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A.I.D. Project No.: 532-0155

AMENDMENT NO. 4

TO THE

PROJECT GRANT AGREEMENT

BETWEEN

THE GOVERNMENT OF JAMAICA

AND THE

UNITED STATES OF AMERICA

FOR THE

THE PRIMARY EDUCATION ASSISTANCE PROJECT II

Date: NOV 18 1992

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PROJECT GRANT AGREEMENT

AMENDMENT NO. 4

AMENDMENT Number 4 between the UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.") and the Government of Jamaica.

The Government of Jamaica and A.I.D. entered into a Project Grant Agreement, dated August 31, 1990 ("Agreement") which was amended on August 9, 1991, September 30, 1991 and January 9, 1992.

The Government of Jamaica and A.I.D. now desire to amend the Agreement to reflect certain changes in the scope of the project, and to reflect an increase of the Life of Project authorized level from US\$4,000,000 to US\$5,600,000.

The parties agree that the Agreement is amended as follows:

- Section 1.** Section 2.1. Definition of the Project, is amended by adding the following as a second paragraph:
"The project will support further -
- a) the refinement of current data systems within the Ministry of Education;
 - b) the development of an integrated educational Management Information System (EMIS); and
 - c) the strengthening of the capacity of the Ministry of Education to carry out policy analyses and implement policy initiatives".
- Section 2.** Section 3.2. Grantee Resources for the Project:
The second paragraph will be deleted in its entirety and be replaced by the following: "The resources provided by the Grantee for the Project will be no less than the equivalent of US\$1,880,000 including costs borne on an "in-kind" basis".
- Section 3.** Annex 1, "The Amplified Project Description," is amended by adding the attached Supplement to the Amplified Project Description, together with the revised "Illustrative Cost Summary", appended thereto as Attachment A.
- Section 4.** In the Project Grant Agreement Standard Provisions Annex Section B.5 is amended by substituting a new Section B.5. as contained in Attachment B to this Amendment.

Section 5. Special Covenants: This is expanded to include an additional item Section 5.3: "The Ministry will reassign and recruit personnel for the Policy Unit to expand it to three persons. The Ministry will also reassign and recruit personnel to staff the Management Information System Unit with four persons".

Section 6. Section D.1. "Termination": is amended by deleting the existing section and substituting the following:

Article D. Termination; Remedies

SECTION D.1. Termination

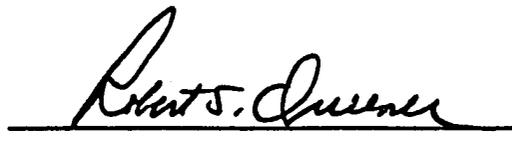
- a) Either party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.
- b) A.I.D. may unilaterally cancel and deobligate all or part of the undisbursed balance of the Grant, to the extent not subject to noncancellable commitments entered into with third parties, by giving the Grantee 30 days written notice. Such notice shall provide a statement of reasons for the cancellation and deobligation.

Except as amended herein, the Agreement remains in effect.

IN WITNESS WHEREOF, the GOVERNMENT OF JAMAICA and the UNITED STATES OF AMERICA, each acting through its respective duly authorized representative, have caused this Amendment to be signed in their names and delivered as of the day and date below written:

GOVERNMENT OF JAMAICA

UNITED STATES OF AMERICA



Shirley Tyndall
Financial Secretary
Ministry of Finance & Planning

Robert S. Queener
Director
USAID/Jamaica

Date: 11/18/92

1

ATTACHMENT A

Annex 1 Supplement

to the

Amplified Project Description

1. INTRODUCTION

This project was originally approved on August 31, 1990. The project goal and purpose remain unchanged. This supplement provides for an expansion of the Amplified Project Description, Annex 1.

The budget as attached to this supplement, amends the total project budget.

