



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 23-Jun-2016 | Report No: PIDISDSA19061



BASIC INFORMATION

A. Basic Project Data

Country Ecuador	Project ID P157425	Project Name Transformation of the Tertiary Technical and Technological Institutes	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 23-Sep-2016	Estimated Board Date 28-Nov-2016	Practice Area (Lead) Education
Lending Instrument Investment Project Financing	Borrower(s) Republic of Ecuador	Implementing Agency Ministry of Education	

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Financing (in USD Million)

Financing Source	Amount
Borrower	11.50
International Bank for Reconstruction and Development	92.00
Total Project Cost	103.50

Environmental Assessment Category

B - Partial Assessment

Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

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B. Introduction and Context

Country Context

1. During the past decade, Ecuador experienced a period of political stability that allowed the Government of Ecuador (GoE) to invest unprecedented levels of resources in infrastructure and social programs aimed at reducing inequality and promoting shared prosperity. Between 2006 and 2014, the poverty rate¹ fell from 38.3% to 25.8%; extreme poverty (less than US\$1.25 a day in PPP) fell from 16.9% to 8%. In the same period of time, Ecuador raised the income of the bottom 40 percent of the population (B40) by nearly 7 percent annually,

¹ Measured by the national poverty line.



compared with only about 4 percent nationwide. However, Ecuador is facing severe external and fiscal challenges linked to the fall in oil prices and the appreciation of the U.S. dollar and, as a result, the GoE has started to do some fiscal adjustments since 2015 such as: (i) the postponement of non-priority public investment, except for strategic projects; (ii) a temporary freeze of public sector wages; and, (iii) a tax amnesty and the import tariff measures that increased fiscal revenues.

2. To advance in the reduction of poverty and inequality, the GoE defined two major strategies in its National Development Plan (*Plan Nacional de Desarrollo y Buen Vivir 2013-2017*, NDP): (i) the reduction of extreme poverty, and (ii) the transformation of the Ecuador Productive Matrix (ECMP). The ECMP aims to: develop production intensive in innovation, technology, knowledge, productivity and quality; increase Ecuador's value added share in production; diversify production, exports and markets; and strategically substitute imports—all of these with the objective of generating quality jobs and reducing sectoral and territorial gaps with environmental sustainability. In this regard, the government developed an ambitious training program focused on science and technology areas, which includes the transformation of Technical and Technological Training Institutes (*Institutos superiores técnicos y tecnológicos*, ISTs), to provide employers with the set of skills they need.

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Sectoral and Institutional Context

3. **The tertiary education system includes two types of institutions (based on the types of degrees granted): universities (at least 4-year programs) and ISTs (2 or 3-year programs).** In 2013, the number of enrolled students in higher education reached 633,027 students, 90% of whom attended universities and polytechnic schools¹; and the remaining 10% (64,165 students) attended ISTs and conservatories (28% of whom attended public ISTs, 4% publicly financed institutions and 68% private institutions). With regards to gender, women constitute 55% and 43% of university and ISTs enrollment respectively.

4. **Three major actors lead the governance of the tertiary education system:** (i) The Higher Education Council (*Consejo de Educación Superior*, CES); (ii) the Secretary of Higher Education, Science and Technology (*Secretaría de Educación Superior, Ciencia y Tecnología*, SENESCYT), and (iii) the Council of Evaluation, Accreditation, and Quality Assurance in Higher Education (*Consejo de Evaluación, Acreditación Aseguramiento de la Calidad de la Educación Superior*, CEAACES). The main functions of the CES are a) to approve the creation of Tertiary Education Institutions (TEI), including universitiesⁱⁱ and institutes (or to order their closure), b) to approve the creation of new programs, and c) to monitor compliance with academic and legal regulations. SENESCYT, which possesses ministerial powers, is the governing authority over public policies for tertiary education, with competence in the following spheres: a) the identification programs of public interest and their prioritization within the NDP, b) the design and management of policies on scholarships, and c) the development of policies for science and technology. CEAACES is a technical, public, and autonomous body in charge of governing the evaluation, accreditation, and quality assurance of TEIs, as well as of their programs. Continuous external evaluations help it monitor the compliance with institutional and national objectives.

