

ASIAN DEVELOPMENT BANK

TAR: MLD 37159

TECHNICAL ASSISTANCE

TO THE

REPUBLIC OF THE MALDIVES

FOR

**STRENGTHENING THE FRAMEWORK OF EDUCATION
TOWARD VISION 2020**

May 2004

CURRENCY EQUIVALENTS

(as of 14 May 2004)

Currency Unit	–	rufiyaa (Rf)
Rf1.00	=	\$0.0781
\$1.00	=	Rf12.80

ABBREVIATIONS

ADB	–	Asian Development Bank
MCHE	–	Ministry of College and Higher Education
MOE	–	Ministry of Education
MOFT	–	Ministry of Finance and Treasury
O-level	–	ordinary-level
TA	–	technical assistance

TA CLASSIFICATION

Poverty Classification	–	Other
Sector	–	Education
Subsector	–	Education Systems
Thematic	–	Human Development

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Asian Development Bank (ADB) is supporting the education and training sector of the Maldives. ADB provided assistance in 1995 to prepare the country's first education master plan,¹ and is providing loans to develop postsecondary education² and skills for employment.³ The education master plan assessed the education sector and put forward recommendations for the period 1996–2005.

2. At the Government's request, ADB agreed to include in its country strategy and program for Maldives a technical assistance (TA) to assist the education sector.⁴ In follow-up to discussions between the Government of Maldives and the ADB Country Programming Mission, the TA Fact-Finding Mission visited Malé from 25–28 January 2004. The Government requested the Mission for assistance to specific activities in support of its three-year strategic action plan toward Vision 2020. Discussions were held with representatives from the Ministry of Finance and Treasury (MOFT), the Ministry of Planning and National Development, the Ministry of Education (MOE), and the Department of External Resources. The purpose and outputs, methodology and key activities, cost estimates, financing arrangements, implementation arrangements, and terms of reference are the result of the understanding with the Government during the mission.

II. ISSUES

3. The Maldives education system comprises 7 years of primary education, 3 years of lower secondary education, 2 years of higher secondary education, and postsecondary education. Short-term and long-term technical education and vocational training are also available, and offer three certificate levels, diploma, and higher diploma. At the end of the lower secondary and higher secondary schooling, students typically sit for the ordinary-level (O-level) and the advanced-level (A-level) examinations. Teachers in primary schools are mainly Maldivians, many of whom are untrained. Teachers in the secondary grades are primarily expatriates. The World Bank is assisting the Maldives to train its primary education teachers, improve the quality of primary education, and expand the provision of secondary education. ADB is assisting with the development of postsecondary education and skills development for employment.

4. In its Vision 2020,⁵ the Maldives aims to achieve universal basic education comprising grades 1 to 10. With the Government's commitment to education, the Maldives achieved universal primary education in the 1990s.⁶ After this significant achievement, the education system has been expanding its lower secondary education and higher secondary education. Between 1995 and 2003, enrollment in grades 8 through 10 more than tripled, from 6,993 to 25,486 students. During the same period, the number of schools offering lower secondary education went from 58 to 100. Most of this expansion took place in the atolls where most of the Maldives' population live. Correspondingly, the number of students completing lower secondary

¹ ADB. 1995. *Technical Assistance to the Republic of Maldives for the Education Masterplan*. Manila.

² ADB. 1998. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of the Maldives for the Postsecondary Education Development Project*. Manila.

³ ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of the Maldives for Employment Skills Training Project*. Manila.

⁴ The TA first appeared in *ADB Business Opportunities* (Internet edition) on 20 January 2004.

⁵ <http://www.planning.gov.mv/vision2020.htm>.

⁶ In 2003, over 66,000 children were enrolled in primary education.

schooling has significantly increased and continues to grow. Between 1998 and 2003, the number of students enrolled in grade 10 more than tripled, from 2,114 to 6,870. However, during the same period, because of the limited number of higher secondary schools (five nationwide), only one in eight students was able to progress to grade 11. Higher secondary enrollment is expected to increase as the Government, in 2004, gave 20 atoll schools the opportunity to offer higher secondary education.⁷

5. School expansion designed to achieve universal basic education places stress on the system's capacity to deliver quality and efficient education at an affordable price. Expansion in the Maldives is exposing more bottlenecks, highlighting the weaknesses of the system. These require immediate action, which the Government intends to undertake. At present, (i) mechanisms to increase access to postsecondary education within the framework of sustainable education financing need examination, (ii) the capacity for materials development for grades 8 to 10 has to be developed, and (iii) a legal framework supporting education plans and goals is not in place.