II. BACKGROUND

The Policy Analysis, Planning and Management component is one of three project components that comprise the Primary Education Assistance Project II (PEAP II). A decentralization component consists of a) extending knowledge, procedures and practices of the School Community Outreach Program for Education (SCOPE) to all primary and all-age school principals and community leaders through training; and b) establishment of a Referral Unit within the Ministry of Education to attract private investment in education and to facilitate dissemination of successful experiences that support the decentralization policy. An educational strengthening component consists of developing and implementing a plan to improve mathematics education through the refinement of instructional materials, pre-service and in-service training in problem-solving approaches to mathematics instruction and assisting the National Assessment Program (NAP) to improve testing and performance measurement in primary level mathematics.

III. DESCRIPTION OF PROJECT COMPONENT

1. Overview

This supplement will focus on a third component to the Primary Education Assistance Project (PEAP) II called Policy Analysis, Planning and Management.

The purpose of the policy analysis, planning, and management component is to improve the capability of the Ministry of Education (MOE) to collect, manage, and use educational data and information in a systematic way that will contribute to policy decisions for greater cost-effectiveness. The component will consist of four activities, or outputs:

- a) assessment of needs;
- b) refinement of current data systems within the Ministry;
- c) development of an integrated educational management information system (EMIS);
- d) strengthening of MOE capacity in policy analysis and implementation of policy.

Together, these activities will provide the MOE with a staff, trained through practical experience, which is able to employ an integrated approach to information management, planning, and decision-making that in turn will improve program implementation. A major part of each activity will be the hands-on training provided by technical assistance personnel to their MOE colleagues. Each activity undertaken will be collaborative problem-solving to develop a policy formulation system that effectively meets Jamaica's needs.

The activities included in this supplement complement and support the existing components and increase their effectiveness. They will broaden the impact of the program beyond technical improvements in mathematics programs, improved management at the school level, and greater community responsibility for schools, to correct managerial and policy level inefficiencies that stifle technical/subject matter improvement efforts. A strong information base will provide the capability to assess progress in strengthening mathematics curriculum, teaching and testing and support the introduction of the broader concept of "effective schools," i.e. the identification of schools in which achievement, efficiency, and morale are particularly high. A capability to identify the more effective schools will be central to the development of system-wide standards that support overall improvement of educational quality. A strong information base will also support the Ministry's policy of decentralization by making it possible to judiciously allocate resources without exercising direct control. The system will support and be used at the school, regional and central Ministry levels. The immediate beneficiaries are educators at the school, regional and central levels. The ultimate beneficiaries are the primary school students (currently 350,000) who will be better serviced by more efficient delivery of services and higher quality teaching.

2. Activity descriptions

a) Assessment of needs

Development of the Ministry's information system will be based on a needs assessment of policy and operational information requirements. Data reporting requirements for policy and operations will be identified. Sources for data collection and rationalised instruments for that collection will be defined, and issues related to the use and dissemination of data will be analysed, including staffing, training, organizational, financial,

and equipment requirements. To increase efficiency and reduce redundancy, the needs analysis will develop an inventory of data user requirements, identify the most appropriate and resource efficient collectors of data, and identify information which can be appropriately shared among organizational entities in the policy and operational framework.

Data flow requirements, between policy and operational entities, will be documented to provide guidance for development of data collection and reporting systems. The objective will be to ensure that data collected and reported at each level supports the data requirements of the other.

The needs analysis will also document and inventory existing data collection and reporting arrangements. Documentation of the current system will be used to develop a baseline for measuring improvements resulting from the new information system.

b) Refinement of current data systems within the Ministry

The project will offer technical assistance and training to aid the Ministry in streamlining and automating its information retrieval and management procedures at the central, regional and local levels. A long-term resident advisor will work closely with the designated staff of the various MOE units to develop a comprehensive EMIS (Education Management Information System) that will serve all units of the Ministry. The first step will be to analyze the flow and use of data in the annual cycle of decision making in all departments of the MOE, and in regional offices and schools. The technical assistance team will assist designated MOE personnel in conducting this analysis which will include discussions with policy makers and mid-level managers about information needs and examining data capture and reporting requirements. Based on the analysis and needs assessment, an EMIS development plan will be created interactively by the technical assistance team and selected users of information in the different functional units of the Ministry. The plan will include strategic and planning information requirements, operational information requirements, regional requirements, and hardware and software support requirements as well as specification of training requirements.

