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IMPLEMENTATION COMPLETION REPORT
(27010)

ON A

CREDIT

IN THE AMOUNT OF SDR 9.3 MILLION (US\$13.4 MILLION EQUIVALENT)

TO THE

REPUBLIC OF MALDIVES

FOR A

SECOND EDUCATION AND TRAINING PROJECT

April 30, 2001

South Asia Region
Education Sector Unit

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CURRENCY EQUIVALENTS

(Exchange Rate Effective January 1, 2001)

Currency Unit = Rufiyaa (Rf)

Rf11.77 = US\$ 1.00

US\$ 1.00 = Rf11.77

FISCAL YEAR

January 1 - December 31

ABBREVIATIONS AND ACRONYMS

AEC	Atoll Education Center
ACTSD	Advisory Committee on Training and Skill Development
ADB	Asian Development Bank
AIDAB	Australian International Development Assistance Bureau
AusAid	Australian Aid Agency
CAS	Country Assistance Strategy
CPL	Currency Pool Loan
CSU	Central Scholarship Unit
DCA	Development Credit Agreement
DER	Department of External Resources
DPE	Department of Public Examinations
EDC	Education Development Center
EMIS	Education Management Information System
ETP	Education Training Project
FMIS	Financial Management Information System
GER	Gross Enrolment Ratio
GOM	Government of Maldives
ICB	International Competitive Bidding
ICR	Implementation Completion Report
IDA	International Development Agency
IDB	Islamic Development Bank
IHS	Institute of Health Services
IMA	Institute of Management and Administration
ITC	Illawara Technology Corporation
ITE	Institute for Teacher Education
MCHE	Maldives College of Higher Education
MCMA	Maldives Centre for Management and Administration
MCPW	Ministry of Construction and Public Works
MHREL	Ministry of Human Resources, Employment and Labor
MLSTEP	Maldives Lower-Secondary Teacher Education Project
MOE	Ministry of Education
MOFT	Ministry of Finance and Treasury
NA	National Assessment
NCB	National Competitive Bidding
NPV	Net Present Value
NRSS	Northern Regional Secondary School
NSB	National Scholarship Board
OECD	Organization for Economic Cooperation and Development
PCC	Project Coordination Committee
PIU	Project Implementation Unit
PMR	Project Management Report/Project Management Reporting
QAG	Quality Assurance Group
QSA	Quality of Supervision Assessment
SA	Special Account
SAR	Staff Appraisal Report
SASED	South Asia Region, Education Sector Unit
SBCQ	Selection Based on Consultant's Qualification
SETP	Second Education and Training Project
STR	Student Teacher Ratio
TA	Technical Assistance
TETP	Third Education and Training Project
VTC	Vocational Training Center

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<i>Project ID:</i> P004337	<i>Project Name:</i> EDUCATION
<i>Team Leader:</i> Vincent M. Greaney	<i>TL Unit:</i> SASED
<i>ICR Type:</i> Core ICR	<i>Report Date:</i> April 30, 2001

1. Project Data

Name: EDUCATION *L/C/TF Number:* 27010
Country/Department: MALDIVES *Region:* South Asia Regional Office
Sector/subsector: EP - Primary Education

KEY DATES

	<i>Original</i>	<i>Revised/Actual</i>
<i>PCD:</i> 01/11/94	<i>Effective:</i> 06/01/95	
<i>Appraisal:</i> 06/01/94	<i>MTR:</i> 10/01/97	
<i>Approval:</i> 04/11/95	<i>Closing:</i> 06/30/2000	

Borrower/Implementing Agency: Government of Republic of Maldives/Ministry of Human Resources; Employment and Labour

Other Partners: Australian Aid Agency, Islamic Development Bank

STAFF	Current	At Appraisal
<i>Vice President:</i>	Mieko Nishimizu	Joseph Wood
<i>Country Manager:</i>	Fakhruddin Ahmed	Paul Eisenman
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2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

Outcome: S

Sustainability: L

Institutional Development Impact: SU

Bank Performance: S

Borrower Performance: HS

	<i>QAG (if available)</i>	<i>ICR</i>
<i>Quality at Entry:</i>		S
<i>Project at Risk at Any Time:</i> No		

3. Assessment of Development Objective and Design, and of Quality at Entry

3.1 *Original Objective:*

The Second Education and Training Project (SETP) was the second IDA- (International Development Association) supported education project in the Republic of Maldives. Its design was therefore largely informed by the experiences and outcomes of the first Education and Training Project (Cr.1981-MAL) which was implemented from 1989 to 1995. SETP's development objectives were to: (a) upgrade education quality; (b) increase equitable access to quality secondary education for about 1400 students in the atolls; (c) reduce skill shortages; (d) increase responsiveness to economic priorities for overseas post-secondary training; (e) strengthen financial management of the education sector; and (f) undertake priority studies in the education sector.

3.2 *Revised Objective:*

No changes were made to the development objective during project implementation.

3.3 *Original Components:*

(a) **upgrade education quality** by establishing an in-country lower-secondary teacher training program and contribute to the gradual reduction in the number of expatriate teachers; strengthening the pre-service teacher training program; upgrading primary atoll teachers through in-service training; remodeling the Institute for Teacher Education (ITE) facilities; and establishing efficiency indicators to facilitate sector management; by reducing the number of untrained teachers at primary level, substituting the number of national for expatriate teachers at secondary level, organizing in-country pre-service training for lower secondary teachers, strengthening pre-service training for primary teachers, upgrading atoll primary school teachers through in-service training, implementing a staff development plan for primary and lower secondary teacher trainers, and improving teacher training facilities;

(b) **increase equitable access to quality secondary education** for about 1,400 students in the atolls by adding lower-secondary(grades 8-10) to four selected AECs and establishing a new lower-secondary school in the north; maintaining a career information and guidance program; and undertaking policy reforms in secondary education including consolidating atoll secondary education, recovering costs at the secondary level in government schools, continuing the flexible administration of the bonding of secondary school leavers and assisting with the implementation of more economical and equitable student-teacher ratios, and staff-deployment policies;

(c) **reduce skill shortages** by developing, at the Maldives Center for Management and Administration (MCMA), fee-paying modular courses that would respond to both private and public sectors; improving the quality of existing and new skill-training programs at the MCMA, the Institute of Teacher Education (ITE), the Institute of Health Services (IHS) and the Vocational Training Center (VTC) through staff-training programs and providing facilities at MCMA and equipment and books at the MCMA and the VTC;

(d) **increase responsiveness of overseas post-secondary training to economic priorities** by selecting the best candidates under a criteria-based fellowship program. The program would allocate about 25 percent of the fellowships to the private sector with about 80 percent of all fellowships offered at lower-cost regional institutions. Sustainability would be supported by introducing cost-recovery measures to establish a fellowship fund;

(e) **strengthen financial management of the education sector** by improving financial practices and mechanisms to provide more equitable grants and financial support to educational institutions; and

(f) **undertake priority studies** in the education sector.

3.4 Revised Components:

Project components were not revised during project implementation.

3.5 Quality at Entry:

Sector Background: Education in the Maldives has been predominantly a shared responsibility between the government and the private sector. Initially, government schools accounted for about 45 percent of total enrollments. This proportion has gradually increased with the Government of Maldives (GOM) assuming greater responsibility, particularly at the primary level. In the early 1990s the percentages of the age cohort receiving primary and lower secondary education were 133 percent (GER) and 21 percent respectively. The school structure in the Maldives includes seven years at primary level (grades 1-7), three years at lower secondary level (grades 8-10); and two years at upper secondary level (grades 11-12). The London University Certificate of Education 'O' level examination is taken after grade 10 and the 'A' level is taken after Grade 12. Primary education is imparted through a dual system: (i) majority of the island schools using Dhivehi as the medium of instruction; and (ii) All schools in Male'; using English as the medium of instruction. Post-secondary education is pursued overseas for those holding 'O' and 'A' level certificates; some formal training is provided in Male'. Tertiary education is, for the most part, contracted externally and tends to be supported by government-awarded fellowships.

The Project: The predominant sector issues, at the time of project preparation, were to: a) improve educational quality; b) meet the growing demand for secondary education through expansion of secondary school facilities and the provision of trained national teachers; and c) reduce the shortage of skilled manpower. In June 1993, as many as 800 expatriate teachers were employed at twice the cost of similarly trained national teachers; 31 percent of the teachers located in the atolls were untrained; the majority of 'trained' teachers had only completed primary education. There was also a serious shortage of teachers' guides in Dhivehi. Skills gaps and many under-qualified individuals assigned to positions of national responsibility hampered productivity and the delivery of critical public services.

The first Education and Training Project (ETP) started addressing some of these issues by supporting overseas fellowships and the initial expansion and improvement of secondary and upper-secondary schooling. The SETP built on lessons learned from the first project. It took into account, for instance, that a senior secondary school located in an atoll had promoted equitable access for females and also noted that the fellowship program contributed to a reduction in skill shortages among senior government officials (three of the beneficiaries became government ministers). ETP studies and experiences helped identify the objectives that defined the SETP components. Project preparation was carried out in close collaboration between GOM and IDA. The project benefits and risks were well articulated and indicators identified. With the benefit of hindsight, the range of project objectives appears to have been too extensive and diffuse, ranging from increasing equitable access to lower secondary education to reducing skill shortages and addressing economic priorities of the country. Also, a number of minor objectives (e.g., establish a career information and guidance service) were overly ambitious given the level of system development. Furthermore, the twelve legal covenants agreed to by both GOM and IDA, though intended to monitor program quality, appear to have been too numerous. Some were also unrealistic, given the limited management capacity of GOM at that stage. It would also have been advisable to include a financial analyst at the time of appraisal considering that the accounting courses and setting up of a financial management system were important project components. The project design did not adequately emphasize process objectives and indicators linked to quality improvement. The overall thrust of the project seems to have been correct, given the experience with ETP and the economic needs at the time; the more visible

focus seems to have been on fellowships and skills training to meet economic priorities, civil works to increase enrollment, and teacher training. Quality at entry was rated satisfactory.

4. Achievement of Objective and Outputs

4.1 Outcome/achievement of objective:

Assessment of achievement of objectives has been greatly facilitated by availability of timely educational statistics published annually by MOE. Absence of an EMIS/FMIS facility, which was to be developed during the course of project implementation, adversely effected overall project evaluation. This along with absence of some measurable quality indicators, limited somewhat the scope of the quantitative analysis.

Upgrade education quality:

The project aimed at universal coverage at the primary stage by year 2000 (Annex 3, SAR). While population estimates are not available to make an exact estimation, the available data indicates a very positive impact in terms of an overall increase of 3925 students at the primary stage between 1996 and 2000. The increase is more significant in the atolls as compared to Male where the primary enrollment has increased by 4275 students from 1996 to 2000. Girls enrollment increased by 1798. The increases in atoll and girls' enrollment are significant achievements; they demonstrate that important project objectives related to equity were attained. In terms of total national figures in both primary and secondary education, enrollment of girls has increased by 19.3 percent, compared to 17.9 percent for boys. Enrollment objectives were achieved; the enrollment increase was more pronounced in the atolls (20 percent) than in Male' (15 percent) (Educational Statistics, 1996-2000, Ministry of Education [MOE]. Evidence collected through interaction with stakeholders indicates growth in enrollment to be largely due to the creation of good school facilities in the atolls under the project. These have generated community demand for education. It seems to have also developed a sense of community pride and ownership in the school, and a commitment to education. For instance, one atoll organized a week-long celebration when the local school was declared the best school for the year, based on examination results. Many atoll communities take on the responsibility of annually painting the school. In some atolls, families accommodate children from neighboring islands at nominal or no charges, to enable them to study in the local school. It was not possible to assess the impact of project interventions on other educational indicators such as learning outcomes, since these were not specified in the project design.