6. The Government is committed to sustainable human development; in 2002, over 40% of the budget was spent on the social sectors. Primary, lower secondary, and higher secondary education are mainly provided and financed by the Government. With increasing numbers of students completing grades 10 and 12, there is greater demand for placements in postsecondary and higher education institutions. Some students may secure scholarships to study abroad while others may be able to pay to study in a foreign country or at the Maldives College of Higher Education (MCHE). As the demand for improving the quality of primary education and expanding and improving secondary education on the Government budget increases, there is greater pressure for cost sharing in postsecondary education for sustainability, efficiency, and equity. At present, although many MCHÉ students are supported by the Government, cost-sharing initiatives are in place and will likely continue. Fewer foreign scholarship places will be available in the future, placing more burden on students and their families to finance higher education. This represents a significant financial outlay by families, especially in the atolls where incomes are about half of those in Malé. As the number of students graduating from higher secondary schools increases and as more of students come from poorer families in the atolls, the Government is keen to explore ways, including student loan schemes, in which postsecondary education can be made more accessible while being sustainably financed.

7. The focus on lower secondary education is on expansion and on improved quality. At present, the performance of students sitting for the O-level exams needs much improvement. Only about 50% of students pass most subjects, and less than 10% of students pass some of the subject. Performance is worse for students educated in the atolls. The poor performance of students in the exams, particularly in the atolls, is partly attributed to the ineffectiveness of learning materials.⁸ Except in Islamic studies, fisheries science, and Dhivehi, all other learning materials, including textbooks, are sourced and bought from abroad.⁹ Some of the examples and illustrations in imported materials used are not relevant to the Maldives, which challenges the students' abilities to comprehend and subsequently apply the learning. To increase the

⁷ Ministry of Education. 2004. Republic of Maldives. Available:<http://www.MOE.gov.mv/eng/news/index.php#20morealevel>.

⁸ For other lessons learned from technical assistance to the education sector, see ADB. 2002. *Technical Assistance Performance Audit Report on Selected Technical Assistance in the Education Sector in Three Central Asian Republics*. Manila.

⁹ In addition, families typically spend over \$78.125 (Rf1,000) per student per school year from grades 8 to 10 to purchase prescribed ordinary-level (O-level) textbooks, which is a significant financial burden to most families.

relevance to the Maldivian context of subjects being learned, and thus increase comprehension of concepts and knowledge being imparted, MOE wants to be able to develop teaching and learning materials for the lower secondary grades. MOE has developed the curriculum and the teaching and learning materials for grades 1 to 7, but lacks the capacity to do so for grades 8 to 10.

8. With the expansion of the education system and increased demand for education, several issues have emerged, including, education financing, regulation of private education and training providers, roles of communities, and standards. MOE has developed regulations and policies in response to specific situations on hand. However, no overall legal framework governs the education sector, the responsibilities and accountabilities of MOE, the legal status of public providers, regulation of private providers, financing and budget provisions, examinations, student representation, and academic freedom. These need to be addressed in a systematic, technically sound manner based on legislation that ensures equal opportunity to quality standards at affordable prices.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

9. To assist Government's efforts to achieve the goals in Maldives' Vision 2020, the ADB poverty partnership agreement, and the Millennium Development Goals, the TA will support provision of basic education for all through the development of a solid legal, financial, and curriculum framework. The TA will assist MOE to (i) develop a legal framework for education, including universal basic education, for the country; (ii) analyze options for making postsecondary education affordable to students within the framework of sustainable financing of education; and (iii) build capacity at MOE to develop teaching and learning materials for grades 8 to 10. The TA framework is in Appendix 1.

B. Methodology and Key Activities

10. The TA will comprise three components: (i) developing education sector legislation to assist the Maldives to attain its Vision 2020 education goals; (ii) developing and recommending alternatives for making postsecondary education financially accessible to more students under a system of sustainable financing, including student loan schemes; and (iii) building capacity at MOE to develop and assess teaching and learning materials for the lower secondary grades.

11. The education sector legislation will be developed in consultation with major stakeholders, and taking into account the best international practices in facilitating, regulating, providing, and financing education and training, including the role of the public sector in financing and provision. Education-related legislation and regulations and international conventions will be reviewed. The Government's education policy, priority, and reform needs will be assessed. The draft legislation will be specific on issues such as the legal status of public providers, examinations, approval of foreign certificates and degrees, access, student rights and obligations, students' financial contributions, role of the state, financing and budget provisions, and regulation of private providers. The TA will also assist the Government to develop guidelines to implement the legislation's provisions.