5. **The GoE has made significant efforts to improve its tertiary education system.** The past eight years have seen multiple reforms in Ecuador's legal and institutional framework for the tertiary education system, including the constitutional reform in 2008, the Organic Law of Higher Education (*Ley Orgánica de Educación Superior*, LOES) in 2010, and the creation of CEAACES the same year. The reform of the legal framework encompassed all aspects of the system, including: (i) the right to free tertiary education, (ii) the reorganization of



the system (new and reinforced roles of STyT, CEAACES, CES and individuals ISTs), (iii) the diversification of the education offerings (universities and technical institutions), (iv) the reform of institutional governing structures, (v) the regulation of the approval process for institutions and programs, and (vi) the improvement of quality-assurance procedures. The objectives of the strategy for higher education, established in the LOES, is to “guarantee the right to quality higher education that fosters excellence, universal access, completion, and mobility.” The strategy for higher education is also framed within the 10-year education plans (2006-2015, and the 2016-2025 plan currently under preparation) as well as the NDP (2013-2017). Political commitment to strengthen tertiary education is further demonstrated by the steep increase in expenditures, from 1.3 % of GDP in 2007 to 2.1% in 2014. This increase has been led by investment in scholarships, new infrastructure and equipment facilities, and regularization of full-time professors.

6. **Efforts from the GoE have already produced positive results but challenges remain.** The gross enrollment rate in tertiary education grew from 33% in 2006 to 40% in 2013, and the net enrollment rate grew from 23% to 31% in the same period. The evaluation process of CEAACES is beginning to have an impact on overall quality of TEIs, notably through the closure, to date, of 14 low-quality universities. Regarding ISTs, CEAACES has carried out a comprehensive evaluation of all ISTs. The results of this evaluation, disclosed in July 2016, are divided in three categories: 11 public ISTs accredited, public ISTs allowed for the implementation of an Institutional Development Plan, and 51 ISTs to be closed (29 public, 17 private and 5 co-financed). In this context, SENESCYT has decided to fully transform the public ISTs system through closing and consolidation to finish with around 40 “hubs” ISTs, which at first may constitute most of the public supply of public technical tertiary educationⁱⁱⁱ. However, important challenges remain: (i) the graduation rate continues to be low (55.2% for universities and 33.4% for ISTs), (ii) only 18% of university students are enrolled and graduating in engineering and basic sciences, while over 65% studied in programs in administration, law, humanities, and education. For ISTs, 27% of students are enrolled in technological, construction, industry, and agriculture related programs, while the rest are mostly enrolled in programs in administration, education, and services, and (iii) the student composition by income quintile reflects the disparities of secondary degrees: enrollment of students from the two bottom quintiles is 15% against 50% for the richest quintile. In this context, the NDP establishes the following goals for tertiary education by 2019: to increase enrollment to 50% (primarily through an increase in enrollment in ISTs) and to increase the graduation rate to 80% (both universities and ISTs). Two key initiatives in the NDP aim to enhance the inclusiveness of tertiary education: (a) the diversification of tertiary technical education by making the non-university technical education provided by ISTs more relevant and of higher quality, and (b) scholarships programs, including one that provides half of a minimum salary to students who maintain good performance in tertiary studies and whose families are beneficiaries of *Bono de Desarrollo Humano* (a CCT targeted to the poorest).

7. **To expand relevant and high quality non-university technical and technological education, SENESCYT has developed a “Program of Transformation of Tertiary Technical and Technological Public Education in Ecuador” (*Programa de Reconversión de la Educación Técnica y Tecnológica Superior Pública del Ecuador, PRETyT*).** Its main goals are (i) to increase enrollment in public ISTs, from 21,015 in 2015 to 38,046 by 2019, (ii) to increase enrollment in ISTs as a proportion of the total tertiary education enrollment from 10.9% in 2015 to 13.6% in 2019; (iii) to create about 81 new core programs aligned with labor market and local development needs, and designed and implemented with participation of the employers. The main pillars of this strategy are: (i) the creation of a new academic offer, well-articulated with private and public sector demands, including piloting a “dual system” in some ISTs; (ii) the upgrading of facilities through new infrastructure and equipment, (iii) the strengthening of teacher training; (iv) the enhancement of SENESCYT institutional capacity; and (v) the consolidation of the system in around 40 “hubs” ISTs, which in principle would constitute the supply of public