Increase equitable access to quality secondary education:

The project objective of an increase of 1400 students at the lower-secondary level has not only been met but has been exceeded by 1708 students over the 1995 baseline (671). Prior to project commencement, out of approximately 6,200 students enrolled in lower-secondary education (grades 8-10) in 1993, about 80 percent were in schools in Male'. There was only one designated lower-secondary school outside Male', the Southern Secondary School in the Addu Atoll, built with support from the first IDA-funded ETP. SETP supported the upgrading of four secondary schools. Enrollment, at the lower-secondary stage, has since expanded sharply in the five schools (see Table 1) with overall numbers increasing about four times over the baseline, from 671 in 1995 to 2379 in 2000. Female secondary enrollment has also risen steeply, from 326 students in 1995 to 1261 students in 2000. Female students account for about 53 percent of students in the five schools supported through project funds. The proportion of secondary school enrollment in Male' has consequently declined to about 55 percent, thus lessening the demand for scarce accommodation in the capital.

Table 1: Growth in secondary enrollment (grades 8-10) by gender

	1995			2000		
	female	male	total	female	male	total
Baa Atoll <i>Eydafushi School</i>	42	49	91	173	201	374
Lhaviyani Atoll <i>Hinnavaru School</i>	49	58	107	140	156	296
Gaafu Dhaalu Atoll <i>Thinadhu School</i>	93	115	208	301	248	549
Gnaviyai Atoll <i>Marukazu School</i>	142	123	265	311	254	565
Total IDA-supported	326	345	671	925	859	1784
Northern Regional Secondary School (IDB-supported)	-	-	-	336	259	595
Total SETP-supported	326	345	671	1261	1118	2379
Male'	2540	2680	5220	4613	4405	9018

Source: Ministry of Education Statistics

The project also aimed to support the expansion of access to higher-secondary education (grades 11-12) in Male. Enrollment data shows that the project was associated with a doubling of student numbers in grades 11-12. Total student numbers in these grades increased from 313 in 1993 to 638 in 2000; female student numbers rose from 123 in 1993 to 274 in 2000.

Reduce skill shortages:

The project's contribution to the development of the Maldives Centre for Management and Administration (MCMA), more recently termed the Institute of Management and Administration (IMA), has been highly significant. SETP-supported the development of IMA with the objective of reducing the shortage of skilled manpower. Project support was designed to enable the institute to offer a range of diplomas and certificate-level courses in subject areas associated with strong labor market demand. During 1996-1999, about 1313 persons were trained in IMA. Out of this number, about 939 persons (72%) received training during 1998-1999, when IMA was able to expand significantly training facilities and activities due to project support. Among the total number trained, about 43 percent were from the public sector and 57 percent from other sectors.

Table 2. Distribution of students across courses at IMA

COURSE	1996		1997		1998		1999	
	Public sector	Total	Public sector	Total	Public sector	Total	Public sector	Total
Accounting	48 (34%)	140	43 (36%)	119	57 (38%)	152	61 (40%)	13
Island administration	24 (69%)	35	23 (66%)	35	36 (100%)	36	28 (74%)	38
Clerical staff training	22 (92%)	24	21 (100%)	21	22 (100%)	22	23 (92%)	25
Management courses	0	0	0	0	104 (58%)	180	45 (22%)	202
University entrance diploma	0	0	0	0	13 (16%)	82	8 (22%)	39
Diploma in Information Technology	-	-	-	-	-	-	4 (23%)	10
Total	94	199	87	175	232	472	169	467

Note: Figures in parentheses indicate percentage of public sector employees among course participants

IMA has improved to the level where it can now provide two-year diploma and one-year certificate courses in three departments: (i) information technology (IT); (ii) management; and (iii) accountancy. The IT diploma and management certificate are accredited by the University of Wollongong, Australia. IMA has also linked up with the University of Middlesex in the United Kingdom to offer bachelors level degrees in Business Information Systems and Business Studies. Under the current structure of the degree, students spend the first year studying in the IMA and the next two years at Middlesex University. Negotiations to offer the first two years of the degree at the IMA and the final year at Middlesex are currently underway. About 1,000 students are presently enrolled in these three IMA courses, of whom slightly more than half are female.

**Table 3. Institute of Management and Administration, (January 2001)
enrollment by course and gender***

COURSE	Female students	Male students	Total	% Female students
Information Technology	49	59	108	45%
Accountancy	240	229	469	51%
Management	200	186	386	52%
Total	489	474	963	51%

Source: Institute of Management and Administration

* Table indicates current enrollment in long term courses.

According to a special impact study, commissioned for the Implementation Completion Report (ICR), most of these courses appear to be popular and in demand. Public and private sector officials claim that there is considerable interest in IMA courses among individual students. The course content appears to be relevant to the needs of end-users and their employers. Evidence that the courses contribute to staff development is borne out by the incidence of repeat requests from the government sector and the readiness of private organizations to sponsor their own staff and other participants on these courses. The Ministry of Atolls Administration officials, for instance, asserted that IMA courses helped ensure: (a) acquisition of new knowledge and skills; (b) exposure to modern theory and practice, useful for participants who work in remote locations; and (c) development of uniform administrative practices across the atolls.

IMA has commenced cost-recovery through course fees which are paid directly to IMA on behalf of Ministry of Finance and Treasury (MOFT). From January 2001 onwards IMA will be able to use the revenues generated through fees to improve and expand its courses.

Increase responsiveness of overseas post-secondary training to economic priorities:

GOM introduced an overseas fellowship program in 1989 under ETP to address the issues of shortage of graduates, which was leading to an over-dependence on expatriate professionals and absence of tertiary education facilities in the country. The immediate objective was to help fill critical posts across a range of government services. ETP supported about 90 overseas fellowships in a wide range of disciplines and subject areas and succeeded in training a cadre of public sector leaders. However, the gap between the number of highly-skilled individuals necessary to operate a modern economy and those actually trained, continued to widen. Skills shortages were most acute in a number of certain specific professions. Arising from this, SETP proposed that: (a) fellowship opportunities should be provided for the private sector; (b) allocation of fellowships and national development priorities should be matched more closely; (c) allocation of fellowships should be based on academic criteria; (d) fellowship allocations should be redirected, primarily from OECD nations to lower-cost regional institutions; and (e) cost-recovery measures should be introduced.

Under the re-conceptualized SETP fellowship scheme, 277 fellowships were awarded, of which 142 were from the government, 67 from the private sector and 68 were for specialized skill training (for ITE, IMA, etc.). Primary degrees were obtained by 56 students, diplomas by 46 students, while the remaining ten received more advanced qualifications. By late 2000 about 44 percent of the beneficiaries had returned

after completing their program, 47 percent were still studying overseas, six percent having failed while a further three percent returned early for other reasons. Thus, it should be noted that a sizable percentage of fellowship beneficiaries were still overseas and had not completed their studies by the end of the project.

Two-thirds of the four-year training recipients went abroad during the third year of the project. This resulted in a severe cost over-run, described later. Contrary to earlier plans, three quarters of all fellowship holders went to OECD countries directly or through twinning programs which involved part regional and part OECD-country training. The unplanned taking up of OECD-based courses stemmed from: (a) an inability to gain admission to quality regional tertiary institutions due to academic and linguistic factors; and (b) link-institutional arrangements (especially in Malaysia) which necessitated part of tertiary programs being completed in an OECD country (e.g., Australia, the UK). The scheme has served to provide much-needed expertise and knowledge to the various sectors both in the government and private sectors. Inspired by the obvious benefits of this scheme, a small number of private organizations have started fellowship programs. GOM has been slow in developing and implementing its cost-recovery program; by December 3, 2000 as little as US\$ 45,000 had been recovered.

Strengthen financial management of the education sector:

The project proposed to: (a) develop a unit-cost based formula for central government grants and subsidies to atolls and educational institutions; (b) establish a workable mechanism for tracking, monitoring and projecting educational spending; and (c) strengthen the budgetary processes needed to under- pin the long-term expansion of the education sector. These required the development of separate systems of Education and Management Information (EMIS) and Financial Management and Information (FMIS). The proposed systems were not established during the course of the project. Initially MOE was unable to locate a suitable EMIS consultant. Later, a New Zealand firm (New Zealand Qualifications Authority) was identified and agreements reached. However, before the contract could be awarded the company went into liquidation. Subsequently, due to paucity of funds resulting from the cost over-run in the fellowship component, the work could not be undertaken. Since a sound EMIS is a precondition for setting up the FMIS, the development of FMIS had to be postponed. The development of an EMIS is now being supported under the current Third Education and Training Project (TETP).

Improving efficiency and generating cost savings:

The project proposed that the internal efficiency of the education system would be increased and cost savings generated by raising the student-teacher ratio (STR). The STR from 1999 base levels of 23:1 in the Maldives, 24:1 in the atolls and 21:1 in Male would be raised to a uniform 25:1 by 2002 in all three.

Table 4. Student-Teacher Ratios

	1998 (Actual)	1999 (Actual)	2000 (Actual)	2002 (Projected)
Maldives (Republic)	25	23	22	25
Male'	22	21	21	25
Atolls	27	24	22	25

Source: Education Statistics, Ministry of Education, and Policy Statement on Student Teacher

In fact, STRs have decreased between 1998 and 2000 in the atolls, Male and the Maldives as a whole (Table 4). The decline in the STR from 1998/1999 to 2000 makes it more difficult for GOM to reach the planned target of an STR of 25:1 by 2002. The issue raises considerable concern, especially since the Maldives already devotes about one-fifth of government expenditure to education. The rising student enrollment in secondary education over the next few years will exert even greater pressure on government finances.

Dependence on expatriate teachers:

At project commencement, 75 percent of secondary-level teachers were expatriates. This dependency has not decreased, with 74 percent of secondary teachers continuing to be expatriates. Expatriate teachers have contributed substantially to the development of the educational system in the past. However, the cost of over 1700 expatriate teachers is very substantial, resulting in additional expenditures of well over US\$6.0 million annually. Also, expatriate teachers are unlikely to be as effective as national teachers on account of their lack of familiarity with students' cultural background, language, customs and aspirations. In light of this, GOM will need to give more serious consideration to redoubling its efforts to attract more nationals into the teaching profession at both the primary and secondary levels.

Undertake priority studies:

The two studies financed under the project were completed satisfactorily. The first study focused on the public examination system, specifically on policy options which included a review of the expensive London-based examinations system, which was used at the end of the lower- and upper-secondary levels in the Maldives. Progress on the study was hampered by the death of the first consultant. Subsequently the study was completed and was well received by GOM. The second study "Post-Secondary Education" was also well received by GOM and had a major impact on educational policy. Its principal recommendation lead to the setting up of the Maldives Centre of Higher Education (MCHE), an umbrella organization which helped unify and streamline the administration of the six existing post-secondary training institutions.

4.2 Outputs by components:

Upgrade Education Quality:

Reduce untrained teachers at primary level: At project preparation two-thirds of the primary teachers were located in the atolls; of these more than 40 percent were untrained. The majority of the 'trained' teachers had completed only primary education. A significant impact of the SETP has been the reduction in this percentage to under 10 percent in the year 2000. However, in absolute terms, the number of untrained teachers has expanded as the overall total teacher population increased in response to the sharp increase in student enrollment. The issue of untrained primary teachers has been addressed in the project through large-scale training carried out by the ITE. The Institute has, in the course of the project, conducted five on-site teacher education programs for 2410 primary teachers and three batches of in-service teacher training for 30 Dhivehi-medium teachers. These programs have been targeted on atoll teachers. In addition to these, ITE has conducted four different types of pre-service certificate courses in primary teacher education through which 811 males and 1168 female teachers have been trained. According to school principals interviewed, training has contributed substantially to teacher quality.

Substitute national teachers at secondary level: SETP has not succeeded in reducing the number of expatriate teachers, largely due to the rising enrollments at the secondary stage which are not matched with a corresponding increase in number of national trained teachers. At appraisal, the percentage of expatriate secondary level teachers was about 75; in 1998 it was 72.24 percent and to 74.07 percent by 2000. This suggests that there has hardly been any decline in the ratio of expatriate teachers to Maldivian teachers at the secondary level. The rapid expansion in the secondary system has helped ensure that for the foreseeable future GOM will have to continue to recruit these teachers. The percentage of total expatriate teachers

which amounted to 25 percent of the teaching force in 1998 has risen to 31.3 percent by 2000. The objective of rationalizing the teaching force remains important, not alone for financial but also for pedagogical reasons. Principals, teachers and education officials expressed preference for national over expatriate teachers. Though expatriate teachers are in many cases competent, some lack familiarity and insensitivity to the local cultural context and adopt inappropriate disciplinary methods. Dependence on expatriate teachers is likely to continue as the number of secondary school places increase and in the absence of realistic incentives for national teachers to take up positions in the outer atolls.