12. Alternatives to making postsecondary education accessible and affordable to more students, including student loan schemes, will be examined in the context of sustainable

financing of education. Consultations with major stakeholders, including local banks, will be conducted. Lessons learned in other countries, particularly on implementing student loan schemes and on the issue of equity, will be taken into account. A survey of capacity- and willingness-to-pay will be conducted among a representative sample of students from Malé and the atolls. The TA will assess the feasibility of student loan schemes and other options, and recommend appropriate action. A corresponding proposal for an expenditure plan for implementation will be developed.

13. The capacity at MOE to assess and develop materials for lower secondary education subjects will be strengthened through in-country training. Learning and teaching materials will be assessed vis-à-vis the national examinations and the curricula with a view to increasing their relevance to the Maldives. Materials for subjects in the commerce and science streams will be given priority in the training program.

C. Cost and Financing

14. The total cost of the TA is estimated at \$412,000 equivalent, of which \$290,000 will be foreign exchange costs and \$122,000 equivalent will be local currency costs. ADB will finance \$350,000 equivalent, which includes the entire foreign currency costs and \$60,000 equivalent in local currency costs. The remaining \$62,000 will be contributed by the Government and will include office accommodations, transportation, counterpart staff remuneration and per diem, and others. The TA will be financed on a grant basis by ADB's TA funding program. The detailed cost estimates and financing plan are found in Appendix 2.

D. Implementation Arrangements

15. MOFT will be the Executing Agency for the TA. MOE will be the Implementing Agency. MOE will organize a steering committee that will comprise representatives from MOFT, Ministry of Planning and National Development, Ministry of Atolls Development, Ministry of Youth Development and Sports, Ministry of Employment and Labor, Ministry of Gender, Family Development and Social Security, MCHE, private providers, private sector employers, and school boards. The steering committee will lead the consultation process with other agencies, clarify emerging issues and policies, coordinate and facilitate TA activities, and provide guidance to consultants. The steering committee will meet at least three times during TA implementation.

16. The TA will be implemented over a period of 8 months. Consulting services from specialists will be rendered from January to August 2005. The TA will employ the services of three international (8 person-months) and three domestic consultants (11 person-months), for a total of 19 person-months. The international consultants will be specialists in education legislation, financing of higher education and student loan schemes, and curriculum and materials development and student academic performance. The domestic consultants will be specialists in drafting Maldivian legislation and education finance. The consultants will work with MOE counterparts who will be identified before consultants commence work. The consultants will be engaged by ADB through a firm, using quality-and-cost-based selection, in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. The simplified technical proposal will be used. Outline terms of reference are in Appendix 3.

17. The team will submit an inception report no later than 3 weeks after fielding, a midterm report 10 weeks after inception, and a draft final report 7 months after inception.

The consultants will submit brief monthly progress reports summarizing project activities, issues, and constraints throughout the TA implementation period. The Government and ADB will comment on the draft final report. The final report (Appendix 4) will be submitted within 4 weeks after the comments from the review are received. The main outputs of the TA will be disseminated through workshops and seminars conducted by MOE and with stakeholders.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$350,000 on a grant basis to the Government of the Maldives for Strengthening the Framework of Education Toward Vision 2020, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <p>Support human resource development for equitable socioeconomic growth.</p>	<p>Universal basic education by 2015 Cost-effective system for all by 2015</p>	<p>Ministry of Education (MOE) education statistics and cost statistics</p>	
<p>Purpose</p> <p>Redress legal, financial, and pedagogical bottlenecks preventing expansion of quality education for all.</p>	<p>Draft education legislation prepared Draft plan to increase access to postsecondary education Draft learning and teaching materials</p>	<p>Technical assistance (TA) progress reports TA review mission reports.</p>	<p>Government is committed to attaining Vision 2020 goals.</p>
<p>Outputs</p> <ol style="list-style-type: none"> 1. Draft legislation for Education Act to provide legal basis for education, including universal basic education. 2. Recommendation for increasing access to postsecondary education within a framework of sustainable financing for education, particularly a student loan scheme. 3. Capacity to develop learning and teaching materials for lower secondary grades. 	<p>Draft education legislation submitted to the Law Commission by December 2005.</p> <p>Strategy for increasing access to postsecondary education, particularly student loan scheme, submitted to MOE by completion of TA in August 2005.</p> <p>Draft learning and teaching materials in selected subjects prepared by completion of TA in August 2005.</p>	<p>TA progress reports TA review mission reports Draft reports submitted to Asian Development Bank (ADB)</p>	<p>Legal resources are locally available to draft the draft legislation.</p> <p>The number of foreign scholarships for higher education continues to decrease. Postsecondary education increasingly moves towards cost-sharing. Local efforts to develop learning and teaching materials for lower secondary grades continue.</p>
<p>Activities</p> <ol style="list-style-type: none"> 1. Workshops, consultations, and interviews 2. Survey on costs, willingness and capacity to pay for postsecondary education 3. In country -training to assess and develop teaching and learning materials 	<p>Workshops and consultations held</p> <p>Survey completed by June 2005</p> <p>In-country training completed by August 2005</p>	<p>TA progress reports TA review mission reports Draft reports submitted to ADB</p>	
<p>Inputs</p> <p>Consultants Workshops External Training Reports and Surveys Other</p>			