tertiary technical education in 10 years from now. This group of ISTs, selected for their scale and local impact will benefit from new or improved infrastructure, first-class equipment and new core programs. Some ISTs will provide a “dual training” programs, in which students will dedicate part of their time to on-the-job learning in relevant receiving firms (*entidades receptoras*), arranged through strategic partnerships^{iv}.

8. **The new academic offerings will be determined by their relevance to the productive matrix of the country and to sectors prioritized by the government.** SENESCYT has developed multiple criteria for determining the curricular content of programs and the number of places to be offered, which include: (i) at the macro level, the employability of the graduates; and (ii) at the micro level, the qualification of the ISTs according to CEAACES evaluation and the availability of competent professors. Additional activities support this process, particularly consultations with business chambers and the productive sector and analysis of the demand and supply of employment at local level. This process is already highly advanced: 27 prioritized sectors have already been determined and 48 of the targeted 81 core curricular programs have been developed or are in the final stages of development.

9. **The PRETyT seeks the construction or rehabilitation of approximately 40 “hubs”^v, 5 of which have already been constructed, and the remaining are planned to get built or rehabilitated in the next five years.** These new ISTs were designed under standardized models based on the topographic conditions of the terrain, the availability of land, and accessibility. Their standardized and modular design allows for (i) a scalable growth of ISTs if expansion is needed in the future, and (ii) optimal use of the built space. There are four typologies based on optimal capacity: (i) “Type B” with capacity for 940 students per shift, (ii) “Type A” with 480 students per shift, (iii) “Modular” with 240 students per shift, and (iv) “Basic” with 150 students per shift. There will be 3 shifts per building (morning, afternoon and evening) thus expanding three times the enrollment capacity of these institutions. In all these cases, the new institutions will receive equipment for IT and laboratories.

10. **A key concern of PRETyT is the improvement of teacher quality in restructured programs.** More and better teachers with relevant competences is a strategic priority of PRETyT. To improve teachers, rectors and pedagogic coordinators’ skills, SENESCYT will introduce a training program run by an international firm which, in addition, will create trainers’ capacity. This in-service training courses will help teachers maintain their practical knowledge, by creating strategic alliances with employers (mainly industry associations). Finally, in order to increase teacher retention and incentives, SENESCYT is designing a selection process and career path to provide open-ended contracts to about 80 percent of the teachers in the medium term^{vi}.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The objective of the Project is to increase enrollment and persistence in technical and technological programs designed and implemented in collaboration with the employers, and to strengthen the institutional management of tertiary technical and technological education.

Key Results

11. The proposed Project would have the following results indicators:

- i. Enrollment in public technical and technological programs designed and implemented in collaboration with employers.



- ii. Persistence rate in technical and technological programs designed and implemented in collaboration with employers in public ISTs.
- iii. Availability of reliable data from new integrated administrative and academic management system, used for decision making by main stakeholders.

D. Project Description

Component 1. Optimizing and upgrading the supply in targeted provinces (Total: US\$90.7 million, Bank: US\$76 million).

