positive effects including reduced transaction costs and transition to the formal sector. White et al (2015) note that electronic payments have the potential to facilitate value for money for SP systems as well as potential for financial inclusion. The experience of countries such as the Dominican Republic, Ecuador, Pakistan and others with delivering electronic payments would prove useful to SVG as the country improves its payment delivery. The new payment mechanism will be informed by an assessment aligned with the Inter-Agency Social Protection Assessment (ISPA) payment tool, financed by the RSRTF. The assessment will inform Government of the optimal options for revising the payment mechanism to facilitate increased security and transparency; more efficient delivery; and to help facilitate financial inclusion objectives.

11. **Careful design and implementation will be essential, and as such, expected outputs and outcomes from rolling out these new systems will not be fully realized before the third year of Project implementation.** Castaneda and Lindert (2005), note the importance of careful design and implementation of targeting systems, with attention to appropriate data collection strategies; adequate systems management; institutional arrangements; and appropriate monitoring and oversight mechanisms. Prioritization of developing a SP Strategy in the first year of Project implementation, will also ensure that the service delivery instruments are informed by an overall guiding policy aligned with clear poverty reduction objectives set for the sector. The roll-out of the service delivery systems

³⁶ White et al (2015); Chirchir et al (2014); Rao (2013); Castaneda and Lindert (2005);

³⁷ This is done For Burial Assistance, Medical Assistance, School Uniforms, and Utilities.



financed by this Project will benefit from anticipating lessons based on previous country experience, and implementation that is paced according to the country's implementation capacity.

12. **Overall, although difficult to quantify, the long term benefits, including reduced administrative costs over time; increased transparency and accountability; better targeted distribution of resources to support the poor justify the initial investments in these improvements.**

Roll-out of the targeting instrument, registry and MIS are costly, however, the planned use for the targeting instrument and registry to be used for identification of beneficiaries for other safety net programs will reduce administrative costs in the long run. A more effective household-based approach to providing safety net support, will help reduce duplication of benefits and improve spending efficiency over time. Additionally, given the country's precarious risk profile, the population of the registry based on updated risk modeling and poverty data, would ensure fast response to affected households in the event of any crisis, enabling Government's response to focus on other households.

13. **Finally, collection of poverty data, and labor market data, will ensure that policies and program decisions are responsive to the actual sectoral contexts and more effectively responsive to the risks and vulnerabilities faced by households.** The collection of this data, will ensure that sound analysis of impacts and program outcomes can be more effectively measured in the future.

Component 3: Strengthening Labor Market Systems and Improving Skills Training of Poor and Vulnerable Populations

14. Although this component comprises a wide set of interventions including the strengthening of the overall institutional and policy framework for the labor market, an update of the knowledge base for training delivery, improvement of the delivery of TVET education in schools, institutional capacity building and direct provision of training to poor unemployed adults and youth, the economic analysis is going to focus on the latest one, since the others are difficult to quantify.

15. **The skills training of poor and unemployed persons is expected to affect the beneficiaries' employment outcomes on two dimensions: improving their probability of employment and their wages once they become employed.** The following economic analysis computes the combinations of employment probability and wage increases that will lead to positive returns for the project.

16. **Over the life of the project, 1200 poor and unemployed at-risk youth will be trained at an average cost of 535 USD per person.** Assuming that individuals' productive life goes up to age 60, that the average age of the training participant is 25 years old, that the current probability of being employed of the eligible beneficiaries can be approximated by the employability of individuals with primary or secondary incomplete education using the 2015 LFS data, that their current average yearly wage is 4,788 USD³⁸ and a discount rate of 10 percent, the table below shows the Internal Rate of Return (IRR) that the different combinations of increases in wages and employability will attain:

³⁸ Which is the median wage for primary educated individuals in 2015.



Table 1: Estimated Rates of Return

		Increase in wages as a result of the skills training				
		0%	1%	2%	3%	4%
Increase in the probability of being employed as a result of the skills training	0%		-7%	-2%	1%	5%
	1%	-7%	-2%	1%	5%	8%
	2%	-2%	1%	5%	8%	12%
	3%	1%	5%	8%	12%	16%
	4%	5%	8%	12%	16%	20%

17. As shown in the table, an increase in the yearly wage of as little as 2 percent, either as a result of an increase in the probability of being employed or in the average wage when employed will already result in a positive IRR of 5 percent. If both the probability of being employed and the wages increase by 4 percent, the IRR would be of 32 percent.