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	160.0	0.0	160.0
ii. Domestic Consultants	0.0	33.0	33.0
b. International and Local Travel	30.0	3.0	33.0
c. Reports and Communications	3.0	0.0	3.0
2. Equipment	0.0	0.0	0.0
3. Training, Seminars, and Conferences			
a. Facilitators	0.0	4.0	4.0
b. Training Program	45.0	5.0	50.0
4. Surveys	0.0	4.0	4.0
5. Miscellaneous Administration and Support Costs	3.0	0.0	3.0
6. Representative for Contract Negotiations	5.0	0.0	5.0
7. Contingencies	44.0	11.0	55.0
Subtotal (A)	290.0	60.0	350.0
B. Government Financing			
1. Office Accommodation and Transport	0.0	25.0	25.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	30.0	30.0
3. Others	0.0	7.0	7.0
Subtotal (B)	0.0	62.0	62.0
Total	290.0	122.0	412.0

^a Financed by the Asian Development Bank's technical assistance funding program.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. International Consultants

1. Specialist in Education Legislation (3 person-months)

1. The specialist will have had 10 years experience in developing public sector education plans, education acts, and education legislation, and will be familiar with the steps required to draft legal documents for government approval. The consultant will

- (i) work closely with Ministry of Education (MOE) to develop and outline the contents of the draft Education Act for Government approval;
- (ii) discuss with the Attorney General's Office, Law Commission, Ministry of Justice, and other legal bodies, the procedures for drawing up and submitting the draft Education Act to the Cabinet and to the Parliament;
- (iii) review education-related legislation and regulations and international conventions related to education that Maldives conforms to, and assess Government's education policy, priority, and reform needs in preparation of the Education Act;
- (iv) draft MOE requirements (content and focus) of the proposed Education Act;
- (v) meet with stakeholders to seek inputs and feedback on the draft document and consider amendments;
- (vi) assist MOE with holding public meetings to seek clarification and reaction to the draft Education Act;
- (vii) prepare milestones and a time frame needed to enact the legislation;
- (viii) prepare guidelines for implementing the legislation; and
- (ix) prepare an analytical chapter on the Education Act for the final report.

2. Specialist in Education Finance and Student Financial Assistance (3 person-months)

2. The consultant will have had at least 10 years experience in analyzing education finance and budgeting in developing countries and will be able to establish patterns and trends in the public finance of education systems, paying special attention to sustainability. The consultant will examine the current out-of-pocket expenses paid by students and determine the affordability of ongoing postsecondary education programs in the Maldives. The consultant will

- (i) review existing higher education financing policies, financial management, investment strategies, and resource forecasts, including analyzing of the effectiveness of the current targeting of support to the poorest groups across atolls;
- (ii) prepare indicative medium-term education financing frameworks and resource envelopes, including requirements by the government, private sector, and agencies;
- (iii) conduct face-to-face survey interviews to determine household expenditures for education, both current and projected, including their capacity and willingness to pay for postsecondary education, and assess how fee structures may affect student enrollment;

- (iv) undertake a poverty and economic assessment to explore the viability of and justification for future sector financing, including mechanisms to benefit the poor, and potential gains from targeting disadvantaged groups;
- (v) prepare and recommend sustainable mechanisms to make postsecondary higher education more affordable to the disadvantaged groups, including student loan schemes and procedures for them;
- (vi) work closely with MOE to hold stakeholder meetings to obtain feedback on recommendations offered; and
- (vii) prepare an analytical chapter for the final report, highlighting the constraints facing financing postsecondary education in the Maldives, and offer recommendations on how to finance postsecondary education given the projected budgetary limitations.