In-country pre-service training program for lower-secondary school teachers: ITE established a National Diploma in Secondary Teaching in 1997 for the lower secondary stage with the objective of preparing local secondary teachers. The course was set up with technical support available to ITE through its link with the Macquarie University. ITE accepted 14 students in this course in 1997, 16 students in 1998, 21 in 1999 and 21 in 2000. ITE is concerned that: (i) many candidates for the course are not able to meet the entrance criteria; and (ii) more competent school leaving students give preference to overseas scholarships or IMA courses, which provide better career prospects. Consequently, ITE has resorted to introducing a bridge program of a year's duration for students with "O" level qualifications which adds on to the overall costs since student teachers are paid stipends or basic salaries during training.

Strengthen pre-service training for primary teachers: The curriculum for primary teacher education was revised using an integrated approach; further restructuring from the point of view of cross-stage linkages and internal consistency is required. SETP funded the development of supporting education materials as well as material in Dhivehi; this will continue under TETP. In addition to the in-service training mentioned above, ITE has also conducted three programs leading to the Associate Certificate in Primary Teacher Education for 80 teachers and two programs (Advanced Certificate of Primary Teaching) for 28 teachers. Training has concentrated largely on subject matter, content and methodology.

Upgrade atoll primary school teachers through in-service training: The Seenu in-service training facility, consisting of two classrooms and a staff office, was completed after an initial delay due to difficulty in attracting interested contractors. The atoll resource teams and school supervisors require further training to enable them to provide continuous on-site support to the teachers, to be addressed under TETP.

Implement a staff development program for primary- and lower-secondary teacher trainers: At project inception the ITE had an academic staff of 36, comprising 30 nationals and six expatriates. Only six out of the 30 held university degrees. The project proposed supporting a program of staff upgrading through a combination of overseas fellowships and distance education approaches. The ITE faculty strength, at the time of project completion, had risen to 50, of whom 18 have post-graduate qualifications and 16 possessed graduate qualifications. A professional link institution arrangement with the Macquarie University, Australia, has contributed to the development of well-qualified teacher educators. The link-institutional arrangement helped develop the appropriate infrastructure, design course curricula and training of staff to offer a National Diploma of Secondary Teaching. It also contributed to restructuring other programs to a semester mode.

Improve teacher-training facilities: The project has contributed substantially to the improvement of teacher education facilities, equipment and library resources. Improved facilities include four classrooms, two seminar rooms, two in-service training rooms, one training room, one printing room, staff offices, storage facilities, well-equipped computer centers for both teacher educators and student teachers, and audio-visual equipment. Evidence suggests that the new facilities created are being actively utilized by the faculty and students and have enriched the quality of training. Atoll-based resource persons periodically visit and utilize ITE facilities for their own professional development. Initially serious problems, notably a

leaking roof, were incurred during ITE construction, partly attributable to inadequate supervision by the Ministry of Construction and Public Works (MCPW). These were resolved at some cost to GOM. The regional in-service center building was completed and handed over to ITE in March, 1999. However, the building is unusable at present since it is located on a low-lying, high-tide area and is largely unprotected. GOM is providing a separate budget to address this problem.

Increase Equitable Access to Quality Secondary Education:

The project supported the expansion and upgrading of four secondary schools, the Baa, Lhaviyani, Gaafu Dhaalu and Gnaviyani atolls, with IDA funds. The Northern Regional Secondary School (NRSS) co-financed by the Islamic Development Bank (IDB) was also completed at Kulhudhuffushi in Haa Dhaalu atoll under the project. As a result, enrollment capacity at the lower secondary level increased by about 1708 places between 1995 and 2000. This represents an enrollment capacity increase of about 250 percent in the atolls. IDA funds also provided books, educational materials, equipment for a science lab, an audio visual/multipurpose room, and new furniture to the four new AECs and for the Northern Regional Secondary School. Teachers, too, were trained under the project. The proposed career information and guidance program could not be taken up due to lack of capacity.

Reduce Skill Shortages:

The MCMA was established to help reduce critical skill shortages in the labor force. SETP supported upgrading physical infrastructure, equipment and facilities, and faculty development. Civil works included construction of a new wing which accommodated five classrooms, a library, computer laboratories, and washroom facilities. Books and educational materials were also supplied. Professional development of the faculty was carried out with the assistance of a link institute, the University of Wollongong, Australia. Under this arrangement, 12 staff completed B.Ed. level training and one was trained to post-graduate level. Prior to returning as MCMA instructors, the link institution provided technical assistance (TA) to strengthen institutional development, support course development and deliver training. Graduates of this program for the first time received their overseas university degrees in Male' in December, 1999 at an occasion which was a source of considerable national pride. In a recent development, GOM has given the institute permission to use fees collected from students to pay for the activities related to course provision. To provide long-term vision and strong institutional leadership, MCMA (now IMA) requires qualified graduates in all important executive roles, an unresolved problem since the inception of the SETP.

Increase Responsiveness to Economic Priorities for Overseas Post Secondary Training:

SETP supported the implementation of the fellowship program through the National Scholarship Board (NSB) and the Central Scholarship Unit (CSU), located in the Ministry of Human Resources, Employment and Labor (MHREL). The NSB had responsibility for establishing the national policy for the award of overseas training fellowships and providing guidance to its secretariat, the CSU. The NSB: (i) formulated guidelines for overseas training; (b) allocated fellowships according to perceived national needs and priorities (iii) took decisions on other matters relating to overseas training; and (iv) approved procedures for managing fellowships. Government institutions sent their annual requirements to the CSU who identified priority training areas according to agreed criteria. In the public sector, priority was given to skills with high-developmental impact (e.g., teaching and nursing) and priority needs of the administrative sector (e.g., attorneys, architects and fishery scientists). Recipients of the fellowships were bonded to the sponsoring agency after completion of their studies.

Students, public and private sector employees, government departments highly valued the fellowship program. Focus group meetings with parents indicate that the scholarship is the "glittering prize" at the end of the senior cycle, for which they are prepared to make great sacrifices. Available records suggest that all fellowship beneficiaries who have completed their studies have returned to the Maldives and taken up their

expected posts. Interviews conducted with a sample of fellowship holders, as a part of the ICR mission, indicated the program has contributed substantially to their professional and personal development, and has generally resulted in career advancement. Placing students in regional institutions rather than in the OECD countries directly proved difficult. Many applicants failed to gain admission in regional tertiary institutions due to inability to meet academic criteria (especially in India) and/or due to language issues. In a small number of instances, students did not have sufficient institutional or course information which led to choices of sub-standard institutions and inappropriate programs. The issue is now being addressed under TETP, by placing the responsibility for contacting and selecting institutions with the Project Implementation Unit (PIU). The fellowship beneficiaries also indicated there was a need to streamline some administrative procedures, particularly those related to monthly payments. Details of interviews are given in Annex 8.

The SETP fellowship component also included cost-recovery charges of 15 and 50 percent from the fellowship recipients, in the public and private sectors respectively. Cost recovery was instituted to: (a) encourage students to be more cost effective in their training choices; (ii) contribute to a financial reserve to provide the foundation for a self-sustaining fellowship fund; and (iii) to ensure that students had a strong incentive to apply themselves to their studies. To date, the cost-recovery mechanism has not been implemented effectively. About 66 percent of SETP fellowship "completers" have not commenced repayment. Significantly, about 50 percent have not been requested to repay. In cases where graduates have been notified, two-thirds have actually begun to repay. Repayment notifications are particularly low among fellowship holders now employed in the private sector and in institutions such as the IMA and ITE. In January 2001, the MOFT gave a firm undertaking that it will strongly support the implementation of the SETP cost-recovery program. An analysis of the cost-recovery program was conducted and showed that total repayments financed from the fellowships was estimated at over US\$1.4 million, the Net Present Value (NPV) of such an amount (discounted at 6 percent per year) is US\$0.7 million. Clearly this amount is inadequate to develop a long-term sustainable tertiary fund. Further analyses revealed that the repayment burden on private-sector beneficiaries was less than that on their public-sector counterparts. These considerations resulted in modifications in the cost-recovery system under TETP. Private sector beneficiaries will be charged 60 percent of fellowship costs (with interest); repayment rates for public sector beneficiaries will remain the same as under SETP, i.e., 15 percent with no interest charges.

Strengthen Financial Management of the Education Sector:

The proposed systems were not established during the course of the project. The reasons are discussed in Section 4.1 above. TETP will support the establishment of an EMIS.

Undertake Priority Studies:

Both studies were completed and well received by GOM. The examinations study helped formulate GOM policy and its findings were taken into account in the design of TETP. The post-secondary study had a major impact and led to the establishment of the MCHE, an umbrella organization for all post-secondary institutions. The development of MCHE was supported subsequently by the Asian Development Bank (ADB) and by IDA, under TETP.

4.3 Net Present Value/Economic rate of return:

N/A

4.4 Financial rate of return:

N/A

4.5 Institutional development impact:

The project has evidently made a substantial impact on the development of institutional capacity and overall economic and social well being of the country. The capacity of existing AECs has also been considerably enhanced. The consolidation of six post-secondary national institutions under a common administrative umbrella of the MCHE is expected to lead to greater efficiency, standardization of course quality, resource sharing and other benefits. Both the IMA and the ITE have been strengthened institutionally and now represent the two largest institutions within the MCHE. SETP support, in the form of physical infrastructure, equipment and in particular the link arrangements, have contributed to upgrading the quality of their programs and faculty development. The fellowship program has contributed to the level of technical competence and professional self-confidence in virtually all ministries and in some private sector organizations. Program management, procurement, financial management and computer skills developed in the PIU have set the standard for other government ministries and in many instances have been copied to good effect.

5. Major Factors Affecting Implementation and Outcome

5.1 Factors outside the control of government or implementing agency:

1. IDA procurement procedures were found by GOM to be very effective in facilitating competitive bidding and minimizing subjectivity and corruption. They have been adopted by other GOM ministries.
2. Widely dispersed atolls made field-based supervision very difficult.
3. Fellowship beneficiaries found it difficult to get placements in regional universities due to language problems and challenging academic admission standards in the more prestigious institutions.
4. The consulting group which was to establish the EMIS/FMIS systems went into liquidation. Subsequently, the GOM opted to use component funds to support the fellowship cost overrun.

5.2 Factors generally subject to government control:

1. GOM's strong political commitment greatly facilitated project implementation. Ministry heads have benefited from the first fellowship scheme. There was widespread recognition within the public sector that the SETP fellowship program was GOM's primary instrument for developing much-needed technical capacity in the public sector.
2. Key appointments to agencies involved in SETP were in the main based on perceived merit and competence.
3. MHREL provided strong leadership in project planning and implementation, and received support from the MOE.
4. Various supervision missions and the ICR team were impressed with the quality of governance and lack of any evidence of corrupt practices.

5.3 Factors generally subject to implementing agency control:

1. The professional commitment, competence and efficiency demonstrated by the PIU has proved to be a major facilitating factor in the efficient implementation of the project.
2. Staff turnover in the PIU, particularly in areas of civil works and procurement (in which persons gained expertise and moved to other agencies) impeded progress a little.
3. More close monitoring of fellowship commitments would have identified the cost over-run. It resulted in funds having to be transferred from the much-delayed EMIS/FMIS sub-component to support the fellowship program.
4. The level of financial management expertise was judged satisfactory by a consultant, a former IDA Financial Management Specialist during his evaluation of the PIU.

5.4 Costs and financing:

The Credit financed US\$13.4 million equivalent (75 percent of the total project cost). Over the life of the project, this amount was reduced by 3.9 percent (\$520,203) due to currency fluctuations. The project fully disbursed 96.1 percent (\$12,879,797 equivalent) of the IDA Credit. Sufficient financial provisions were made for civil works, goods and in-country training, but the costs of the technical assistance component, which included link institutions, consultants and studies, were under-estimated by about US\$0.8 million. This over-run was offset by reallocation between the disbursement categories. Fellowship commitments exceeded cost allocations by about US\$1.7 million. Factors accounting for the over-commitment include: (a) sending two-thirds of the four-year training recipients overseas during the third year of the project; (b) over-ambitious appraisal estimates that up to 80 percent of fellowships would be allocated for studies at lower-cost regional institutions; (c) high costs associated with tertiary training in OECD countries, not envisaged at project appraisal; (d) a cash-based accounting system which did not take adequate account of long-term commitments; and (e) expectation of a follow-up project. To address this over-commitment, retroactive financing of about US\$2.55 million is provided under TETP. A project monitoring reporting-based accounting system has been installed to monitor commitments under TETP.