Use of Public Funds

18. **The investments financed under this Project are in the interest of improved management of public resources and for improving equity in the delivery of Government-provided programs and services in HD sectors.**

19. **In Education, use of Public Funds is justified on grounds of equity and economic performance.** The strong individual economic returns to schooling indicate that investments in education are a highly efficient means of promoting social mobility and improving the standard of living of the poor. In the aggregate, there is strong suggestive evidence that improvement of learning outcomes is linked to economic growth at the national level.³⁹

20. **For Social Protection and Labor, these include update of the Public Assistance Act and labor legislation, and development of an SP Strategy.** Given years of policy decision making in these sectors with outdated data on poverty and labor markets, Government would benefit significantly by directing resources to improve the evidence-based for decision making. Use of public financing is therefore necessary, under the Project for these activities.

21. **For TVET training and delivery, there have been previous efforts to secure private sector co-financing for provision or training and internships with skills training programs in Caribbean countries, with limited success.** This has been constrained by a small private sector, often with limited resources to

³⁹ Hanushek, Eric and Lugar Woessman. 2010. *The High Cost of Low Educational Performance: The Long-Run Impact of Improving PISA Outcomes*. Paris: OECD.



finance job attachments for short-term trainees. This constraint has been experienced in Grenada and St Lucia. For Grenada, for instance, employers cited a preference to pay for skills upgrading of their current workforce, rather than finance short-term job attachments for newly certified temporary trainees (OECS Skills for Inclusive Growth Project). The Project's financing of trainee stipends seeks to mitigate these risks. Despite this, the NQD will seek to secure private sector co-financing where willing employers present themselves. This will facilitate cost savings that could be redirected to scale up training or job attachments funded using Project funds.

World Bank Value Added

22. **For Component 1, the Bank is the only donor active in the country with both the technical and the financial capacity to support broad-based investments in the education sector.** The Bank has built strong partnerships in the sector in both Saint Vincent and the Grenadines and the OECS region for the past 13 years, beginning with the OECS Education Development Project (P086664). The current Project builds on regional-level technical support from the Bank under the Support to OECS Education Strategy Project (P158836).

23. **For Component 2, the Bank has provided critical technical assistance to many of the well-established first generation safety net programs in the Latin America and Caribbean region, including in Brazil, Mexico, and Jamaica, as well as assist other Caribbean countries such as Belize, Grenada, Dominica and Saint Lucia with strengthening their SP systems.** Additionally, the Bank has been a leader in providing knowledge and expertise to guide the systems agenda that is critical for a well performing safety net. The Bank's experience also includes countries like Chile, where the SP system's integration has been a key model for countries across the globe. The activities and desired outcomes mapped out by the Government under the Project would benefit from this expertise, as there is limited capacity in-country to support reforms of this scale for the SSN.

24. **Furthermore, other development partners in the region, are either faced with resource constraints to support this agenda, or lack the global expertise on these systems elements that would be needed to ensure project objectives are met.** For the eCPA exercise, the lack of financing for data collection, revealed the urgent need for alternative financing to support this activity. The Bank has already been engaged with the country on this agenda, and the inclusion of this activity under the Project, enables the Bank to contribute to a regional initiative supported by other development partners (CDB and OECS Secretariat), to achieve a shared objective for the country. On Labor, the Bank has extensive experience in labor market reforms and labor legislation which ideally places the institution to provide support for improving institutional capacity and supporting these reforms. Given that alternative financing sources from development partners for this activity is unavailable, the Bank is also filling a key financing gap to support these objectives.

25. **For Component 3, the World Bank Education and Social Protection and Labor Global Practices have extensive global experience with supporting client countries in their efforts to strengthen national vocational certification frameworks, and more specifically, supporting Caribbean countries with aligning to the regional certification framework and standards.** Additionally, the Bank's support on this agenda often includes strengthening policies and programs to improve skills and employment



outcomes for poor and vulnerable persons. Only in the Caribbean, the Bank provided support in this agenda in Jamaica, Grenada, St Lucia, and Antigua and Barbuda.⁴⁰ Furthermore, the Bank's extensive knowledge on skills, jobs, and TVET training across the globe will facilitate the incorporation of best practices in TVET delivery and skills training from other countries, from the Latin America and Caribbean region and beyond.

⁴⁰ Grenada: OECS (Grenada) Skill for Inclusive Growth - (P095681); St Lucia: OECS (St Lucia) Skills for Inclusive Growth - (P097141); Antigua and Barbuda: Public and Social Sector Transformation Project (P126791); Jamaica: Social Protection Project (P105024); and Social and Economic Inclusion of Persons with Disabilities (P144263).