12. The objective of this component is to improve the actual and perceived quality of education services, accessed by students, which is expected that would positively impact enrollment and graduation. It would also enable a more efficient allocation of the existing resources, both physical (e.g., infrastructure facilities, science and technical labs) and in human resources, through the reorganization of IST supply by consolidation of institutes into new IST “hubs” and upgrading the infrastructure and facilities. The component will support 11 IST and will specifically finance five types of activities: (i) construction of 3 new ISTs, (ii) rehabilitation/expansion/completion of ISTs (completion of 1 and rehabilitation or expansion of 5), (iii) supervision of civil works, and (iv) equipment, labs and ICT equipment and furniture (for all the above IST and 2 additional ISTs), and (v) and technical studies. The plan to consolidate ISTs, the magnitude of infrastructure and equipment packages, and the academic supply of each of the 11 ISTs where the Project will be implemented will be based on and individual IST “Transformation Plan” (also known as “microplanning”). This plan consists of a comprehensive document, including: (i) related merging/closing of ISTs plan at the provincial level; (ii) technical analysis of student demand and ISTs supply (based on demographic and schooling projections) and definition of quota of expected number of students to be absorbed in each proposed program, based on estimated labor market’s needs (made by local and national surveys on labor demand of employers); (iii) determination of additional teachers and recurrent costs; (iv) infrastructure dimensioning; and (v) social or indigenous management plan. These 11 ISTs would serve up to 40% of the total enrollment in public ISTs in the selected provinces by the end of the Project.

Targeted Provinces.^{vii} The Project is aligned with the GoE’s PRETyT national program, which is being implemented in most of the country’s territory and would be financed through three main financial sources: fiscal, European Investment Bank (BEI) and World Bank. In terms of ISTs construction and equipment, out of Ecuador’s 24 provinces, 20 are supported currently: GoE is supporting 5 provinces (5 ISTs) with its own resources, European Investment Bank (BEI) is supporting 8 provinces (8 ISTs) and the World Bank would support 7 provinces (11 ISTs). The provinces selection was based on TyT enrollment rates (“more beneficiaries”), poverty rate and indigenous people (“poverty and shared prosperity”) and is complementing interventions from GoE and BEI (no overlap) -- the result of this selection will also give the opportunity to evaluate the interventions in very different context. The provinces selected are the following: Four provinces (Sucumbios, Manabi, Bolivar and Tungurahua) with a technical and technological (TyT) gross enrollment rate and poverty rates much higher than the national average of 25% (based on Life Conditions Survey, *Encuesta de Condiciones de Vida* – ECV, 2014); 2 are among the poorest (Bolivar and Sucumbios 43%) and have a large indigenous population; and 2 largest provinces (Pichincha and Guayas), which together cover 60% of TyT total enrollment

Component 2. Improving program relevance, quality of teaching and IST management capacity (estimated cost \$9.3 million: Bank: \$8 million).



13. The specific objective of this component is to improve the technical and operational capacity of SENESCYT to design new and relevant academic programs according to market demand (public and private); to develop new training programs for professors, tutors and rectors; and to introduce a new administrative and academic management system at IST level.

(a) Sub-Component 2.1. Development of relevant programs. This sub-component would finance technical assistance to support the development of technical and technological education programs. The design of the new programs would follow a defined methodology comprising: (i) a “relevance” analysis including macro and micro labor market studies by technical specialty through surveys and available data; (ii) the institutionalized involvement of employers through the Consultative Councils (“Consejos Consultivos”); and (iii) a technical assistance that documents rigorously which of the currently approved programs have been designed in collaboration with the employers.

(b) Sub-Component 2.2. Training of Teachers and management staff of ISTs. This sub-component would finance a technical assistance for : (i) the design and implementation of training programs, including training programs for management staff (rectors, vice-rectors, academic coordinators), teachers and tutors of dual programs of ISTs (to institutionalize a process of continuous training) and (ii) support the design of the selection process and teacher career pathway (assessment/review/guidance/evaluation).

(c) Sub-Component 2.3. Administrative and Academic Management System. This sub-component would finance technical assistance for the development of the administrative and academic management system of ISTs. The new tool would be an integrated IT system that would facilitate and optimize the management of IST, specifically: (i) register, monitoring and evaluation of academic processes, including modules for programs, library, diplomas; (ii) financial management, budgeting, accounting and auditing processes; and (iii) a specific module for the continuous gathering of information of ISTs graduates’ employment. The system would be a common platform shared for national and ISTs levels. At the national level, the main users would be authorities and technical units of SENESCYT, while at the ISTs’ level users would be management staff, teachers, students, graduates and tutors.

Component 3. Strengthening Mechanisms for Institutional Coordination, Boosting Demand and Management, Monitoring and Evaluation of the Project (Total: US\$7 million; Bank: US\$6 million).