6. Sustainability

6.1 Rationale for sustainability rating:

Project sustainability is rated as likely. The AEC's which were expanded and enhanced in the Baa, Lhaviyani, Gaafu Dhaalu and Gnaviyani atolls, as well as the Northern Regional Secondary School are experiencing stronger than expected student demand. The quality of education in these AEC's appears high by Maldivian standards, with examination results comparable to those recorded by secondary schools in Male'. The ITE has established a strong foundation for in-country teacher education and has a trained staff and modern facilities. The IMA has also established a firm base for providing training in priority labor market skills, such as information technology, management, accounting and administration and has a trained academic staff. It is capable of offering courses up to degree level. IMA offers courses in high demand and recoups some of these costs. The overseas fellowship fund has also been instituted, and about US\$45,000 has already been collected from past fellowships beneficiaries; the size of the tertiary fund will increase as more graduates return from overseas studies, and as the planned cost-recovery mechanism is implemented. Strong commitments have been given by GOM to improve the implementation of the cost-recovery program.

6.2 Transition arrangement to regular operations:

Fellowship beneficiaries who have completed their courses have returned and taken up prominent positions in the public and private sectors. The vast majority of public sector fellowship beneficiaries also work in the private sector in the afternoons, a unique and conspicuous labor market feature of the Maldives. Focus group discussions established that the benefits of high-level technical training for public sector fellowship holders are having a sizable immediate effect on the private sector. While the final position remains unclear, pending the return of graduates who are pursuing teaching courses, there is concern that some of these may wish to take up positions in Male' rather than in the atolls. The expanded and equipped AEC's have been staffed with trained teachers and have experienced a more-than-expected increase in student enrollments, evidence of the increasing demand for secondary education throughout the Maldives.

Both the ITE and the IMA have been absorbed into the new MCHE structure. Focus group discussions revealed a high level of public confidence in the quality of teacher preparation and in the quality of most courses offered to meet labor market needs. MOE looks to the ITE staff to provide leadership in the provision of in-service teacher education. MCHE has given IMA considerable freedom to develop new

courses and some financial autonomy, supported by its fee levying courses.

Sustainability of Benefits: Project investments have generated substantial benefits through: (i) equitable expansion of secondary schooling access; (ii) enhanced learning through better in-country teacher education and training, and increased quality inputs in schools; and (iii) the reduction of skill shortages in the labor market through substitution of trained Maldivian workers in place of expatriate workers. The five AEC's in Baa, Lhaviyani, Gaafu Dhaalu, Gnaviyani, and the NRSS increased their capacity by about 1,708 students in grades 8-10, an increase of about 175 percent in relation to intake capacity prior to project intervention. The regional distribution of the five atolls ensures that access to lower- secondary education (grades 8-10) is now more equitably spread across the country; secondary education had been disproportionately centered in Male'. ITE has expanded capacity, through project investments, to produce about 36 secondary teachers annually. This reduces the cumulative cost of expatriate teachers by about US\$120,000 annually. The IMA possesses capacity to produce more than 1,000 trained and skilled workers annually, to meet labor market requirements in priority areas such as information technology, management, accounting, island administration, and clerical and secretarial skills. The cumulative foreign exchange savings generated by the substitution of about 1,000 skilled Maldivian workers in place of foreign workers can be estimated, at the minimum, to be around US\$6.0 million per year. The overseas fellowships scheme provided opportunities for tertiary level education for 277 students. Among these, 142 (50%) were from the general public sector, 68 (25%) from the public institutions such as IMA, ITE, IHS, MOE and the Maldives Institute of Technical Education (MITE); and 67 (25%) from the private sector. These fellowship returnees are young individuals, mainly in their twenties. The transfer of knowledge, skills and technology to the Maldivian economy, through this investment in human capital, is likely to have long-term impact.

7. Bank and Borrower Performance

Bank

7.1 Lending:

The Bank's lending performance was rated satisfactory. IDA worked closely with GOM to prepare the project. GOM considered that the technical advice given by IDA facilitated efficient project implementation. Project preparation took into account lessons learned from ETP, and the emerging labor market needs of the developing economy. While the design of the project focused on improving access, particularly for secondary education, it did not directly address processes influencing the quality of education, especially student learning. Some project covenants were over-ambitious and did not take into account the limited capacities of MOE.

7.2 Supervision:

The quality of supervision had been rated highly satisfactory by IDA's Quality of Supervision Assessment (QSA) team. The QSA team justified the rating based on evidence of the team's sound assessment of the implementation problems, regard for development impact and its supervision efforts. It commended the team particularly on its use of project-generated data to stimulate dialogue on key policy issues with respect to teacher recruitment and cost-recovery. It noted that the team had made effective use of the small supervision budget by integrating supervision with policy dialogue and preparation of TETP. QAG also commended the team for its effective skill mix in educational measurement and project management with skills in fiduciary areas. Both the Team Leader and Country Director agreed that a mid-term review was unnecessary given that 84 percent of the credit had been disbursed by this stage. The ICR mission accepts that there is some validity in the PIUs assertion that the prospect of a mid-term review might have focused attention on fellowship disbursements and commitments sooner and might have resulted in a somewhat smaller cost-overrun. The quality of Bank supervision was rated satisfactory.

7.3 Overall Bank performance:

Discussions with GOM during the ICR mission revealed that IDA had established a strong working relationship and, according to one key policy maker, was always prepared to go the "extra mile" to assist the client. Overall bank performance is rated satisfactory.

Borrower

7.4 Preparation:

The quality of preparation was rated satisfactory. SETP policies emerged in part from GOM's plans for education reflected in its 1991 *Education Sector Review*, 1993 *Report on Teacher Demand, Supply and Training*, and its 1994 *National Development Plan, 1994-96*. Building on lessons learned from ETP, the Borrower worked closely with the Bank to prepare the project. The Bank agreed to support SETP's US\$17.9 million program with a US\$13.4 million credit. The borrower negotiated an additional credit of US\$2.3 million with IDB and secured US\$1.2 million from AIDAB (AusAid). The commitment of the government along with the willingness to learn from experience and place priority on national needs, had a strong impact on project design. The detailed planning, reflected in the SAR annexes, provides evidence of borrower commitment during project preparation. However, the borrower also committed itself to a number of covenants which could not subsequently be honored as they proved too challenging. The borrower too did not give adequate priority to aspects of quality improvement (enhanced student learning) in the project design at the time of preparation, opting in the main for fellowships, civil works to increase access to secondary education, and support for IMA and ITE.

7.5 Government implementation performance:

The government implementation performance was rated highly satisfactory. GOM's political will and commitment demonstrated throughout have significantly facilitated project implementation. The government has been responsive to the IDA's suggestions even with regard to issues that may not have been politically popular, such as cost-recovery. GOM has consistently placed priority on the country's developmental needs. It has also been receptive to new ideas and has incorporated lessons from project experiences and methodologies into other sectors, particularly in procurement and administrative procedures. Coordination across departments, especially between MHREL and MOE requires attention to improve efficiency and ease implementation.

7.6 Implementing Agency:

The performance of the implementing agency was rated highly satisfactory. The PIU, a unit within MHREL, has demonstrated a high level of efficiency. Its young dedicated staff, under the dynamic leadership of the Project Director, maintained meticulous records and documentation. The staff have upgraded their knowledge and skills on the job, particularly in areas related to procurement. Despite staff turnover, the PIU has maintained continuity and efficiency in handling different project components, including the complex demands related to implementing the fellowship scheme.

The project audit reports were submitted regularly and on time and were unqualified. However, closer attention to financial monitoring and accounting would have avoided the cost-overrun. The PIU could have been more proactive in implementing the cost-recovery aspect of the fellowship scheme. The new PMR-based system will help ensure that the TETP-supported commitments are carefully monitored.

7.7 Overall Borrower performance:

The overall performance of the borrower has been rated highly satisfactory. As a result of strong GOM leadership, supported by a competent PIU, the key project objectives were achieved and IDA funds were fully disbursed. In particular, access to secondary school has been greatly enhanced in an equitable manner,

pre-service teacher training improved, skill shortages reduced and human capacities enhanced in the public and private sectors.

8. Lessons Learned

SETP demonstrates that projects in small countries with limited resources can be successfully implemented where there is strong stakeholder commitment to reform, and where there is political and administrative commitment to setting and achieving high quality standards. In this instance the level of parental commitment to education manifested itself in the much larger than expected enrollment in the new junior secondary institutions, and in post-secondary courses, and improving equitable access to school.

Implementation:

1. An efficient and autonomous PIU, supported by strong political commitment from GOM, is a necessary condition for effective project implementation.
2. Investment in developing PIU capacity in areas such as project implementation, financial management and computer applications can have wider benefit since skill transfer takes place to other departments through personnel deployment. This contributes to an increase in public sector management efficiency.

Fellowships:

1. The fellowship scheme has proved successful in developing much-needed expertise and knowledge.
2. Fellowship beneficiaries seeking placements in overseas institutions lack adequate knowledge and as a result may select sub-standard institutions. The PIU, or a similar agency, should play a strong proactive role in seeking placements and establish early formal communication with tertiary authorities.
3. Criteria for awarding fellowships should include, not only academic excellence but also relevant work experience.
4. Fellowship placements should commence early during project implementation to allow for completion of studies within the project period.
5. Cost-recovery mechanisms, including repayment modalities should be implemented as soon as beneficiaries return from overseas study. The mechanism should be firmly established by the initial stages of project implementation.
6. The SETP cost-recovery mechanism, even if implemented effectively, could not create a viable tertiary fund for future fellowship aspirants. As a result, the cost-recovery mechanism to be applied under the follow-on TETP project has been changed. Percentage repayments have been amended from 50 percent for private sector beneficiaries (under SETP) to 60 percent (under TETP) coupled with interest charges. The rate charged to public-sector beneficiaries remains unchanged.
7. Long-term financial commitments for fellowship beneficiaries must be monitored regularly to help avoid cost over-runs.

Other:

1. Improving the internal efficiency of an education system by increasing student-teacher ratios requires strong government commitment, in addition to MOE leadership.
2. Community commitment to education can have a strong positive impact; in this instance it resulted in a much higher than expected demand for places and active support for school maintenance.
3. Link-institutional arrangements can help promote quality programs and create a climate conducive to professional growth of the faculty.
4. Substitution of expatriate teachers by national teachers will require GOM initiatives to make the teaching profession more attractive to national teachers and in particular to create incentives for working in atoll schools.

9. Partner Comments

(a) Borrower/implementing agency:

The Borrower informed IDA that they do not have any reservations with regard to the ICR.

(b) Cofinanciers:

The Islamic Development Bank (IDB) co-financed SETP with a contribution of US\$2.3 million to cover the cost of construction and furnishing of the NRSS. It noted that the demand for secondary school places was out-stripping the number of available places. IDB rated the quality of construction as good, although they have not yet received the final construction report. IDB considered GOM's performance satisfactory and commented on GOM's high degree of commitment and seriousness in monitoring and implementing SETP. Procurement procedures were implemented smoothly.

Australian International Development Assistance Bureau (AIDAB) also co-financed the project with a contribution of US\$1.0 million; other on-going Australian aid programs contributed an additional US\$0.2 million. Australian support covered part of the cost of establishing the new Maldives Lower-Secondary Teacher Education Project (MLSTEP) and some primary teacher training costs at the ITE, including TA provided by the Australian link institution. AIDAB noted:

"Our contribution to the Second Education and Training Project took the form of the MLSTEP. This project was completed in December 1999 and at present there has been no formal evaluation of the outcomes.