The Resident Advisor will be assisted by a short-term specialist in MIS planning and distribution systems and a technical support person, who is a skilled programmer, in helping MOE personnel to refine the current data systems within the Ministry. Together they will help revise the MOE data collection instruments to incorporate the information needs of MOE users and to create consistent procedures, codes and standards for data collection. The revised instruments will be pilot tested in two regions during the school year beginning in September 1993.

The advisors will also assist in the selection, installation and operation of a linked set of 16 microcomputers, attendant software, and peripherals. Although it is expected that some equipment will be provided under the terms of the new World Bank loan, it is likely that 18 months or more may pass before the equipment is installed. The computer equipment supported by the project will be distributed in the critical data collection and analysis units of the MOE. The basic needs of these units are as follows: six in the Statistics Unit; two in Examinations; two in the National Assessment program (NAP); two in MIS; two in Facilities and Maintenance; and one system in each of the two regional pilot test sites. This equipment will permit data for policy decisions to begin to be generated immediately.

In addition to the hands-on ongoing training that will be provided by the technical assistance team, several focused workshops and seminars will be held in Jamaica for MOE personnel. The seminars for this activity will include: introduction to computers, organizational analysis, and information system analysis and design. Up to ten in-country seminars of approximately five days each will be given by a Jamaican subcontractor hired and supervised by the Resident Advisor and the technical assistance team.

c) Development of an integrated Educational Management Information System

The EMIS plan created as part of the refinement of the existing data systems in the MOE will form the basis for the development of the integrated EMIS. Concurrently with the refinement of the current data systems, computer software will be selected and modified to meet the needs identified in the EMIS plan. Using the results of the pilot testing conducted in the first year of component implementation, the Resident Advisor and the technical assistance team will assist MOE personnel to develop and test the first prototype of the EMIS using the appropriate software. Prototyping, an approach to systems development that emphasizes broad-based collaborative involvement and sharing of responsibility for system design and development, will be employed throughout the development of the system. It will involve repeated testing of the system by the responsible staff for the purpose of evaluating and modifying the system incrementally as needed. The final system will emerge from a series of iterations that improve the link between individuals and the technology being developed. Thus, a phased implementation of the system will begin at the start of the school year in September 1993. This will include construction of indicators, generation of reports, distribution and discussion of reports. These tasks will take place to coincide with the information needs that occur during the school year. The data collection procedures will also be extended to all regions and schools as part of the implementation process.

The technical assistance team, in collaboration with counterpart staff in the MIS and Policy Analysis units, will develop two complementary systems and integrate them into the EMIS as part of this activity. A parish-level Geographic Information System (GIS) will be developed for displaying indicators by regions and localities of Jamaica. An Executive Information System (EIS) will be developed to present specialized reports to policy makers and top managers of the MOE.

Formal training will accompany the hands-on transfer of technology provided by the technical assistance team. Short courses for Ministry personnel will be provided in-country by a Jamaican training organization subcontracted and monitored by the technical assistance team. Courses will include: database uses and applications; report design and development; research design; and statistical analysis. Up to three courses, each of five days duration, will be held in each of the content areas. Ten to fifteen persons will participate in each course.

Once the EMIS is in place and fully operational, a second trial of the EMIS in all regions and schools will be carried out over the school year. In addition, the integrated database will be used to conduct a major policy analysis study along guidelines provided by policy makers within the MOE. The second full year of the technical assistance effort will be devoted to revising the EMIS according to experiences in the previous year.

d) Strengthening of MOE capacity to carry out policy analyses and the implementation of policy

Concurrently with the specification and development of the EMIS, the project will provide technical assistance and training to aid MOE managers to become more proficient in the use of information for policy decisions and planning. The Resident Advisor, together with an educational planning specialist, will work with senior MOE management, the Ministry Planning Unit, and managers in other educational data producing organizations such as the University of the West Indies (UWI) and the Planning Institute of Jamaica (PIOJ) to articulate information needs. A senior-level policy group will be formed inside the MOE to coordinate policy formulation and review, in conjunction with the EMIS development. The senior policy group will be supported by a small policy analysis group consisting of three or four people located in the MOE.

