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Report No: PAD850

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF US\$50 MILLION

TO THE

DOMINICAN REPUBLIC

FOR THE

SUPPORT TO THE NATIONAL EDUCATION PACT PROJECT

September 10, 2015

Education Global Practice
Latin America and the Caribbean Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective August 26, 2015)

Currency Unit = Dominican Pesos (DOP)

DOP\$44.86 = US\$1.00

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AECID	Spanish Agency for International Development Cooperation (<i>Agencia Española de Cooperación Internacional y el Desarrollo</i>)
AWP	Annual Work Plan
CONANI	National Council for Childhood and Adolescence (<i>Consejo Nacional para la Niñez y la Adolescencia</i>)
C-SOE	Customised Statement of Expenses
DIGEPEP	Directorate General for Special Programs (<i>Dirección General de Programas Especiales</i>)
DLI	Disbursement-Linked Indicator
DR	Dominican Republic
ECD	Early Childhood Development
EEP	Eligible Expenditure Program
FM	Financial Management
FY	Fiscal Year
GDP	Gross Domestic Product
GoDR	Government of the Dominican Republic
GRS	Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
IDB	Inter-American Development Bank
IDEC	Dominican Initiative for the Quality of Education (<i>Iniciativa Dominicana por una Educación de Calidad</i>)
IDEICE	Dominican Institute of Research and Evaluation (<i>Instituto Dominicano de Evaluación e Investigación de la Calidad Educativa</i>)
INAFOCAM	National Institute of Education and Training of Teachers (<i>Instituto Nacional de Formación y Capacitación del Magisterio</i>)
INAIPI	National Institute of Comprehensive Care for Early Childhood (<i>Instituto Nacional de Atención Integral a la Primera Infancia</i>)
ISFODOSU	Salomé Ureña Teacher Training Institute (<i>Instituto de Formación Docente Salomé Ureña</i>)
M&E	Monitoring and evaluation
MESCyT	Ministry of Higher Education, Science and Technology (<i>Ministerio de Educación Superior, Ciencia y Tecnología</i>)
MINERD	Ministry of Education (<i>Ministerio de Educación</i>)
MIS	Management Information System

NEP	National Education Pact (<i>Pacto Nacional de Educación</i>)
OCI	International Cooperation Office (<i>Oficina de Cooperación Internacional</i>)
PAIBFC	Program of Comprehensive Community and Family Based Assistance (<i>Programa de Atención Integral de Base Familiar y Comunitaria</i>)
PASS	Performance and Accountability of Social Sectors
PCU	Project Coordination Unit
PDV	Present Discounted Value
PISA	Programme for International Student Assessment
POM	Project Operations Manual
PREAL	Regional Platform for Education in Latin America (<i>Plataforma Regional de Educación para América Latina</i>)
QEC	Quisqueya Early Childhood Development Program (<i>Quisqueya Empieza Contigo</i>)
SDP	School Development Plan
SERCE	Second Regional Comparative and Explanatory Study
SIGEF	Financial Management Information System (<i>Sistema de Información de Gestión Financiera</i>)
SMC	School Management Committee
SW	Staff Weeks
TERCE	Third Regional Comparative and Explanatory Study
TOR	Terms of Reference
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development

Regional Vice President:	Jorge Familiar
Country Director:	Sophie Sirtaine
Senior Global Practice Director:	Claudia Maria Costin
Practice Manager:	Reema Nayar
Task Team Leader:	Juan D. Barón

DOMINICAN REPUBLIC
Support to the National Education Pact Project

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PAD DATA SHEET*Dominican Republic**Support to the National Education Pact Project (P146831)***PROJECT APPRAISAL DOCUMENT***LATIN AMERICA AND CARIBBEAN**GEDDR*

Report No.: PAD850

Basic Information			
Project ID P146831	EA Category C - Not Required	Team Leader Juan D. Barón	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 30-Nov-2015	Project Implementation End Date 31-Dec-2019		
Expected Effectiveness Date 30-Nov-2015	Expected Closing Date 30-Jun-2020		
Joint IFC No			
Practice Manager/Manager Reema Nayar	Senior Global Practice Director Claudia Maria Costin	Country Director Sophie Sirtaine	Regional Vice President Jorge Familiar
Borrower: Dominican Republic			
Responsible Agency: Ministry of Education			
Contact:	Carlos Amarante Baret	Title:	Minister of Education
Telephone No.:	+809-688-9700 ext: 2034/2020	Email:	carlos.amarante@minerd.gob.do
Project Financing Data(in US\$ Million)			
[X] Loan	[] Grant	[] Guarantee	
[] Credit	[] IDA Grant	[] Other	
Total Project Cost:	50.00	Total Bank Financing:	50.00
Financing Gap:	0.00		