Capacity building and institutional linkage established through the project has been successful. The relationships between counterpart staff at the ITE and Australia's Macquarie University continue to be nurtured and remain mutually beneficial. The ITE also have an operational and high quality secondary teacher training program as a result of the project. ITE also subsequently has the capacity to train many more secondary teachers than the college can attract to the course and secondary teachers are needed in Maldives. However, this leads to one of several issues that the project scope could not address, that is the problems for Maldives at the primary and secondary education level.

Not only does Maldives have an ongoing and increasing dependence upon expatriate secondary school teachers at significant financial cost, but the quality of expatriate teachers is decreasing. A decrease in quality has been attributed by GOM to the wage increases in expatriate teachers home countries resulting in the good teachers staying at home. Consequently, despite greater access to primary and secondary school, Maldivian students are not achieving grades that would enable them to enter ITE and the problem is also compounded by the unattractiveness of secondary school teaching (low wage and low prestige) as a career for successful secondary school graduates.

AusAid believes that the wider World Bank project has met an important need for Maldives, however much of the reward will only be evident once the quality of primary and secondary education and access to secondary education in Maldives has improved.

AusAid understands that the World Bank's next investment in Maldives has a significant primary education focus and this is to be encouraged. Australia intends to continue its support to IHS which has been an extremely successful capacity building project. Australia will also continue to offer higher education fellowships (for overseas undergraduate and Masters degrees) to the best performing student graduating from the diploma of secondary teaching at ITE each year and approximately 10 other higher education fellowships to the government to meet human resource development needs in the education, health and the environment sector.

AusAid and the World Bank have been successful in meeting development needs at one end of the education spectrum in the Maldives. The need now exists at the lower levels, but at least the institutes and government will have the capacity to provide quality advanced education to what one hopes will be a growing number of high achieving secondary school graduates. AusAid is impressed that the government would rather not reduce the entrance requirements for students into ITE but would prefer to tackle the root of the problem. The Maldives remains one LDC where the outcome of Bank and donor investment is effective over time. Furthermore, it is one of the few countries in the world where sociologists and anthropologists have revealed that education is valued even more than health".

(c) Other partners (NGOs/private sector):

N/A

10. Additional Information

The following persons contributed to the preparation of the Implementation Completion Report :

D.H.C. Aturupane, Senior Economist

Kamal Gaur, Consultant

Julie-Anne Graitge, Program Assistant

Vincent Greaney, Team Leader/Lead Education Specialist

Venita Kaul, Task Leader/Senior Education Specialist

Starlet Vedamuthu, Operations Analyst

Annex 1. Key Performance Indicators/Log Frame Matrix

Outcome / Impact Indicators:

Indicator/Matrix	Projected in last PSR	Actual/Latest Estimate									
	Information in this column has been included wherever relevant/available from the PSR dated January 1999. The last PSR did not report on status vs targets since the ICR was to be prepared.	The following improvements in the primary school system have been achieved.									
1. UPGRADE EDUCATION QUALITY											
Increase in total school enrollments in Male' and atoll schools since 1996		Increase in enrollment : Male' (15%); Atolls (19.96%); and total (18.59%)									
2. INCREASE IN EQUITABLE ACCESS TO QUALITY SECONDARY SCHOOLS											
Total enrollments in lower secondary (grade 8-10) in Male'/Atolls		Total lower secondary enrollments: <table border="1"> <thead> <tr> <th>Year</th> <th>Male'</th> <th>Atolls</th> </tr> </thead> <tbody> <tr> <td>1996</td> <td>5987</td> <td>2140</td> </tr> <tr> <td>2000</td> <td>9018</td> <td>9236</td> </tr> </tbody> </table>	Year	Male'	Atolls	1996	5987	2140	2000	9018	9236
Year	Male'	Atolls									
1996	5987	2140									
2000	9018	9236									
Transition rates from primary to lower secondary		Transition rates from primary to lower secondary (%) <table border="1"> <thead> <tr> <th>Year</th> <th>*Male'</th> <th>Atolls</th> </tr> </thead> <tbody> <tr> <td>1996</td> <td>105</td> <td>30.98</td> </tr> <tr> <td>2000</td> <td>110</td> <td>42.04</td> </tr> </tbody> </table> <p>* over 100 percent possible due to continued migration from atolls for secondary.</p>	Year	*Male'	Atolls	1996	105	30.98	2000	110	42.04
Year	*Male'	Atolls									
1996	105	30.98									
2000	110	42.04									
Total enrollments (Male' & Atolls) in grades 8-10	Total enrollments in grades 8-10 : Male 7060; Female 7471	Total enrollments in grades 8-10 : Male 8736; Female 9518									
3. REDUCE SKILL SHORTAGES											
Skills training received through MCMA/ITE/IHS		467 students received skill training at MCMA 4599 teachers received training at ITE									
4. INCREASE RESPONSIVENESS TO ECONOMIC PRIORITIES FOR OVERSEAS POST-SECONDARY FELLOWSHIPS											
No. of general fellowships (regional/OECD)	No. of general fellowships : 276 (1999)	No. of general fellowships : 276 (1999)									
No. of targeted fellowships (regional/ OECD) for MCMA, VTC, IHS, and NRSS	No. of targeted fellowships : 325 (1999)	No. of targeted fellowships : 325 (1999)									
Fellowships/training received by public/private sector		Public fellowships: 142; Public training: 68 (total); Private fellowships: 67;									
Cost recovery at the Secondary level		Process of cost recovery has just begun.									
5. STRENGTHEN FINANCIAL MANAGEMENT OF THE EDUCATION SECTOR		FMIS and EMIS has not been achieved due to difficulties in identifying appropriate agencies to provide technical support internal work pressure at MOE and alternative demands for project funds.									
6. UNDERTAKE PRIORITY STUDIES		Two studies were successfully completed and had policy impact. These were: (1) Post-Secondary Education Study; and (2) Study on Examinations and Assessment at the Primary/Extended Primary and Secondary Levels in the Republic of Maldives .									

Output Indicators:

Indicator/Matrix	Projected in last PSR		Actual/Latest Estimate		
1. SCHOOL FACILITIES					
Number of secondary classes (grades 8-10) (1999)	Number of secondary classes (grades 8-10) (1999)		Number of secondary classes (grades 8-10) (1999)		
	237		237		
	42		42		
	46		46		
	31		31		
Lower secondary schools in atolls (total)			4 schools		
Student teacher ratio for Male' (Lower secondary schools)	Male': 19.1		Male': 17.3		
Atolls (Lower secondary schools)	Atolls: 15.3		Atolls: 15.1		
2. TEACHERS' PROFILE					
Number of national teachers with following qualifications :	71		63		
· Trained Graduates	1760		1933		
· Trained Non-Graduates	35		33		
· Untrained Graduates	259		347		
· Untrained Non-Graduates	775		950		
· Temporary					
Number of expatriate teachers with following qualifications :					
· Trained Graduates	555		978		
· Trained Non-Graduates	260		322		
· Untrained Graduates	105		123		
· Untrained Non-Graduates	31		24		
· Temporary	35		71		
Number of nationals/expatriates teachers for grade 8-10 : in Dhivehi/Islam/other subjects			Total no. of teachers (Male' & Atolls)		
			National	Expatriates	
			294	840	
Teacher attrition rate (Male'-yearly)	Teacher attrition rate (Male'-yearly) (1999)		Teacher attrition rate (Male'-yearly) (1999)		
Primary teachers (%)	National	Expatriate	National	Expatriate	
Secondary teachers (%)	- 3	- 8.5	- 3	- 8.5	
	- 4	- 12.5	- 4	- 12.5	
3. TRAINING OF TEACHERS					
Number of teachers receiving pre-service training in Primary (2 years)			-Assoc Cert. in Primary teaching- 80 -Advanced Cert. in Primary teaching- 28		
Number of teachers receiving pre-service training in lower secondary (2 years)			Year	National Dip.	Foundation
			1997	11	---
			1998	14	14
			1999	9	16
			2000	----	9
Number of teachers receiving In-service training for upgradation			Total number of teachers trained (1997-2000)		
			Male	Female	Total
			931	1351	2282

<p>Teaching Learning material produced for primary pre-service training in Dhivehi/English</p> <p>Teaching Learning material produced for primary in-service training in Dhivehi/English</p> <p>4. ENHANCING INSTITUTIONAL CAPACITY</p> <p>Setting up training program at IMA with link institution</p> <p>Number of ITE staff with:</p> <ul style="list-style-type: none"> . Post Graduate Degree . Graduate Degree . Dip./Professional teaching <p>Facilities Created in ITE for primary/secondary</p> <p>Number of academic/administrative staff in MCMA</p> <p>Facilities created in MCMA</p>	<p>17 staff members</p>	<p>Teaching-Learning Materials in draft form</p> <p>Teaching-Learning Materials in draft form</p> <p>Carried out by the link institute, University of Wollongong, Australia</p> <p>Total ITE staff : 50 qualified</p> <p>21</p> <p>12</p> <p>17</p> <p>4 classrooms, 2 seminar rooms, 2 in-service training rooms, training room, printing room, staff offices, computer center, audio-visual equipment and storage facilities.</p> <p>17 staff members</p> <p>Construction of a new wing accommodating 5 classrooms, a library, computer laboratories and washroom facility</p>
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End of project

Annex 2. Project Costs and Financing

Project Cost by Component (in US\$ million equivalent)

Project Cost By Component	Appraisal Estimate US\$ million	Actual/Latest Estimate US\$ million	Percentage of Appraisal
Teacher education (primary and lower secondary)	2.70	2.84	105.2
Secondary education access (NRSS and SCSs)	5.60	5.50	98.2
Skill training (MCMA, VTC, IHS)	1.40	2.48	177.1
Fellowship program	6.20	5.44	87.7
Education financial management	0.30	0.12	40
Studies/project management	0.20	0.93	465
Total Baseline Cost	16.40	17.31	
Physical Contingencies	0.70		
Price Contingencies	0.80		
Total Project Costs	17.90	17.31	
Total Financing Required	17.90	17.31	

Project Costs by Procurement Arrangements (Appraisal Estimate) (US\$ million equivalent)

Expenditure Category	Procurement Method¹			N.B.F.	Total Cost
	ICB	NCB	Other²		
1. Works	0.00 (0.00)	2.90 (2.70)	0.00 (0.00)	2.10 (0.00)	5.00 (2.70)
2. Goods	0.60 (0.60)	0.30 (0.30)	0.80 (0.80)	0.20 (0.00)	1.90 (1.70)
3. Services	0.00 (0.00)	0.00 (0.00)	0.60 (0.60)	0.80 (0.00)	1.40 (0.60)
4. Fellowships	0.00 (0.00)	0.00 (0.00)	8.20 (8.20)	0.40 (0.00)	8.60 (8.20)
5. In-country Training/Workshops	0.00 (0.00)	0.00 (0.00)	0.20 (0.20)	0.00 (0.00)	0.20 (0.20)
6. Recurrent Costs	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.80 (0.00)	0.80 (0.00)
Total	0.60 (0.60)	3.20 (3.00)	9.80 (9.80)	4.30 (0.00)	17.90 (13.40)

Project Costs by Procurement Arrangements (Actual/Latest Estimate) (US\$ million equivalent)

Expenditure Category	ICB	Procurement Method ¹		N.B.F.	Total Cost
		NCB	Other ²		
1. Works	0.00 (0.00)	2.69 (2.56)	0.00 (0.00)	2.10 (0.00)	4.79 (2.56)
2. Goods	1.08 (1.08)	0.18 (0.18)	0.22 (0.22)	0.20 (0.00)	1.68 (1.48)
3. Services	0.00 (0.00)	0.00 (0.00)	1.37 (1.37)	0.80 (0.00)	2.17 (1.37)
4. Fellowships	0.00 (0.00)	0.00 (0.00)	7.27 (7.27)	0.40 (0.00)	7.67 (7.27)
5. In-country Training/Workshops	0.00 (0.00)	0.00 (0.00)	0.20 (0.20)	0.00 (0.00)	0.20 (0.20)
6. Recurrent Costs	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.80 (0.00)	0.80 (0.00)
Total	1.08 (1.08)	2.87 (2.74)	9.06 (9.06)	4.30 (0.00)	17.31 (12.88)

^{1/} Figures in parenthesis are the amounts to be financed by the IDA Credit. All costs include contingencies.