14. The specific objectives of this component are to support improved governance of technical and technological education including (i) institutional mechanisms for effective public-private coordination in the development of programs; and (ii) institutional mechanisms to monitor and inform public and private sector decision-makers on: the employability of graduates of the tertiary technical and technological training system on the one hand, and employment opportunities on the other.

(a) Sub-Component 3.1. Institutional Partnerships with Employers. This sub-component would finance technical assistance and training for the strengthening of permanent institutional arrangements for SENESCYT and employers association (the “Consejos Consultivos”), including their involvement in collaboration for re-designing of programs, estimation of the labor demand, implementation, follow up and evaluation of dual and traditional programs.

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(b) Sub-Component 3.2. Estimation of Labor Market Demand. This sub-component would finance technical assistance, training and surveys for the upgrading of the methodology to estimate the demand from employers and, therefore, determination of “quotas” for each program at provincial and ISTs level. The approach is two-fold: (i) methodology for estimating the demand by SENESCYT through surveys carried out in collaboration with employers; (ii) agreement with the National Institute of Statistics (INEC) to include a module for technical higher education in their surveys of employment, carried out semi-annual, including all productive and services sectors at national level.

(c) Sub-Component 3.3. Boosting the Demand for ISTs. This sub-component would finance communication campaigns, training and technical assistance to foster the demand of technical higher education. It would also include an agreement with MINEDUC to build awareness among upper secondary students on the benefits of technical higher education.

(d) Sub-Component 3.4. Management, Monitoring and Specific Impact Evaluations. This sub-component would finance: (i) the technical and administrative management of the Project, including the hiring of specialists in financial management, procurement, monitoring and evaluation, social management and other technical temporary staff needed during Project implementation; (ii) the carrying out of Project external audits; (iii) the financing of Operating Costs (if necessary, currently these costs are financed with Fiscal resources) related to Project’s activities; and (iv) the carrying out of three research/impact evaluation studies.

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Component Name:

Component 1: Optimizing and improving the supply in targeted provinces.

Comments (optional)

Component Name:

Component 2: Improving programs relevance, quality of teaching and IST management capacity.

Comments (optional)

Component Name:

Component 3. Strengthening Mechanisms for Institutional Coordination, Boosting Demand and Management, Monitoring and Evaluation of the Project.

Comments (optional)

E. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Regarding environmental safeguards, most of the ISTs will include a waste water treatment plan, for urban sites mainly.



Regarding social safeguards, the improvement of infrastructure and equipment (Component 1) covers 9 provinces: Pichincha, Guayas, Los Rios, Bolivar, Tungurahua, Chimborazo Bolivar and Sucumbios, the former three amongst the poorest provinces of the country. The geographical scope of the Project cover areas with presence of indigenous and afro-descendants, among the poorest and vulnerable populations (Encuestas de Vida 2014). The Project' activities would imply land acquisition for: (i) new building construction; (ii) expansion of the existing buildings in the land currently occupied by the ISTs; (iii) upgrading of the current buildings to reach needed infrastructure standards, as per the ISTs norms.

F. Environmental and Social Safeguards Specialists on the Team

Raul Tolmos, Silvia Del Pilar Larreamendy Ricardo, Dianna M. Pizarro

IMPLEMENTATION

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SAFEGUARD POLICIES THAT MIGHT APPLY

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Environmental safeguard policy OP/BP 4.01 on Environmental Assessment was triggered since the Project will directly finance civil works (construction and upgrade of ISTs) that could generate potential adverse environmental impacts. However, civil works supported under the Project will generate temporary, low, and reversible environmental impacts. In addition, the installation and operation of certain types of equipment in associated facilities such as workshops and laboratories might also generate health, safety, and environmental risks and impacts. The Project has been classified as Category B since the Project does not foresee significant adverse environmental impacts that could jeopardize the natural environment. An Environmental and Social Management Framework (ESMF) was prepared by the Client since definitive locations for some ISTs were not known during project preparation. Also, an Environmental Form (EF) with the respective Environmental Management Plan (EMP) was developed for most ISTs with known location and technical studies completed. Very few ISTs will