In addition, a short-term advisor will develop a computerized database for MOE managers on existing Jamaican educational research. UWI personnel will be sub-contracted to produce 100 abstracts of the best educational policy studies available and the advisor will oversee loading of these abstracts

into the SHARE (System to Help Access Research in Education) database system for use in Jamaica. The SHARE, developed by the USAID-financed BRIDGES project, is already installed at the MOE and provides a user-friendly tool for identifying policy related studies.

During the testing of the prototype EMIS, the technical assistance team will assist senior MOE officers in examining the results for their application and usefulness to policy issues. Policy makers will identify unresolved policy issues and additional data needs through this examination of results. Additional analyses will be designed to respond to identified needs. When the EMIS is fully operational, the integrated database will be used to conduct a major policy study which will be defined by MOE policy makers. Policy decisions will be related to improving the internal operations of the Ministry of Education, rather than broad macro-level policy formulation. Possible topics for the study might include: improving geographical distribution of available resources such as desks, blackboards or teachers; ratios of administrative staff versus teaching staff in the system; causes of repetition and dropout at each level of the primary system; or the effectiveness of two or more children sharing instructional materials when compared to individual use. The exercise will include frequent interaction with policy-makers on questions, design, initial findings, and reporting. This study will serve as basis for a national conference on education which will develop guidelines for the planning of appropriate educational reform.

Training will be carried out through in-country seminars, off-shore workshops and study tours. Areas to be covered will include: policy analysis, planning methods, model development, and negotiation skills. Approximately eight courses of five days duration will be given locally for five to ten participants. Ten individuals will participate in overseas study tours of approximately ten days duration each. Six MOE personnel will participate in specialized overseas workshops of approximately one week duration each.

IV. END OF PROJECT STATUS (EOPS)

The key impacts of this new component will be qualitative as they are related to operational change and interactions among individuals that will create the efficient production of information for more effective policy formulation and planning. For example, the development of an integrated database will depend on a commitment to data collection, analysis and sharing in key units of the Ministry and at regional levels and mastery of use of the technology to be provided by the project. Formulation of policy will depend on identification of key questions or policy

areas, the availability of analytical tools to reach policy decisions in those areas, and the commitment of MOE management to educational policy reform. While the interactions themselves are difficult to quantify, proxy measures that indicate greater efficiency in managing information, system support of decentralization initiatives, and policy reform by the end of the project have been developed. These are as follows:

Effectiveness of Policy

- 10 key educational policy areas determined
- Analytical reports produced for 50% of key policy areas
- One national conference on educational reform held to disseminate results of policy study and build consensus
- At least two reforms implemented

Efficiency in information management

- 50% reduction in data collection activities to be accomplished while meeting policy and operational requirements.
- 50% reduction in the time to produce key reports as a proxy for increased utility of data.
- 50% of regions producing reports for regional use as a measure of decentralization of decision-making.

V. COST ESTIMATES AND ILLUSTRATIVE FINANCIAL PLAN

Annex 1, Section V "Illustrative Financial Plan" of the original Project Description, should be deleted and replaced with the following:

The Life of Project new authorized level for this Five Year Primary Education Assistance Project II is estimated at \$7,480,000. Of this total, USAID, subject to the availability of funds, will contribute \$5,600,000, and the GOJ will contribute the Jamaican dollar equivalent of US\$1,880,000.

The total cost of the amendment is \$2.13 million. AID's contribution will comprise \$1,600,000 or 75% of the total amendment budget. The GOJ will contribute \$530,000, or 25% of the budget.

Over the Life of the Project, USAID will finance technical assistance, training, the purchase of commodities including computer hardware/software and a vehicle, operational/administrative support costs and instructional materials. In order to provide the hands-on training needed to develop mastery of the skills required at various levels of the MOE for utilizing systematic data to formulate and implement policy, an institutional contractor will be contracted to provide the technical advisory services required by the amendment. The

contractor will sub-contract with Jamaican and U.S. training organizations to carry out specified short-term training and will develop the specifications for and procure technically complex computer equipment.

Transportation costs are permissible under the Grant for any of the commodities procured.