^{2/} Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

Project Financing by Component (in US\$ million equivalent)

Component	Appraisal Estimate			Actual/Latest Estimate			Percentage of Appraisal		
	Bank	Govt.	CoF.	Bank	Govt.	CoF.	Bank	Govt.	CoF.
Teacher education	1.80	0.10	0.80	2.01	0.03	0.80	111.7	30.0	100.0
Secondary education access	3.50	0.10	2.30	3.10	0.10	2.30	88.6	100.0	100.0
Skill training	1.50			2.48			165.3		
Fellowships	6.10		0.40	5.04		0.40	82.6		100.0
Education financial management	0.30			0.12			40.0		
Studies/project management	0.20	0.80		0.13	0.80		65.0	100.0	
TOTAL	13.40	1.00	3.50	12.88	0.93	3.50	96.1	93.0	100.0

Annex 3: Economic Costs and Benefits

The project has generated substantial economic benefits, assessed in terms of higher human capital accumulation, improved equity in access to secondary education, enhanced labor market opportunities, reduction of potential skills shortages in critical economic services, and cost savings through the substitution of Maldivian nationals for potentially more expensive expatriate workers, including teachers.

Higher human capital accumulation in the Maldivian economy is evident in:

- The expansion of lower secondary education enrollment (grades 8-10) between 1995 and 2000. Enrollment in SETP-supported schools in the AEC's in grades 8-10 increased from about 670 students in 1995 to about 2380 students in 2000, an expansion of over 250 percent during the project lifetime. Expansion in female enrollment has reflected the increase in overall numbers, rising from about 326 students in 1995 (49 percent of students) to about 1260 students in 2000 (53 percent of students).
- The increase in opportunities for overseas education, skills acquisition and training at the post-secondary level, through the award of 277 fellowships for post-secondary education abroad. These fellowships were offered to employees in the public sector (51 percent), private sector (24 percent) and in specialized programs, such as IMA, ITE, HIS and MOE (25 percent).
- The rapid expansion of in-country opportunities for education, skills acquisition and training at the post-secondary level, through the development of IMA. In 1996, about 200 students received IMA training in such disciplines as management, information technology, accounting, island administration, clerical staff training and the University entrance diploma. By 2001, enrollments in IMA in these courses had risen to about 1000 - a 400 percent increase.

Equity in access to secondary education (grades 8-10) has improved between Male and the atolls due to SETP investments. Prior to project commencement, in 1993, out of about 6,200 students enrolled in lower secondary grades 8-10, only approximately 20 percent were outside Male. The expansion in lower secondary education in the atolls, due mainly to the four AEC's improved with IDA assistance, has caused this proportion to rise to about 45 percent. In consequence, regional disparities in access to lower secondary education have decreased sharply, promoting equity in human capital investment opportunities throughout the Republic of Maldives.

Labor market opportunities for Maldivians, in terms of the variety and quality of jobs, has improved sharply through project investments. The expanded capacity for lower-secondary education enables higher numbers of Maldivians to access better paid, middle-grade jobs in administration, the tourist industry, commerce and services, in place of less profitable jobs such as basic fishing and lower-level administrative employment. The absence of a labor market survey makes it difficult to estimate rates of return and earnings premiums by education level. However, salary differentials and non-income benefits of employment opportunities above the primary level are considered substantial by Maldivian labor market aspirants; this is reflected in the strong demand for secondary education.

In 1995, skills shortages in the labor market were experienced/expected in a range of services, such as information technology, management, accountancy, secondary-level school teaching, teacher education, island administration, and the tourist industry. Through project investments, the Maldivian economy is better placed to match demand and supply of skills in these critical areas of the labor market. The IMA now possess capacity to produce annually more than 1,000 trained and skilled workers in priority areas such as information technology, management, accounting, island administration, and clerical and secretarial skills; through degree and diploma programs, and certificate courses. In the absence of such skills training

opportunities, the country would need to obtain at least some of these skilled workers from abroad. The total income differentials between domestic and expatriate workers, on average, are about US\$6,000 per worker per year (inclusive of salary and non-salary benefits for expatriate workers). At the SAR stage of the project, the present value of future benefits was calculated based on benefit horizons of 15 years and a discount rate of 6 percent. Assuming the same benefit horizon and discount rates, we give below an estimate of the potential cost savings per year, under three scenarios: a) substitution of 300 Maldivian workers per year for expatriate workers; b) substitution of 400 Maldivian workers per year for expatriate workers; and c) substitution of 500 Maldivian workers per year for expatriate workers.

Table 1: Estimates of Cost Savings Generated by the Substitution of Maldivian Workers for Foreign Workers

	<i>Scenario One</i>	<i>Scenario Two</i>	<i>Scenario Three</i>
	<i>Substitution of 300 Maldivian workers per year for expatriate workers</i>	<i>Substitution of 400 Maldivian workers per year for expatriate workers</i>	<i>Substitution of 500 Maldivian workers per year for expatriate workers</i>
Annual Cost Savings in Nominal Terms, USD	1,800,000	2,400,000	3,000,000
Present value of cost savings, over a 15 year period and assuming a discount rate of 6 percent, USD	95,000,000	126,700,000	158,400,000

Source: World Bank estimates.

At the most conservative estimate, where it is assumed that only 30 percent of IMA trained workers will replace expatriate workers, the present value of cost savings produced by this aspect of the project, over a 15 year period, would be equal to about US\$95 million. At less conservative estimates, where it assumed that 40-50 percent of IMA trained workers would substitute for expatriate workers, the present value of cost savings produced by the project over a 5 year time horizon would be between about US\$127 million to about US\$158 million. These are substantial economic benefits, from just one aspect of the project, cost savings through substitution of Maldivian labor for expatriate labor.

Further, the SAR provided an estimate of a benefit cost ratio of 1.87 for the replacement of expatriate teachers with Maldivian trained teachers. This calculation was based on the assumption that about 430 lower secondary teachers would be trained in country, over a 10 year period. ITE has developed capacity to meet this target for lower secondary teacher training, suggesting that the project will produce these benefits.

Also, apart from the direct benefit of cost savings, increases in the number of Maldivian teachers should generate externality benefits. Maldivian teachers are more sensitive to the cultural and social environment in which students learn, and have a greater stake in the school communities and children. This is likely to translate into higher learning achievements and superior human capital accumulation.

In addition to the direct economic benefits outlined above, the project is likely to generate substantial externality benefits. The longer schooling durations of females should serve to improve fertility control, reduce family size and enhance household health conditions in the future. The expansion of lower secondary education opportunities in the atolls reduces crowding in Male and decreases the social costs of congestion.

The beneficiaries of overseas fellowships bring back not only advanced knowledge and technical skills, but also enhanced work ethics, understanding of new technologies and modern notions of economic efficiency and productivity. These externality economic and social benefits are likely to be very considerable.

Annex 4. Bank Inputs

(a) Missions:

Stage of Project Cycle	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating		
	Month/Year	Count	Specialty	Implementation Progress	Development Objective
Identification/Preparation FY93-5/11/94		1	EP		
		1	ES		
		1	EC		
Appraisal/Negotiation 6/4/94-6/18/94 10/10/94-10/20/94 01/14/95		1	EP		
		1	ES		
		1	AR		
		1	LA		
		1	EC		
		1	SA		
Supervision 5/12/95 10/23/95-10/29/95 3/1/96-3/2/96 3/16/96-3/21/96 8/11/96-8/15/96 11/1/96-11/14/96 4/6/97-4/10/97 7/18/97-7/23/97 2/3/98-2/17/98 1/25/99-2/6/99		1	EP	HS	HS
		1	EP	HS	HS
		1	Director	S	HS
		1		S	HS
		1		S	HS
		1	EP, EC	S	S
		1	EP	S	S
		2	EP, IS	S	S
		6	EP, EC, ES, AA, CO, RA	S	S
		8	TL, HRE, OA, PS, FMS, IS, ES, LA	S	S
ICR 6/12/00-6/19/00 1/13/01-1/19/01		6	TL, EC, PA, ES, EE, OA	S	S
		3	TL; ES, EC	HS	HS

Key: EP = Education Planner; EC = Economist; ES = Education Specialist; EE = Environment Educator; AA = Administrative Assistant; CO = Consultant; RA = Research Assistant; TL = Team Leader; HRE = Human Resources Economist; OA = Operations Analyst; PS = Procurement Specialist; FMS = Financial Management Specialist; IS = Implementation Specialist; LA = Lawyer; EE = Environmental Engineer; AR = Architect; PA = Programme Assistant;

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ ('000)
Identification/Preparation	51.9	167.2
Appraisal/Negotiation	13.5	64.3
Supervision	32.5	225.4
ICR	9.02	42.0
Total	106.92	498.9

Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	<i>Rating</i>
<input type="checkbox"/> <i>Macro policies</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Sector Policies</i>	<input type="radio"/> H <input checked="" type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input type="checkbox"/> <i>Physical</i>	<input type="radio"/> H <input checked="" type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input type="checkbox"/> <i>Financial</i>	<input type="radio"/> H <input type="radio"/> SU <input checked="" type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input type="checkbox"/> <i>Institutional Development</i>	<input type="radio"/> H <input checked="" type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input type="checkbox"/> <i>Environmental</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA
<i>Social</i>	
<input type="checkbox"/> <i>Poverty Reduction</i>	<input type="radio"/> H <input type="radio"/> SU <input checked="" type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input type="checkbox"/> <i>Gender</i>	<input type="radio"/> H <input checked="" type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H <input checked="" type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<i>Expansion of skills</i>	
<input type="checkbox"/> <i>Private sector development</i>	<input type="radio"/> H <input type="radio"/> SU <input checked="" type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input type="checkbox"/> <i>Public sector management</i>	<input type="radio"/> H <input type="radio"/> SU <input checked="" type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA

Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

6.1 Bank performance

Rating

- Lending
- Supervision
- Overall

HS S U HU
 HS S U HU
 HS S U HU

6.2 Borrower performance

Rating

- Preparation
- Government implementation performance
- Implementation agency performance
- Overall

HS S U HU
 HS S U HU
 HS S U HU
 HS S U HU

The HS rating for borrower performance is based on GOM's overall consistent commitment to project implementation, the strong support received from the relevant ministries, and the professionalism of the Project Implementation Unit. Both the GOM and the PIU were committed to quality international standards which they agreed to at the outset (e.g., standards for teacher education courses and teacher certification) and which they maintained throughout the life of the project. Many project objectives were achieved ahead of schedule.

Annex 7. List of Supporting Documents

- Bray, Mark. *Secondary School Examinations in the Republic of Maldives: Current Modes and Future Policies*, 1999.
- Education Master Plan Team. *Education Master Plan (1996-2005)*, Prepared for the Ministry of Education, Republic of the Maldives with support from the Hickling Foundation and Asian Development Bank, 1995.
- Johnston, Ian, *Study on Examinations and Assessment at the Primary/Extended Primary and Secondary Levels in the Republic of Maldives*, Interim Report, 1999.
- Ministry of Education, Male', Republic of Maldives. *Educational Statistics, 1995-2000* (published annually).
- Ministry of Planning and National Development, Male', Republic of Maldives. *Statistical Yearbook of Maldives, 2000*.
- Rawlinson Consulting Services. *Post Secondary Education Study. Republic of the Maldives*, 1997.
- Waheed, Ibrahim; *Impact Study: SETP Meeting Management and Administrative Skills at the IMA*, 2000.
- World Bank. *Development Credit Agreement* (Cr. 2701-MAL), May 1, 1995 .
- World Bank. *Implementation Completion Report, Education and Training Project* (Cr. 1981-MAL), June 18, 1996.
- World Bank. *Staff Appraisal Report for the Second Education and Training Project*, February 22, 1995.
- World Bank. *Supervision/Site Visit Reports, 1996-2000*.