develop EF/EMP as project intervention areas are defined and technical studies completed. These ISTs will follow prescriptions contained in the ESMF to comply with applicable national environmental regulations and WB environmental and social safeguard policies. This Environmental and Social Management Framework (ESMF) has been prepared as an umbrella document given that not all technical documents were completed for some IST and location was also unknown. This ESMF has been disclosed and it is a high quality ESMF prepared by SENESCYT. In addition, 6 ISTS out of 11 have already prepared an environmental form and its environmental management plan. Also, in the case of these 6 ISTS, a matrix with environmental, health and safety risks – and mitigation measures – has been prepared for the operation of workshops and laboratories. The remaining 5 ISTS still need to prepare the environmental form/environmental management plan. The aforementioned matrix for operation of laboratories and workshops has already been prepared. These Environmental Safeguards instruments will be disclosed very soon once SENESCYT submit them to the Bank to get the no objection for disclosure. These instruments have been reviewed by the Environmental Specialist for the Project and are fine. These documents are in Spanish. Additionally, both the ESMF and EF/EMP take into account potential negative environmental impacts of the construction and operation of wastewater treatment plants, providing mitigation measures through proper operation and maintenance. The ESMF covers environmental management issues during civil works as well as installation and operation of associated facilities (workshops, laboratories, equipment, etc.). An Environmental Form (EF) and corresponding EMP has been prepared during Project preparation for those ISTs with known locations and for which technical studies were completed before appraisal. Finally, a matrix of environmental, health and safety impacts during operation of laboratories and workshops, and corresponding mitigation measures, has been prepared for the already identified ISTs. Consultations with local population, SECOB, MAE and selected ISTs have been carried out both during preparation of the ESMF and the



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		EF/EMPs. A social assessment was conducted in all beneficiary provinces and those with high rates of indigenous population to inform the activities of the Project and ensure equal benefits and satisfactory achievements of expected results.
Natural Habitats OP/BP 4.04	Yes	This policy is triggered since some ISTs are located in rural areas with presence of natural habitats (e.g. natural water streams and forests).
Forests OP/BP 4.36	Yes	This policy is triggered since final locations are not yet confirmed. However, most ISTs will be built and operated in urban areas.
Pest Management OP 4.09	No	This policy should not be triggered since it is not expected that pesticides and chemical fertilizers will be used as part of the technical and academic activities in ISTs.
Physical Cultural Resources OP/BP 4.11	Yes	Since Ecuador is characterized by the presence of pre-Columbian sites and the Project involves country-wide area, the Project's assessment and management of potential chance are included in the ESMF.
Indigenous Peoples OP/BP 4.10	Yes	A social assessment (SA) conducted in provinces with high indigenous peoples (IPs) and Afro-descendants presence, indicated some concerns on the ISTS's technical and technological education programs and locations. Those concerns pointed the need to ensure culturally appropriated opportunities in the education programs offered by ISTs that would benefit IPs. An IPF has been prepared and disclosed in the website of SENESCYT on August 30, 2016 and made available in the site, for local teachers and potential students. The IPF defines the measures for education managers of ISTs, so as to ensure IPs and afro-descendants are not adversely affected or excluded from the Project activities. Indigenous and Afro-descendant peoples plans (IPPs) were prepared according to the IPF to identify activities, procedures and arrangements to be apply to IPs and Afro-descendants in the provinces with high presence of these populations. Free, prior and informed consultations with affected IPs communities was carried out and their support to the project confirmed during the elaboration of the SA, IPF and IPPs to fully meet the objectives of the OP 4.10 and facilitate



consultation and active participation.

