

TECHNICAL COOPERATION PROFILE

NOVEMBER 23, 2009

I. BASIC PROJECT DATA

Country/Region:	Jamaica
Program Name/Number:	Knowledge Generation to Guide Policy and Institutional Reforms of the School Feeding Program (JA-T1046).
Team Leader/Members:	Isabel Nieves (SPH/CBL), team leader, Donna Harris (CJA/SPH); Leslie Stone (SCL/SPH); Martha Guerra (SCL/SPH); Sarah Howden (consultant); and Miozotis Florez (LEG/SGO).
Date of Request:	March 2009
Beneficiary:	Low income school children ages 3-18 in Jamaica
Executing Agency:	Ministry of Education (MOE)
Financing plan:	IDB (JSF): US\$450,000 Local: US\$110,000 Total: US\$560,000
Tentative dates:	Division Chief December 2009

II. BACKGROUND AND PROBLEM STATEMENT

- 2.1 The Government of Jamaica (GoJ) has requested a programmatic policy based loan, JA-L1020, to help preserve gains in poverty reduction and improve the effectiveness of social sector interventions. Specifically, the operation aims to: (i) protect basic health, education and Social Safety Net (SSN) spending during the economic downturn; and (ii) improve the effectiveness of key social programs such as the School Feeding Program (SFP). This programmatic strategy will require parallel grant funds to finance upstream analytical work to improve the effectiveness of the SFP and evaluations of the policy reforms being promoted, including of the SFP.
- 2.2 *School Attendance.* School attendance is a significant problem in Jamaica,¹ especially for poor children in rural areas. The private costs of education are a contributing factor.² Recent qualitative evidence suggests that some parents keep children out of school on days they cannot provide lunch money. In this context, if a quality meal or snack were provided at school free of charge to low-income students in a consistent, non-stigmatizing manner, it is expected that their attendance rates would improve.

¹ Despite high enrolment figures at the primary-school level, attendance in about 20% of the primary schools falls below the 90% target set by the MOE. In some areas, student attendance rates are as low as 50%.

² The 2007 Jamaica Survey of Living Conditions (JSLC) reports that 50% of households in the lowest quintile cite 'money problems' as the main reason for not sending children to school; the cost of lunch is the most significant component – representing 40% -- of household school expenditures.

- 2.3 **The School Feeding Program (SFP).** The SFP is one of the oldest and largest³ SSN programs, with a budget that has doubled in the past decade to US\$28 million in fiscal year (FY) 2009/10, benefitting approximately 261,000 students ages 3-18. However, the SFP's design and implementation do not support its objective of improving attendance and the funding patterns have been largely regressive. The program has two components: a cooked lunch produced at the school of extremely variable quality that requires a significant co-pay from families; and a baked snack ("Nutribun") and drink⁴ that presents significant palatability, nutritional, distribution and efficiency problems, and is highly subsidized for all students. The SFP Unit consists of a Director and several administrative staff with minimal support from the MOE's regional offices.
- 2.4 Since the inception of PATH (the national conditional cash transfer program) in 2001, its beneficiaries should have received free school lunch; however, the policy has only recently been funded and has yet to be fully implemented. As of FY 07/08 the SFP began to receive budget allocation earmarked for PATH beneficiaries to finance the free-lunch policy. In FY 08/09, the earmarked funding was US\$110/student/year (\$0.60/day) for 119,000 primary through high school-aged PATH beneficiaries. While this significantly improves the targeting of the SFP, the budget has been insufficient to cover all PATH students and does not address the inefficiencies in the original funding structure.
- 2.5 **Policy Reform Agenda.** Strengthening the SFP is an unfinished element of the broader SSN reform that began in 2000. Efforts⁵ were made earlier in this decade to rationalize feeding options and strengthen procedures. A pilot was undertaken in 2002-03 to test alternative modes of procurement and delivery of the cooked lunch, which produced important basic tools, but was too brief to generate definitive conclusions. Additionally, at the time, there was a lack of political will to structurally reform the snack component or to adjust the budget as needed to address quality and targeting issues. Given the GoJ's recent significant increase in the SFP's budget and the current willingness of the MOE's administration to address the SFP's funding disparities and inefficiencies, the time is ripe for a full reform of this Program.
- 2.6 **Relation to Country Strategy.** The proposed program, with its focus on improving efficiency and equity would contribute to the Bank's country strategy given the focus on 'improving value for public expenditures'.