Additional Annex 8. Summary of Interviews with Fellowship Beneficiaries

Interviews were conducted with 25 public and private sector SETP fellowship recipients who completed their courses and returned to the Maldives. The purpose was to gather feedback on their perceptions of the fellowship experience and identify issues to be addressed in future fellowship programs. The overall feedback suggests that fellowship beneficiaries enjoyed their courses abroad, and benefited both socially and professionally from their overseas experiences. The exposure abroad evidently had a significant impact on their personalities, perceptions of self worth, attitudes towards work and initiative. In most cases they returned to their original jobs and were awarded promotions to match their upgraded qualifications. Each beneficiary had been bonded to the employer for a period of double the fellowship term. Cost-recovery had not commenced in most instances, and some had not been asked to start repaying. Some of the delay in recovering costs can be attributed to problems confirming student expenditures and payments at overseas institutions. The feedback from the students, as discussed below, particularly related to delays in fund flow to the students and improper choice of institutions, are being addressed now in the third project.

Comments/suggestions from the beneficiaries:

- The amount of scholarship stipend should be determined by course requirements and not be standardized for all courses, e.g., some art and graphic courses require students to purchase expensive art material whereas other courses had no such requirements.
- The administrative aspects and monitoring of disbursement of fellowships needs streamlining. Most students, particularly those who studied in Malaysia, experienced problems receiving timely payments which created hardships.
- If a student failed a course or fell ill, he/she did not get compensation for the duration of the course. Students had to continue to incur living expenses. Ideally, recovery of these additional funds should begin, as part of the cost-recovery mechanism, upon return to the Maldives.
- Stipends should be at a fixed US dollar rate to help adjust for inflation. Accident/medical insurance should also be provided.
- Some argued that the difference in cost recovery for private and public sector candidates is not justified, since private sector employees are not always well paid; public sector employees had the advantage of other employment to supplement their incomes.
- Some fellowship beneficiaries seeking placements in overseas institutions lacked adequate knowledge and, as a result selected sub-standard institutions, particularly in Malaysia. The PIU should maintain a database on the various institutions and course content to help overcome this problem.
- Orientation of students prior to departure and feedback sessions upon return to the Maldives would be beneficial in preparing students for their studies abroad and in seeking feedback to improve future implementation.
- The twinning arrangement with Malaysian and British/Australian universities often creates difficulties when students spend the first two years in Malaysia; the formal didactic nature of instruction in the former does not prepare students for the more participatory and interactive approaches used in British and Australian universities.
- High-level performing students should be supported if they seek further education to upgrade their qualifications. There were instances where students opted for fast-track programs and completed the courses with high grades in less than the prescribed time, but were not allowed to utilize the time saved (e.g., one year) to gain a higher-level qualification.
- Spouse allowance should be provided to facilitate married students.

Additional Annex 9. Project Review From Government's Perspective

Development Objectives:

- a) Improve quality of primary and secondary education;
- b) Reduce shortages of teachers at primary and secondary levels;
- c) Upgrade atoll teachers;
- d) Make secondary education widely available in the atolls;
- e) Reduce skill shortages;
- f) Institutional development of post-secondary training institutes; and
- g) Strengthen financial management of the education sector

Project Components:

Teacher Education Program: Under this component the MLSTEP), financed by AusAid, was completed in November 1999. Under this component ITE had a link-institution arrangement with Maquarie University, Australia to improve teacher education.

The Program achieved the following:

- a) Trained 13 teacher educators (M.Ed level) for lower-secondary teacher training at the link institution in 1998;
- b) Introduced a two-year National Diploma in Secondary Teaching Program in 1997 at ITE; and
- c) Developed the curriculum for nine subjects to be taught in the two-year National Diploma course for Secondary Teacher Training.

Initially the entry requirement for the National Diploma in Secondary Teaching was 'A' level 2 passes. However, it was soon noted that there were few candidates who were eligible under this requirement. In order to increase the number of eligible students for the course, a foundation program was started in 1998 with the entry requirement as 'O' level. Table 1 includes information on enrolled students for these courses.

Table 1. Number of Students enrolled and number of passes from ITE courses

Year	Course Name	Number of entrants			Number passed		
		male	female	total	male	female	total
1997	National Diploma of Secondary Teaching 1	5	9	14	3	8	11
1998	National Diploma of Secondary Teaching 2	4	12	16	4	10	14
1999	National Diploma of Secondary Teaching 3	5	16	21	1	8	9
2000	National Diploma of Secondary Teaching 4	5	16	21	to be completed in December 2001		
1998	Foundation for National Diploma of Secondary Teaching	6	14	20	4	10	14*
1999	Foundation for National Diploma of Secondary Teaching	14	18	32	6	10	16*
2000	Foundation for National Diploma of Secondary Teaching	18	24	42**	5	14	19

Source: ITE

* The number of students who joined for the Diploma of Secondary Teaching

** By the end of the first semester of this course, in July 2000, there were 22 students (6 male and 16 female).

Under this component an in-service program for lower-secondary school teachers was initiated in 1996 and continued to date throughout the atolls. Table 2 shows the details of the programs.

Table 2: In-country in-service programs held from 1996-2000

<i>Year</i>	<i>Program Centers</i>	<i>Program</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
1996	HaAlif, Shaviyani, Noonu, Raa, GaafuDhaal, and Seenu atoll	Onsite teacher education program.	216	216	432
1996	Malé and atolls (temporary teachers in atolls)	Associate certificate in primary teaching.	27	12	39
1996	Malé (teachers in atolls)	In-service teacher training program for Dhivehi- medium teachers (for batch 6, 7 and 8).	9	21	30
1997	HaAlif, Ha.Dhaal, Shaviyani, Noonu, Raa, Laamu, GaafDhaal, and Seenu atoll	Onsite teacher education program.	251	290	541
1997	Malé and atolls (temporary teachers in atolls)	3 Month Associate certificate in primary teaching.	6	14	20
1997	Malé (for teachers in atolls)	In-service course for middle school teachers.	42	17	59
1998	Ha. Alif, Ha. Dhaal, Shaviyani, Noonu, Raa, Baa, Gaaf Dhaal, and Seenu atoll	Onsite teacher education program.	222	235	457
1998	Malé (temporary teachers in atolls)	3 month Associate certificate in primary teaching.	9	12	21
1998	Malé (teachers in atolls)	In-service course for middle school teachers.	45	18	63
1999	Ha. Alif, Ha. Dhaal, Shaviyani, Noonu, Raa, Lhaviyani, AlifAlif, Vaavu, Meemu, Dhaal, Thaa, GaafuAlifu, Gaaf Dhaal, Naviyani and Seenu atoll	Onsite teacher education program.	316	474	790
1999	Malé (teachers in atolls)	Advance certificate of primary teaching.	8	7	15
2000	Raa, Gaaf Dhaal, and Seenu atoll	Onsite teacher education program.	59	131	190

Source: ITE

The expansion of ITE physical facilities was also undertaken under this component. Equipment, books and furniture were also provided. Initially the civil works problems in construction were due to lack of

supervision and a bad contractor. However, these were later resolved at GOM expense. The construction of a regional in-service center was completed and handed over to ITE in March 1999. Due to some difficulties the building has not been fully utilized. ITE plans to resolve this and conduct programs in early 2001.

Education Access:

The project supported the expansion and upgrading of four secondary schools, the Baa, Lhaviyani, Gaafu Dhaalu and Gnaviyani atolls. Enrollment at lower-secondary education has expanded sharply in the four schools built under the project, with overall numbers increasing threefold, from 417 in 1993 to 1399 in 1999. Female secondary enrollment has also risen steeply, from 224 students in 1993 to 772 students in 1999. Female students account for about 55 percent of students in the four schools supported by project funds. In 1993, 80 % of the lower secondary school enrollment was in Male'. As a result of project support, to expand access to secondary education in the atolls, the proportion of secondary school enrollment in Male' has declined to 55 percent.

The NRSS was completed at Kulhudhuffushi in Haa Dhaalu atoll under this project in 1998. The construction of the school was funded by IDB under co-financing arrangements while IDA funds were used to provide furniture, equipment and educational materials. IDA funds also supported teacher training.

Skill Training Program:

Under the skill training program, a link-institution arrangement was made between MCMA (now IMA) and the Illawara Technology Corporation Ltd., the commercial arm of the University of Wollongong, Australia. Under the arrangement, 12 students completed B. Ed level training at the University of Wollongong and one student completed post-graduate level training. They are currently employed as instructors at IMA. Provision was also made for academic support to IMA. The link institution provided TA to strengthen institutional development, develop courses and deliver training at IMA.

Expansion of IMA's physical facilities was completed and a new wing was constructed, which facilitated computer laboratories, libraries and classrooms. With the return of the trained instructors and expanded facilities, IMA has been able to increase the number of full-time and part-time courses. The Management Certificate 1 & 2 courses and the Diploma in Information Technology courses developed in collaboration with the link institution are accredited.

A semi-autonomous budget, proposed under the project, was not approved by the GOM and IMA was made one of the institutions under the MCHE. However, from January 1, 2001, GOM has given flexibility to use fees collected from students to pay for the activities related to the teaching of courses at IMA.

Skill Development Program:

a) National Fellowship Program: Under this activity, funds were provided for training of public and private sector candidates. GOM provision of funds for private sector training was first introduced in the country under this program. The concept of cost-recovery of fellowships was also introduced where GOM sponsored candidates repay 15% of the costs incurred for their studies while private sector candidate repay 50%. The difference in the repayment amount was judged by the difference in public and private sector salaries. A total of 107 fellows in public sector and 33 fellows in the private sector were trained under this component of the project. A further 38 are continuing their studies as part of SETP fellowship carryover under TETP.

The cost-recovery mechanism and repayment concept was new to the returning fellows and the public in general. However, it was received reasonably well. Since, this was a new concept and various issues were raised in the initial stages, recovery has been slower than expected. A total of 75 students, including

students sent from skill training, are now repaying.

b) Staff Development: As institutional development of post secondary institutions was an objectives of the project, staff from IMA, ITE, MITE, EDC, NRSS, IHS and AECs were trained. 51 fellows have completed and returned, while a further 16 fellows are continuing under the SETP fellowship carryover under TETP.

The fellows who returned have provided vital support to the institutions and as a result, the courses offered from these institutions were increased and improved.

Strengthening Financial Management:

The planned EMIS and FMIS work was not undertaken. Initially, MOE was unable to find a suitable consultant for the EMIS work. Later a New Zealand Firm, New Zealand Qualification Authority (NZQA) was identified and discussions between MOE and NZQA were conducted and agreement was reached about the work. However, the TA was not awarded as the company went into liquidation. Subsequently, MOE had approached the Victorian Department of Education and some discussions were held. At this time, the issue of the cost over-run had been brought to the attention of the GOM and IDA, and as the project was in its final stages, the GOM felt that this could not carried out under SETP. Therefore, it was decided that the work would be carried out under TETP. TETP funding has been provided to carry out the EMIS sub-component. The lack of progress on EMIS prevented the FMIS from being setup.

The following two studies were financed under the project:

- *Examination and Assessment Study.* Mr. Ian Johnston, Director of the South Pacific Board of Educational Assessment, Suva, Fiji was contracted to do the study. However due to his death, the unfinished report was later completed by another consultant, Dr. Mark Bray, Director of the Comparative Education and Research Center, University of Hong Kong.
- *Post-Secondary Education Study.* The contract for this study was awarded to Rawlinson Consultancy Services, Pty Ltd. of Australia in 1997. The consultant made two in-country visits and held a series of discussions with high-level official of various GOM agencies. The principal recommendation of the study -- to establish an umbrella organization to rationalize and standardize all post-secondary training -- was accepted well by GOM. This resulted in the establishment of MCHE.

Project Implementation:

The PIU, established ETP continued to implement SETP. A senior-level PCC was established to provide overall policy guidance and coordination of the project activities. The ACTSD was established during the project period. This committee, which replaced the NSB, reviewed and selected the candidates who were awarded fellowships. During project implementation, two PIU staff left for further studies. Also, in the latter part of the project, the responsibilities of Project Director and Project Manager were taken by one person which increased the difficulty of project implementation.

Project Impact:

The construction of four AEC's, provided access to quality education for about 1400 students in the atolls (see Table 3). In addition, the NRSS provided quality secondary education to about 517 students in 1999. The construction of an ITE in-service center at Addu Atoll Hithadoo provided teacher-training facilities for the first time in atolls.

