I. Introduction and Context

Country Context

1. High levels of growth in the 1980s and 1990s led to the achievement of many human development milestones in the OECS countries. The OECS countries are classified as having high human development levels according to the UNDP’s Human Development Index (HDI). Education coverage is almost universal at the primary and secondary levels with gender parity and primary completion rates close to 100 percent.

2. However, the 2008 financial crisis and repeated shocks, continue to have debilitating impacts on the region. The OECS countries have struggled to restore pre-crisis growth levels. In addition to low growth, challenges in the form of high debt and vulnerability to economic shocks continue to face the OECS. Furthermore, these countries are highly vulnerable to climate shocks and natural hazards, which often have debilitating effects on livelihoods, particularly the poorest. Under these constraints, the region is also dealing with an aging population, high rates of migration, and an increase in NCD and disability burden.
3. Poverty pressures still constrain most OECS countries and unavailability of recent data also limits effective response. The most recent available poverty data illustrates high levels of poverty (30.2 percent in St. Vincent and the Grenadines in 2008). A common trend is for the brunt of poverty to be felt by children and female headed households. For instance, 48.2 percent of the poor were between 0-19 years in St. Vincent and the Grenadines. (Caribbean Development Bank, 2006-2009). Given the effects of recent economic crises and natural disasters, poverty levels have unlikely varied significantly from these figures. However, updated poverty assessment has not been completed, given resource constraints. Targeted poverty-reduction interventions are therefore not informed by current poverty data.

4. Gender disparities have also been observed in all three sectors in the SVG. Despite the gender parity in access to education, there are significant differences between the proportion of boys and girls who pass both English and Mathematics tests at the Caribbean Secondary Education Certificate (CSEC) - it is on average 8.5 percent higher for girls across the states. Even with better performance and high levels of education among women, unemployment rates among women are much higher than in men. Data for the Caribbean indicates youth unemployment standing at over 30 percent for women and 20 percent for men (Caribbean Development Bank, 2015).

**Sectoral and Institutional Context**

5. The limited growth environment, exposure to shocks, and challenges facing the SVG increase the need for robust and efficient human development (HD) systems. In spite of continuous focus on the development of these systems, the HD systems face challenges in ensuring effective and efficient delivery of services. Key information gaps also persist, making informed decision-making weak in all three sectors. Such weaknesses limit the ability of systems to be responsive to the challenges facing the country in areas of education, social protection and labor. In addition, low economic growth is likely to translate into limited increases in government spending, meaning that generation of fiscal space will need to come from improvements in efficiency of existing government expenditure.

6. Weak quality of services are eroding human resources. There are a number of challenges that are key obstacles to growth and shared prosperity. Those that require immediate attention include low learning outcomes and education systems which are not bestowing the required skills for young people to compete in the labor market, contributing to a large pool of unemployed youth. Weak and fragmented social protection systems cannot provide adequate protection to vulnerable populations nor channels to help them build their human capital for greater resilience.

7. Despite universal access to education, learning achievements are low, and this can be attributed to several challenges. The 2010 Grade 4 Literacy and Mathematics tests showed that about 50 percent of Grade 4 students had not achieved mastery at their grade level. At the secondary level, the percentage of students passing the Caribbean Secondary Education Certificate (CSEC) was 37 percent or below for all the states. The percentage of students who pass both English and Mathematics tests at CSEC is on average 23 percent across the states. Some of the underlying causes of low education quality in the OECS countries are lack of clear teaching and learning standards and low capacity of both teachers and school leadership to facilitate student centered pedagogy or to use classroom assessments to strengthen teaching and learning. This leads to failure
to address learning deficiencies before a student exits the system or transitions to the next grade.

8. The OECS countries have initiated several joint activities to address the challenge of low learning achievement as part of implementation of the OECS Regional Education Strategy. The OECS have developed a harmonized curriculum and primary exit assessment. They are also finalizing costing and appraisal of an implementation plan for the OECS Regional Education Strategy and have initiated the development of a learning assessment framework which includes formative assessments, and a process for clarifying learning standards based on the harmonized curriculum. The OECS Commission, in collaboration with the member states, is in the process of preparing an application for grant funds amounting to US$ 2 million from the Global Partnership for Education. The plan is to use these funds for the following activities: (i) development of a teaching and learning standards framework based on the harmonized curriculum; (ii) preparation of professional development modules to support capacity building for training of teachers and school leaders on effective pedagogical practices and implementation of teaching and learning standards, and (iii) monitoring pedagogical practices and the promotion of knowledge sharing across countries. The Grant will also support initial implementation of these activities at the country level, paying specific attention to equality of opportunity based on results of the ongoing analytical work.

9. Labor market outcomes have been weak due to ad-hoc service delivery and information gaps. Unemployment levels are high compared to other countries, with unemployment reaching 19 percent in St. Vincent and the Grenadines in 2008 (Caribbean Development Bank). Despite the availability of job seekers in the labor market, employers have cited inadequately educated workforce as a major obstacle in the most recent enterprise surveys (2010). Labor market interventions are often implemented without being informed by relevant demand-side and supply-side data, and are routinely replicated or scaled up with limited assessment of performance or impact.