The following table I represents the Illustrative Financial Plan for the project showing planned obligations for AID funds. The plan is illustrative only and changes may be made by mutual agreement of the representatives of the Parties in Implementation Letters without formal amendment to the Agreement as long as such changes do not increase the total amount of the Grant.

Table 2 shows projected expenditures by activity for each year for the Policy Analysis, Planning and Management Component of PEAP II.

ILLUS I
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SUMMARY COST ESTIMATES AND FINANCIAL PLAN
 (US\$)

ELEMENTS	PRIOR OBLIGATIONS		THIS OBLIGATION		TOTAL OBLIGATIONS TO DATE		PLANNED SUBSEQUENT OBLIGATIONS*		TOTAL PLANNED OBLIGATIONS	
	AID	HC	AID	HC	AID	HC	AID	HC	AID	HC
A. DECENTRALIZATION										
1. Community Participation	1,070,000	250,000	- 200,000	-0-	870,000	250,000	430,000	85,000	1,300,000	335,000
2. Referral Service	120,000	25,000	-0-	-0-	120,000	25,000	50,000	60,000	170,000	85,000
3. Management - Primary Edu.	110,000	85,000	-0-	-0-	110,000	85,000	-0-	-0-	110,000	85,000
B. EDUCATIONAL PROGRAM STRENGTHENING										
4. Math. Edu. improvement	250,000	25,000	-0-	-0-	250,000	25,000	850,000	325,000	1,110,000	350,000
5. Performance Measurement	625,263	50,000	-0-	-0-	625,263	50,000	249,737	200,000	875,000	250,000
7. CONTINGENCY	198,971	-0-	-0-	-0-	198,971	-0-	176,029	235,000	375,000	235,000
C. 8. POLICY ANALYSIS PLANNING AND MANAGEMENT										
	-0-	-0	+ 200,000	-0-	200,000	-0-	1,400,000	530,000	1,600,000	530,000
9. Evaluation	35,000	-0-	-0-	-0-	35,000	-0-	-0-	5,000	35,000	5,000
10. Audit	35,000	-0-	-0-	-0-	35,000	-0-	-0-	5,000	35,000	5,000
Total	2,444,234	435,000	-0-	-0-	2,444,234	435,000	3,155,766	1,445,000	5,600,000	1,880,000

*Subject to the availability of funds.

Table 2. Project Expenditures by Year

(US\$ 000)

Activity	Year 1		Year 2		Year 3		TOTAL	
	AID	GOJ	AID	GOJ	AID	GOJ	AID	GOJ
III. Policy Analysis								
Plng. & Mgmt.								
MOE data refinement:								
Technical Assistance								
Long term	58	0	15	0	0	0	73	0
Short term	40	0	60	0	0	0	100	0
Computer Equipment	80	0	0	0	0	0	80	0
Training	40	0	0	0	0	0	40	0
GOJ Contribution	0	40	0	60	0	0	0	100
Sub Total:	218	40	75	60	0	0	293	100
EMIS Development:								
Technical Assistance								
Long term	15	0	73	0	15	0	103	0
Short term	20	0	120	0	60	0	200	0
Sub-contracting	25	0	60	0	15	0	100	0
Training	20	0	35	0	20	0	75	0
Vehicle	25	0	0	0	0	0	25	0
GOJ Contribution	0	45	0	90	0	90	0	225
Sub Total:	105	45	288	90	110	90	503	225
Policy Analysis:								
Technical Assistance								
Long term	14	0	87	0	58	0	159	0
Short term	40	0	120	0	80	0	240	0
Training								
In country	10	0	15	0	15	0	40	0
Overseas	15	0	30	0	15	0	60	0
GOJ Contribution	0	37	0	74	0	94	0	205
Sub Total:	79	37	252	74	168	94	499	205
Home Office Support	35	0	70	0	35	0	140	0
TOTAL:	437	122	685	224	313	184	1435	530
Fee - 7%	30	0	48	0	22	0	100	0
Evaluation/Audit	0	0						
Inflation 5%	0	0	34	0	31	0	65	0
GRAND TOTAL:	467	122	767	224	366	184	1600	530