Table 3. Secondary school enrollment (8-10) by gender, 1993 and 1999

<i>Atoll/School</i>	<i>1993</i>			<i>1996</i>		
	<i>female</i>	<i>male</i>	<i>total</i>	<i>female</i>	<i>male</i>	<i>total</i>
Baa Atoll						
<i>Eydhafushi school</i>	34	41	76	151	153	304
Lhaviyani Atoll						
<i>Hinnavaru school</i>	26	33	59	115	124	239
Gaafu Dhaalu Atoll						
<i>Thinadoo school</i>	64	43	107	194	148	342
Gnaviyani Atoll						
<i>Marukazu school</i>	100	75	175	312	202	514
TOTAL	224	192	417	772	627	1399

The MLSTEP provided confident lecturing staff who were capable of mounting and maintaining a high-quality teacher education program while at least 60 one-semester units of study have been developed under the guidance of the project.

The link arrangement between ITE and Maquarie University in MLSTEP enhanced the institutional capability of ITE by upgrading staff and providing support in subject curriculum development.

The link arrangement between IMA and ITC enhanced the institutional capacity to conduct various courses in management, accounting and information technology through the training of 13 staff teachers and providing support staff to develop and teach the courses.

The beneficiaries of the fellowship program who have completed and returned to the Maldives have provided much needed expertise and knowledge to various sectors both public and private. Teachers who have been trained for the NRSS and the AECs returned after completion and are currently employed as teachers in their respective schools. The development of human resources was new to the private sector, when the project started, and it has now started a trend. Private agencies are now offering schemes for more fellowship programs. Of the 277 students who went for their studies under the program, 191 fellows have completed and returned while 32 returned without completing mainly due to poor academic progress. However, some of these students are continuing on their own funding. Fifty-four fellowship beneficiaries who are currently studying under the TETP funding will complete their studies within the TETP-implementation period.

Lessons Learned:

There is a need to carefully monitor and forecast the financial commitments made under the project. This matter is addressed in TETP by establishing a PMR which monitors and forecasts the financial status of the project and forewarns any cost over-run.

Most of the fellowship beneficiaries obtained placements from universities of their choice which led to some students studying at sub-standard institutions. There was also a communication gap between the PIU and some institutions which led to a delay in obtaining progress results and other information regarding students. This issue is covered under TETP by the PIU finding placements from recognized and established universities and establishing early communication.

When awarding education-related fellowships, priority should be given to candidates who are already working in the education sector even though they may not have academic credentials comparable to other.

candidates.

Retaining PIU staff, so that their training and experience is withheld for future projects is another issue, which is addressed by having relatively the same PIU which implemented SETP to implement TETP

Sustainability:

To sustain the achieved benefits the link-institutional arrangements in ITE and IMA, provision is made under TETP for continued support to new link arrangements for both institutions, while provision is made under TETP for staff development and for much needed educational and other equipment.

The need to sustain the human resource development of the country when donor agencies cease aid is addressed by GOM by establishing a fellowship fund which is created from the repayment of returned students through the cost- recovery mechanism. This cost-recovery mechanism is also introduced in other fellowship programs, which are funded by donor agencies other than IDA, so that the human resource development would be more sustainable in the country.

For the smooth implementation of TETP the same PIU is appointed.

World Bank's Role:

GOM benefited from the technical advice and IDA procedures which led to efficient and consistent implementation. Direct and easy communications between the GOM and IDA led to good working relations which facilitated effective implementation. GOM would have benefited from regular supervision and the mid-term review mission.

Additional Annex 10. Component/Activities - Achievement Status

<i>Project Components/Activities</i>	<i>Year</i>	<i>Targets</i>	<i>Achievement</i>
<p>(a) upgrade education quality by:</p> <ul style="list-style-type: none"> ● strengthening the pre-service teacher training program; 	2000	No specific targets given	Until 2000, total teachers trained for primary are: Male: 811 Female: 1168
<ul style="list-style-type: none"> ● upgrading primary atoll teachers through in-service training; 	2000	No specific targets given	2440 atoll teachers were trained through in-service training;
<ul style="list-style-type: none"> ● remodeling ITE facilities; and 	1995-2000	No specific targets given	4 classrooms, 2 seminar rooms, in-service training rooms, printing room, staff offices, computer center, audio- visual equipment and storage facility.
<ul style="list-style-type: none"> ● establishing efficiency indicators to facilitate sector management. 	-	-	-

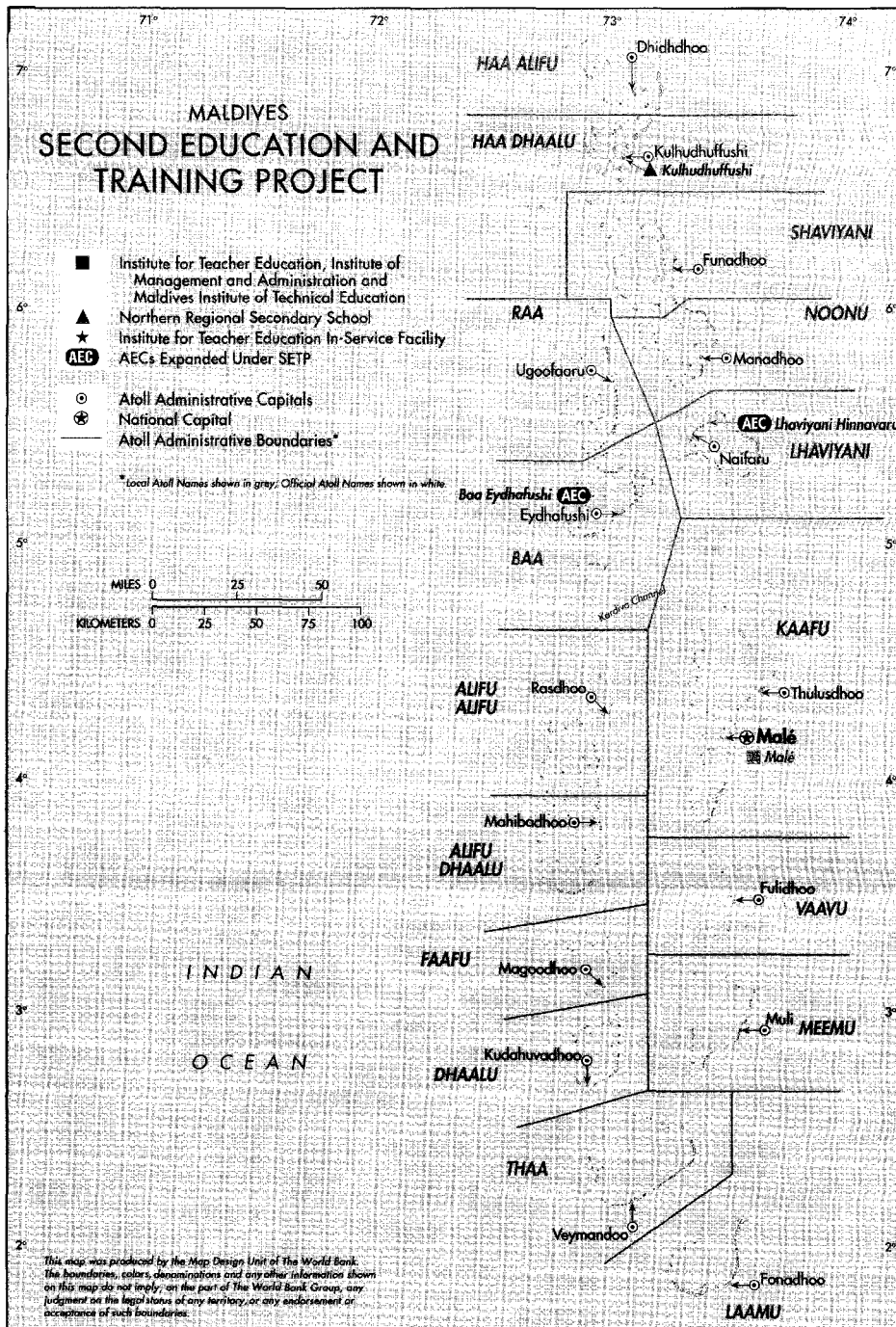
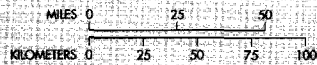
<i>(b) increase equitable access to quality secondary education in atolls</i>													
<ul style="list-style-type: none"> ● establishing an in-country lower-secondary teacher training program; 	1997-2000	Setting up of an in-country lower-secondary teacher training program	<table border="1"> <thead> <tr> <th>Year</th> <th>Students</th> </tr> </thead> <tbody> <tr> <td>1997</td> <td>14</td> </tr> <tr> <td>1998</td> <td>16</td> </tr> <tr> <td>1999</td> <td>21</td> </tr> <tr> <td>2000</td> <td>21</td> </tr> </tbody> </table>	Year	Students	1997	14	1998	16	1999	21	2000	21
Year	Students												
1997	14												
1998	16												
1999	21												
2000	21												
<ul style="list-style-type: none"> ● contribute to the gradual reduction in the number of expatriate teachers; 	2000	No specific targets given	<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage of expatriate teachers Appraisal</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td>75%</td> </tr> <tr> <td></td> <td>74%</td> </tr> </tbody> </table>	Year	Percentage of expatriate teachers Appraisal	2000	75%		74%				
Year	Percentage of expatriate teachers Appraisal												
2000	75%												
	74%												
<ul style="list-style-type: none"> ● adding lower-secondary grades 8-10 to four selected AECs and establishing a new lower-secondary school in the north; 	2000	Increase secondary access in four AECs and one NRSS school by 1400 students	1708 more places were created over the baseline of 1995.										
<ul style="list-style-type: none"> ● maintaining a career information and guidance program; 	-	-	-										
<ul style="list-style-type: none"> ● undertaking policy reforms in secondary education including; 	-	-	-										
<ul style="list-style-type: none"> ● consolidating atoll secondary education; 	-	-	-										
<ul style="list-style-type: none"> ● recovering costs at the secondary level in government schools; 	-	-	-										
<ul style="list-style-type: none"> ● continuing the flexible administration of the bonding of secondary school leavers; and 	-	-	-										
<ul style="list-style-type: none"> ● assisting with the implementation of more economical and equitable student-teacher ratios, and staff-deployment policies. 	2000	STR - 25 in Male', atolls and Maldives	STR - 2000 Male: 17.31 Atolls: 15.07										

<p><i>(c) reduce skill shortages by:</i></p> <ul style="list-style-type: none"> ● developing, at the MCMA, fee-paying modular courses that would respond to both private and public sectors; ● improving the quality of existing and new skill-training programs at the MCMA, ITE, HIS and VTC through staff-training programs; and ● providing facilities at MCMA and equipment and books at MCMA and VTC. 	<p>2000</p> <p>-</p> <p>By year 2000</p>	<p>No specific targets given</p> <p>-</p> <p>No specific targets given</p>	<p>467 students received skill training at MCMA</p> <p>-</p> <p>Construction of a new wing accommodating 5 classrooms, a library, computer laboratories and washroom facility</p>
<p><i>(d) increase responsiveness of overseas post-secondary training to economic priorities by:</i></p> <ul style="list-style-type: none"> ● Selecting the best candidates under a criteria-based fellowship program. 	<p>During project period</p>	<p>No specific targets given</p>	<p>277 general and 374 targeted fellowships were awarded based on a specific</p>
<p><i>(e) strengthen financial management of the education sector by:</i></p> <ul style="list-style-type: none"> ● improving financial practices and mechanisms to provide more equitable grants and financial support to educational institutions. 	<p>2000</p>	<p>Setting up of FMIS and EMIS</p>	<p>FMIS has not been created due to difficulties in identifying appropriate agencies to provide technical support and internal work pressure at MOE.</p>
<p><i>(f) undertake priority studies in the education sector</i></p>	<p>Completed by Year 2000</p>	<p>Two studies</p>	<p>'Public Examinations' and 'Post- Secondary Education' studies were conducted during the project period.</p>

MALDIVES SECOND EDUCATION AND TRAINING PROJECT

- Institute for Teacher Education, Institute of Management and Administration and Maldives Institute of Technical Education
- ▲ Northern Regional Secondary School
- ★ Institute for Teacher Education In-Service Facility
- ⓐ AECs Expanded Under SETP
- Atoll Administrative Capitals
- ⊕ National Capital
- Atoll Administrative Boundaries*

*Local Atoll Names shown in grey; Official Atoll Names shown in white.



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