10. Social protection service delivery systems are weak and fragmented, which limits their ability to effectively respond to the risks faced by the poor and vulnerable. St. Vincent and the Grenadines provides a range of safety net programs and labor market interventions. Despite provision of a range of SPL programs and services, the country does not yet have coherent SPL system to effectively provide protection to poor and vulnerable households, facilitate promotion of human capital, and prevent adverse effects of economic and climate shocks. Severe inefficiencies hamper the effective SPL service delivery. These include: (i) weak capacity among implementing ministries; (ii) poorly designed instruments for service delivery, e.g. for targeting, payments and referrals; and (iii) ineffective inter-institutional coordination and monitoring mechanisms. While some efforts to address these systemic challenges have been made, a more sustained support will be required to ensure that the SPL service delivery systems are effectively able to support the development objectives of the country, as well as the objectives they committed to within the growth and resilience pillars of the World Bank Regional Partnership Framework.

Institutional Context

11. The human development issues in the areas of education, social protection and labor are overseen by the corresponding sector ministries. These include Ministries of Education, and Ministries responsible for Social Development and Social Transformation. Each Ministry is responsible for overseeing the needs of the public and is tasked with setting public policies,
delivering services, financing, and regulating the sector for which it is responsible. This includes ensuring the development and implementation of a strategic plan and policies are in place.

**Relationship to CAS**

12. The proposed Project contributes to the Bank’s twin goals of eliminating extreme poverty and boosting shared prosperity by strengthening human development service delivery systems. This will be achieved through a mix of interventions aimed at better quality of education, and greater effectiveness of the social protection systems. These investments in human development would improve service delivery systems through the use of clear standards to guide teaching and learning and improved capacity, and through stronger and more efficient social protection service delivery instruments, human resources, and institutional frameworks that can have an great impact in not only protecting the poor and vulnerable during shocks, but also support them in breaking the cycle of poverty through targeted interventions.

13. The proposed Project is consistent with the World Bank Group OECS Regional Partnership Strategy (RPS) FY2015-2019 Framework endorsed by the Board of Executive Directors on November 13, 2014. The RPS aims to support sustainable inclusive growth through three areas of engagement: (i) competitiveness, (ii) public sector modernization, and (iii) resilience. The proposed Project is the key building block for the resilience area. The RPS recognizes the importance of strengthening the capacity of HD systems for the delivery of quality services to ensure access by the most vulnerable populations to critical social services that will contribute to breaking the poverty cycle. The Project activities are aligned with the RPS pillar of resilience, and in particular outcomes 6 and 7 which respectively are, improved targeting and reduced fragmentation of social protection system, and establishment of quality education standards.

II. **Proposed Development Objective(s)**

**Proposed Development Objective(s) (From PCN)**

The Project development objective of the Project is to strengthen service delivery in education, social protection, and labor.

**Key Results (From PCN)**

The following indicators will measure progress toward achieving the PDO:

- Percentage of primary and secondary teachers in SVG rated effective on classroom practices
- Share of households from priority geographic areas with complete information stored in the Central Social Registry
- Share of TVET graduates certified at Level 1
- Number of TVET assessors, verifiers, and master assessors certified

III. **Preliminary Description**

**Concept Description**

The Project will be structured around four components:

14. Component 1: Strengthening pedagogy for basic and special needs education and TVET teachers. This Component will aim at strengthening the capacity of teachers to deliver quality education by: (i) adapting the OECS teaching and learning standards developed at a regional level with support from the GPE to the country level contexts of St. Vincent and the Grenadines, (ii)
providing training on effective pedagogical practices, formative assessment in line with the new learning standards and use of student learning data to tailor teaching to students at different levels, (iii) printing and distribution of teacher manuals and guidelines on effective pedagogical practices, (iv) establishing an on-line community of practice on effective pedagogical practices, and (v) monitoring of teacher classroom practices through the use of classroom observation instruments.

15. Component 2: Building Responsive Social Protection Service Delivery Systems. This component will aim at strengthening service delivery systems for social safety nets, to ensure that programs and services are more efficient, better tailored to beneficiary needs and vulnerabilities, and more responsive to shocks and crises, through: (i) completing the design of, and operationalizing instruments to support targeting, information management and referrals; (ii) capacity building to administer and manage SSNs; and (iii) financing consultancies to strengthen the institutional framework and overall policy for SSN programs.

16. Component 3: Strengthening Labor Market Systems and Improving Skills Training of Poor and Vulnerable Populations. This Component will support country efforts to improve labor market outcomes through strengthening the skills certification framework and providing training that is responsive to market needs. In particular, it will: (i) strengthen the overall institutional and policy framework for the labor market; (ii) update the knowledge base for training delivery; (iii) improve the delivery of TVET education in schools; and (iv) provide direct delivery of training to poor unemployed adults and youth.

17. Component 4: Project Implementation, Monitoring and Evaluation. This Component would finance activities related to the management of the Project to ensure its effective administration and implementation, and develop and put in place an effective monitoring system. In particular the Component would finance: (i) project coordination; (ii) external technical verifications and audits; and (iii) the development and implementation of Project monitoring and evaluation systems for the Project. Bank financing would support project management through financing part of the incremental operating costs of the existing PCU, as well as training to project staff, purchase of necessary office equipment, and independent project audits. The Project would also support the design and implementation of tools to monitor the results framework for the proposed Project. Bank financing would be provided for technical assistance, services and training of the staff engaged in monitoring. Besides, the component will finance LCS data collection for an updated CPA.

IV. Safeguard Policies that might apply

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V. Financing (in USD Million)

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Total Project Cost: 10.70
Total Bank Financing: 10.70
Financing Gap: 0.00

VI. Contact point

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