Attachment B

Section B.5 Reports, Accounting Records, Audits, Inspections

- (a) The Grantee shall furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request.
- (b) The Grantee shall maintain accounting books, records, documents, and other evidence relating to the Project and to this Agreement, adequate to show, without limitation, all costs incurred under the grant, the receipt and use of goods and services acquired under the grant, the costs of the Project supplied from other sources, the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and others, and the overall progress of the project toward completion ("Project Books and Records"). At the Grantee's option, with approval by A.I.D., project books and records shall be maintained in accordance with one of the following methods: (1) generally accepted accounting principles prevailing in the United States, (2) generally accepted accounting principles prevailing in the country of the Grantee, (3) accounting principles prescribed by the International Accounting Standards committee (an affiliate of the International Federation of Accountants), or (4) such other accounting principles as the parties may agree to in writing. Project books and records shall be maintained for at least three years after the date of last disbursement by A.I.D.
- (c) If dols 25,000 or more is disbursed directly to the Grantee in any one calendar year under the grant, the Grantee, except as the parties may otherwise agree in writing, shall have financial audits made of the funds disbursed to the Grantee under the grant in accordance with the following terms:
- (1) The Grantee shall select an independent auditor in accordance with the "Guidelines for financial audits contracted by foreign recipients" issued by the A.I.D. Inspector General ("Guidelines"), and the audits shall be performed in accordance with the "Guidelines".
- (2) An audit of the funds provided under the grant shall be conducted for each fiscal year of the Grantee. The audit shall determine whether the receipt and expenditure of the funds provided under the grant are presented in accordance with generally accepted accounting principles agree to in section (B) above and whether the Grantee has complied with the terms of the Agreement. Each audit shall be completed no later than six months after the close of the Grantee's fiscal year.
- 11

- (d) The Grantee shall submit an audit report to A.I.D. within 30 days after completion of each audit arranged for by the Grantee in accordance with this section. The A.I.D. Inspector General will review each report to determine whether it complies with the audit requirements of this Agreement. Subject to A.I.D. approval costs of audits performed in accordance with the terms of this section may be charged to the grant. In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this section, A.I.D. will consider appropriate sanctions which include suspension of all or a portion of disbursements until the audit is satisfactory completed or A.I.D. performs its own audit.
- (e) The Grantee shall submit to A.I.D., in form and substance satisfactory to A.I.D., a plan by which the Grantee will ensure that funds made available to subrecipients that receive dols 25,000 or more in any one calendar year under the grant are audited in accordance with this Agreement. The plan should describe the methodology to be used by the Grantee to satisfy its audit responsibilities with respect to any subrecipient to which this section applies. Such audit responsibilities with respect to subrecipients may be satisfied by relying on independent audits of the subrecipients or on appropriate procedures performed by the internal audit or program staff of the Grantee, by expanding the scope of the independent financial audit of the Grantee to encompass testing of subrecipients' accounts, or by a combination of these procedures. The plan should identify the funds made available to subrecipients that will be covered by audits conducted in accordance with other audit provisions that would satisfy the Grantee's audit responsibilities (a nonprofit organization organized in the United States is required to arrange for its own audits; a for-profit contractor organized in the United States that has a direct contract with A.I.D. is audited by the cognizant U.S. Government Agency; a private voluntary organization organized outside the United States with a direct grant from A.I.D. is required to arrange for its own audits; and a host-country contractor should be audited by the cognizant Grantee contracting agency). The Grantee shall ensure that appropriate corrective actions are taken on the recommendations contained in the subrecipients' audit reports; consider whether subrecipients' audits necessitate adjustment of its own records; and require each subrecipient to permit independent auditors to have access to records and financial statements as necessary.
- (f) A.I.D. may, at its discretion, perform the audits required under this Agreement on behalf of the Grantee by utilizing funds under the grant or other resources available to A.I.D. for this purpose. The Grantee shall afford authorized representatives of A.I.D. the opportunity at all reasonable times to audit or inspect the project, the utilization of goods and services financed by A.I.D., and books, records and other documents relating to the project and the grant.
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