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Involuntary Resettlement OP/BP 4.12	Yes	<p>This policy was triggered since the works planned could involve potential temporary and permanent impacts on land, assets, and livelihoods; and a RPF was prepared for the interventions unidentified at the time of project appraisal to guide the preparation of RPs, for investments that would involve land acquisition.</p> <p>A Due Diligence (DD) was carried out to document a detail status of the landholding identified at the Project's preparation stage to be used for Component 1 investments. The DD confirmed that in all cases the landholding for ISTs investments do not have any illegal/ informal occupants/ settlers identified and only entails state land which will be donated (at no cost) for the Project's investments to SENESCYT, following the pertinent norms.</p>
Safety of Dams OP/BP 4.37	No	<p>This policy should not be triggered as the project will neither support the construction or rehabilitation of dams nor will it support other investments which rely on services of existing dams.</p>
Projects on International Waterways OP/BP 7.50	No	<p>This policy should not be triggered as the project will not finance activities involving the use or potential pollution of international waterways.</p>
Projects in Disputed Areas OP/BP 7.60	No	<p>This policy should not be triggered as the project will not finance activities in disputed areas as defined in the policy.</p>

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:



SOCIAL

i. IPs and Afro-descendants will benefit from the ISTs' investments, therefore OP 4.10 was triggered. The social assessment, and IPPs consultations (in Chimborazo, Tungurahua and Bolivar, and Sucumbíos) carried out during preparation, confirmed a wide IPs' support for the proposed project approach, and evidenced that benefits for this population are related to ensuring their participation for the IST's locations, and addressing identified local demands. Further consultations will be conducted during implementation to be implemented in collaboration with ISTs employers (academic and administrative), ensuring relevant activities are aligned with local development needs assessed, and for those areas to be defined during implementation.

ii. The OP 4.12 was triggered for the activities involving upgrading the infrastructure and facilities for the ISTs, due to its potential physical and economic, permanent and temporary impacts of the Project. During the Project preparation a Due Diligence confirmed that there is not any large scale or significant impact on land, and that all land to be used is state-own land landholdings without any illegal/ informal occupants identify or/ and affected.

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2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

SOCIAL

No potential or long term impacts due to anticipated future activities are envisaged.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

NONE

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.



SOCIAL

During the project preparation a series of consultative meetings, discussions and workshops were held with the teachers, students and TI directors, representative of IPs organizations at local and provincial levels. Their recommendations make part of the social instruments prepared including the SA, IPF, RPF, three IP Plans (Chimbo, Lago Agrío, Ambato) a Gender Plan, and Social Management Plans (El Oro, Guayas, Manabí and Pichincha). All these instruments reflect IPs and Gender issues to ensure an inclusive Project approach for potential beneficiaries, addressing the identified disadvantages of IPs in the field. The social policies triggered and the instruments prepared are also anticipating potential impacts of project activities in areas to be defined during implementation, ensuring both social issues (i.e. vulnerable, minorities, gender) are addressed, and investments' sustainability (i.e. financial, technical and institutional capacity sustainability) are assured.

SENESCYT which will be responsible for the social safeguards implementation, has been familiar with the participation and consultation process required for the Project's preparation, as well as that to be conducted during implementation and evaluation, for allowing a broader support from potential beneficiaries of the proposed investments.

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ENVIRONMENTAL

For IST in Machala (El Oro Province), IST in Lago Agrío (Sucumbíos Province), SECAP in Quito Centro (Pichincha Province) and IST in Chimbo (Bolivar Province) SENESCYT has already prepared an Environmental Form with its constituent Environmental Management Plan (EMP). Also, a matrix with environmental, health and safety risks, and mitigation measures, has been prepared for technical careers offered by these ISTs. SECAP in Iñaquito (Pichincha Province) and SECAP in Manta (Manabí Province) will be only equipped so the EF/EMP are not needed in the case of these facilities. In the case of the IST in Quito Aloasi (Pichincha Province), since support will be provided for civil works completion and equipment, the EF/EMP was already prepared and approved by MAE. SECAPs in Duran, Quito Norte and Ambato will be only upgraded and equipped so an EF/EMP is equipped so a new EF/EMP is not needed.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Stakeholders: (i) Direct beneficiaries or 64,165 students currently attending ISTs (and conservatories) with 43% of university and ISTs enrollment of women, and expected enrollment increased supported by the Project; (ii) ISTs management staff (rectors, vice-rectors, academic coordinators), teachers and tutors of dual programs of ISTs (to institutionalize a process of continuous training); (iii) the productive sector, employers, SENESCYT's staff by creating strategic alliances with the private sector (mainly industry associations); (iv) ISTs employers through the Consultive Councils ("Consejos Consultivos").