III. PROGRAM OBJECTIVE AND DESCRIPTION

A. Goal and purpose

- 3.1 The goal of the TC is to strengthen the School Feeding Program (SFP) so that it can better reach its objective of improving regular school attendance among children ages

³ Representing almost 3% of total MOE recurrent spending.

⁴ The snack/drink is produced exclusively by Nutrition Products Limited (NPL), a state-owned and -run operation, with high overheads in outdated facilities.

⁵ With IDB support provided through a policy-based loan [JA0115] and a parallel TC (ATN/SF-7609-JA).

3-18 from the poorest two quintiles. The specific objective is to systematically generate evidence through knowledge production and pilot interventions to guide the design of policy and institutional reforms of the SPF to improve the program's operations.

B. Components

- 3.2 The SFP's operational design must be greatly improved in order to impact student attendance rates. The TC will finance operational pilots to improve the managerial capacity of the SFP Unit and test the effectiveness of different approaches for the program's snack component through two components.

1. Component 1: Improving the managerial and financial arrangements of the SFP (US\$300,000 from JSF and US\$60,000 from GoJ)⁶

- 3.3 At present, the SFP Unit is largely just a commodities procurement and payment office, without the staffing or decentralized structure to monitor substantive issues at the program and school-level. Therefore, it is urgent and critical that a new management structure and tools be defined and tested, to allow for rapid implementation once the full reform of the SFP is carried out. This component will undertake a rigorous review of the stated program objectives and core activities, including input from international best practices as well as feedback from program beneficiaries. Multiple existing management tools will be revised and consolidated to provide clear operational guidelines and establish nutrition standards (including for micronutrients and deworming). Training and technical assistance needs for implementation of the new standards will be assessed and piloted. In order to improve the progressive distribution of program benefits and effectively contribute to improving attendance rates among poor and rural students, this component will: (i) analyze how to link SFP recipient data with the PATH database; and (ii) define the correct level and system of subsidies (full, partial and none) for students from different income quintiles, in order to balance the need for a program that is available to all students, but which applies the correct cost-recovery/subsidy policies. A study will also be conducted to define strategies for improving Information, Education, Communication (IEC) activities with families, so as to minimize the substitution effects of providing a school meal.
- 3.4 The component will also analyze and test improvements to the institutional arrangements in order to build capacity in logistics, programming, execution, monitoring, reporting and evaluation, and implement field trials of new decentralized management measures. To this end, this component will finance a Technical Director, an MIS specialist and a specialist in monitoring and evaluation to analyze, define, pilot and assess the adequacy of different institutional strengthening measures as well as to provide technical input into the other component. Counterpart funding will be provided by the GoJ in the form of salaries of SFP executing unit technical staff, regional staff, local travel and communications and standard operating costs.

⁶ JA-T1048 is to finance complementary studies: (i) an audit of the current implementation of the earmarked subsidy to PATH students; (ii) the preparation of the operational design to expand the targeted SFP subsidy to cover all pre-primary students from PATH households; and (iii) the design of the impact evaluation system of the School Feeding Program.