3. Specialist in Curriculum and Materials Development and Student Achievement Performance (2 person-months)

3. The consultant will have had at least 10 years experience in evaluating curriculum and textbook materials linked to examinations and subsequent student academic performance. The consultant will have had experience designing curriculum materials and linking textbook production to examinations so as to maximize the achievement of low and high performing students. The consultant will

- (i) review the current ordinary-level (O-level) examination as it applies to curriculum and materials usage throughout the Maldives and recommend changes to improve academic performance;
- (ii) outline options to develop curriculum materials in grades 8 to10 that can be linked to academic performance and standards while striving to develop local text writing and production;
- (iii) work closely with MOE curriculum staff to develop capacity to write curriculum materials in-house, via short-term training;
- (iv) in consultation with MOE, propose a short-term training program for ministry staff in the development of curriculum materials in the context of the curricula and syllabi of subjects in the commerce and science streams;
- (v) work closely with MOE to develop a revised textbook selection, production, and distribution policy and system; and then present recommendations to key stakeholders for comment;
- (vi) assess the need for a revised curriculum, syllabus, and textbooks and learning materials to accommodate large numbers of O-level exam takers throughout the Maldives; and
- (vii) prepare a chapter for the final report summarizing the findings, analysis, and recommendations.

B. Domestic Consultants

1. Specialist in Education Legislation (4 person-months)

4. The specialist will have had 6 years experience in legal education and be knowledgeable about preparing reports, analyzing data, and conducting meetings with stakeholders. The specialist will have a thorough knowledge of laws, acts, and regulations related to education, child protection, and the youth in Maldives. The domestic specialist will work closely

with the international specialist to obtain knowledge and information necessary to prepare the draft Education Act. The specialist will

- (i) advise the Ministry and the international specialist on the legal frameworks and the law-making process in the Maldives;
- (ii) review all the laws, acts, and regulations and education policies related to education, the youth, and children's rights, and identify those that may require amendments to conform to the new education legislation;
- (iii) provide legal opinions and draft amendments to laws, rules, and regulations to conform to the new education legislation;
- (iv) be familiar with the international conventions related to education that the Maldives conforms to;
- (v) translate the draft amendments prepared in English into the official Maldivian language;
- (vi) assist MOE in holding public consultation meetings to seek inputs, clarifications, and reactions to the draft Education Act; and
- (vii) assist the international specialist to prepare guidelines for implementing the legislation.

2. Domestic Specialist in Finance and Budgeting (4 person-months) and Domestic Specialist in Curriculum and Materials Development and Student Achievement (3 person-months)

5. Each domestic specialist will have had at least 6 years experience in education finance and budgeting or curriculum and materials development, with the ability to prepare reports, analyze data, and conduct meetings with stakeholders. The specialist will work closely with their international counterparts to obtain knowledge and information necessary to prepare options for increased access and sustainable financing of education and develop a textbook and examination strategy. The specialist will

- (i) work closely with the international consultants to collect data, organize appointments, and attend meetings;
- (ii) liaise with MOE and the international consultants in planning meetings and appointments, and obtaining data and information;
- (iii) provide background information and advice to help the international consultants understand the status of issues related to performing their tasks;
- (iv) advise counterpart team members on procedures and products currently available in the Maldives education system with respect to the key areas being developed by the technical assistance; and
- (v) assist MOE and the international consultants to conduct workshops and interviews.

INDICATIVE OUTLINE OF THE FINAL REPORT

1. **Introduction.** The first section will provide the background and rationale for the report, highlighting the expansion of education and the need for a legal, financial, and monitoring mechanisms to ensure quality education throughout the country.
2. **The Education Act.** The second chapter will describe the proposed act and accompanying policy agenda addressed by drafting the document.
3. **Sustainable Financing Alternatives.** The third chapter will present alternatives for financing education in the future, procedures for student loan schemes, and an accompanying policy agenda. It will note likely available resources from the budget and funding from households needed to fill the gap.
4. **Teaching and Learning Materials Policies.** The fourth chapter will describe the policies needed to ensure the widest academic success needed for future schooling and employment.
5. **Conclusion.** The concluding chapter will highlight how issues described in foregoing chapters will help overcome bottlenecks facing the education system of the future.