Consultation and Disclosure: social instruments were prepared in a participative manner (SA, RPF, IPF, IPPs and Social Management Plans). The final versions have been informed and revised, incorporating comments obtained from consultation with stakeholders.

SENESCYT, has an official website wherein important documents of the Project have been disclosed. The said reports pertaining to this Project has also been disclosed in Bank's InfoShop.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other



Date of receipt by the Bank

14-Sep-2016

Date of submission to InfoShop

14-Sep-2016

For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors

"In country" Disclosure

Ecuador

14-Sep-2016

Comments

<http://www.educacionsuperior.gob.ec/salvaguardias-banco-mundial/>

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank

30-Aug-2016

Date of submission to InfoShop

06-Sep-2016

"In country" Disclosure

Ecuador

30-Aug-2016

Comments

<http://www.educacionsuperior.gob.ec/salvaguardias-banco-mundial/>

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank

30-Aug-2016

Date of submission to InfoShop

06-Sep-2016

"In country" Disclosure

Ecuador

30-Aug-2016

Comments

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C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

No

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OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

NA

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

No

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OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

NA

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

NA

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

No

Does the project design include satisfactory measures to overcome these constraints?

NA

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No



The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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CONTACT POINT

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APPROVAL

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Approved By

Safeguards Advisor:		
Practice Manager/Manager:	Yves Jantzem	16-Sep-2016
Country Director:	Indu John-Abraham	24-Sep-2016

ⁱ Besides SENESCYT, the Ministry of Education (*Ministerio de Educación*, MINEDUC, for secondary general and technical education), the Technical Secretary of Qualification and Professional Training (*Secretaría Técnica de Capacitación y Formación Profesional*, SETEC), the Professional Training Service (*Servicio de Capacitación Profesional*, SECAP), the Ministry of Labor (*Ministerios de Trabajo*, MT), and the Ministry of Production (*Ministerio de la Producción*, MP) are in charge of promoting improvements in employability and productivity, especially for the sectors deemed as priority in the productive matrix. SETEC promotes and facilitates professional training of quality, especially to build competencies for work. SECAP manages the provision of quality public training for work or entrepreneurship targeted to high-priority vulnerable groups, for whom there is special financing. MT has among its strategic objectives the promotion of policies for employment and training. The most emblematic program for employment promotion is Employment Partner (*Socio Empleo*) which was created by the Ministry of Labor Relations (MRL) and which works as an electronic platform of exchange to match employment seekers and providers of the available pool of jobs.

ⁱⁱ The category “universities”, includes four politechnics schools, which have university’s degrees level

ⁱⁱⁱ Indeed 127 ISTs have been closed between 2010 and 2014

^{iv} The Bank NLTA “Ecuador-Technical education: What the Labor Market Needs? (2015) mentioned on dual education: “Regarding the exchange of experience of the Dual Technical Training, as the model chosen by the GoE, this NLTA made a rapid revision of the evidence available as the factors that facilitate their replication: (i) agreements for a professional training system focused in the practice, (ii) positive perception from students (expressed as the demand and ending of programs), from



employers (expressed as their demand, remuneration of graduates, and their willingness to training agreements); (iii) Flexibility on the implementation of replica to respond to the sectoral economic dynamic ; and (iv) Decentralization in the design of the academic offer and implementation of the managerial model. Among the factors associated with the failure for the replication, are: (i) Insufficient articulation with national priorities or insufficient adaptation to regional particularities; (ii) Incompatible legal and regulatory framework with a dual focus; (iii) High prevalence of informal economy; (iv) Lack of institutional capacities to implementation; and (v) Lack of dissemination of results between the parts involved.

^v Although some cases will be rehabilitation or expansion of existing infrastructure, the vast majority of the new ISTs will be a completely new construction, most of them in new sites.

^{vi} Currently, teachers are contracted on a yearly basis.

^{vii} The list of the targeted provinces is included in the OM. Any change in targeted provinces during implementation would need to be agreed between the GoE and the Bank.