**2. Component 2: Improvements to snack production and delivery system.
(US\$150,000 from JSF and US\$50,000 from GoJ)**

- 3.5 The cooked lunch component provides the more nutritious option; however, many schools don't have the infrastructure for its production, which led to the advent of the snack component. In addition, there are some schools that are inaccessible for the delivery of a cooked lunch. For those schools, and given the MOE's interest in possibly providing a breakfast option in the future, a much improved snack option is required. Technical assistance will be provided to develop a more nutritionally-sound snack product, addressing issues of packaging, delivery, shelf life, local raw material input, food safety, variety and acceptability to the students. Once the product(s) have been defined, an analysis of production options will be carried out (upgrading the current government plant, outsourcing to the private sector, and/or a public-private scenario), including an audit of the current production arrangements. Based on the results of both the market and production assessments, a pilot will be carried out to test the production alternative(s) that are proposed. The results of this pilot will be used by the MOE to take policy and operational decisions regarding the snack component.

IV. COST AND FINANCING

- 4.1 The total cost of the operation is estimated at US\$560,000. The JSF contribution is estimated to total US\$450,000; the GoJ will contribute 20% of the cost of the operation, to be funded in cash and in kind. JSF funds will finance consultancies, services not considered consultancies and some hardware and software, following JSF guidelines.

Budget (Thousands US\$)

	IDB/JSF	Counterpart (MOE)	Total	%
Component 1	250	50	300	54%
Review, update, design and testing of management tools	80	50		
Operational studies	20			
Decentralization options	25			
Institutional Strengthening	40			
Monitoring, evaluation and communication capacity-building	85			
Component 2	150	50	200	36%
Market analysis	20			
Production assessment (incl. NPL audit)	20			
Pilot implementation	100	50		
Local foods study	10			
Technical Coordination and Administration	50	10	60	10%
Total	450	110	560	100%

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 The Ministry of Education (MoE) will be the executing agency for the operation. The MoE has a long track record of project management and execution with the IDB and other funding agencies. A Technical Director will be hired with project funds and assigned to the SFP Unit. The Unit's Director will oversee day-to-day activities of the Technical Director. Procurement and contracting activities will be performed by the executing unit of an ongoing IDB project in the MOE the Youth Program, relying on

existing capacity and infrastructure. Financial, reporting and coordination functions will be undertaken by the MOE's Projects Unit, likewise relying on installed capacity and experience. A Technical Committee chaired by the Director of the Policy and Planning Unit and comprised of the Deputy Chief Education Officer, the Director of the Projects Unit, the Director of the SFP Unit and the Director of External Cooperation Management of the Planning Institute of Jamaica, will guide and oversee project execution. The chair of the Technical Committee will provide technical supervision to the Technical Director. The TC should be executed over a period of 18 months, with disbursements over a 24 month period.

VI. MAJOR ISSUES

- 6.1 The SFP Unit is very motivated to collaborate on the TC; however, given the extremely small size of the Unit, its capacity to contribute is limited. This issue will be mitigated through the role of the MOE Projects Unit and the Youth Programme's executing unit and through the financing of a TC Technical Director position. Other issues are: (i) the reluctance in the past to address the structural inefficiencies of the snack component's provision arrangements; and (ii) the limited support within upper management of the MOE during/after the previous TC (ATN/SF-7609-JA) regarding the reform of the SFP, in 2001-04. These risks are considerably reduced by the strong interest within the Ministry of Finance to improve the program's effectiveness, given the recent large budget increase and its link to the impact of PATH, and the importance that the current administration of the MOE is placing on reforming the program.

VII. ACTION PLAN

- 7.1 The preparation of the Plan of Operations for this TC is currently underway; it is being done parallel with loan preparation for JA-L1020. Submission for approval of the TC is expected in January 2010.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 According to the ESR safeguard classification, the project has been classified as a "C" project indicating that it is not expected to have any negative environmental or social impact. On the contrary, the program is expected to have a positive impact on Jamaica's poor and vulnerable populations.

IX. APPROVAL

(Original signed)

Héctor Salazar, Chief a.i. SCL/SPH
Social Protection and Health Division

11/23/09

Date