Financing Source		Amount			
Borrower		0.00			
International Bank for Reconstruction and Development		50.00			
Total		50.00			
Expected Disbursements (in US\$ Million)					
Fiscal Year	2016	2017	2018	2019	2020
Annual	10.00	7.50	9.50	13.00	10.00
Cumulative	10.00	17.50	27.00	40.00	50.00
Institutional Data					
Practice Area (Lead)					
Education					
Contributing Practice Areas					
NA					
Cross Cutting Areas					
[] Climate Change					
[] Fragile, Conflict & Violence					
[x] Gender					
[] Jobs					
[] Public Private Partnership					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Education	General education sector	70			
Education	Pre-primary education	25			
Public Administration, Law, and Justice	Public administration-Education	5			
Total		100			
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.					

Themes		
Theme (Maximum 5 and total % must equal 100)		
Major theme	Theme	%
Human development	Education for all	100
Total		100
Proposed Development Objective(s)		
The objective of the Project is to improve the Borrower's capacity to: (i) recruit and train primary and secondary school teachers, (ii) assess student learning in primary and secondary education, (iii) evaluate the quality of service provided by Public Early Childhood Development Centers, and (iv) enhance the process for decentralizing public school management.		
Components		
Component Name	Cost (US\$ Millions)	
Component 1: Improving capacity to recruit and train primary and secondary school teachers	25.375	
Component 2: Improving capacity to assess student learning in primary and secondary education	13.00	
Component 3: Improving capacity to evaluate the quality of service provided by Public Early Childhood Development Centers	5.00	
Component 4: Improving Capacity to Enhance the Process for Decentralizing Public School Management	6.50	
Systematic Operations Risk- Rating Tool (SORT)		
Risk Category	Rating	
1. Political and Governance	Substantial	
2. Macroeconomic	Moderate	
3. Sector Strategies and Policies	Substantial	
4. Technical Design of Project or Program	Moderate	
5. Institutional Capacity for Implementation and Sustainability	Substantial	
6. Fiduciary	Moderate	
7. Environment and Social	Low	
8. Stakeholders	Moderate	
9. Other		
OVERALL	Substantial	

Compliance			
Policy			
Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]	
Does the project require any waivers of Bank policies?	Yes []	No [X]	
Have these been approved by Bank management?	Yes []	No []	
Is approval for any policy waiver sought from the Board?	Yes []	No [X]	
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []	
Safeguard Policies Triggered by the Project		Yes	No
Environmental Assessment OP/BP 4.01			X
Natural Habitats OP/BP 4.04			X
Forests OP/BP 4.36			X
Pest Management OP 4.09			X
Physical Cultural Resources OP/BP 4.11			X
Indigenous Peoples OP/BP 4.10			X
Involuntary Resettlement OP/BP 4.12			X
Safety of Dams OP/BP 4.37			X
Projects on International Waterways OP/BP 7.50			X
Projects in Disputed Areas OP/BP 7.60			X
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Section I.A.2 (Steering Committee)	Yes	28-Feb-2016	Continuous
Description of Covenant: The Borrower, through MINERD, shall establish not later than February 28, 2016, and thereafter maintain, a Project Steering Committee with composition (consisting of, <i>inter alia</i> (i) a representative of OCI, (ii) a representative of the MINERD's Vice-Ministry of Planning, (iii) a representative of the MINERD's Vice-Ministry of Technical and Pedagogical Services, and (iv) a representative of the Borrower's Ministry of Finance), functions and responsibilities, acceptable to the Bank.			
Name	Recurrent	Due Date	Frequency
Section I.A.3 (Inter-institutional agreement)	Yes	6 months after effective date	Continuous
Description of Covenant: No later than six (6) months from the Effective Date, the Borrower shall cause its Ministry of Finance and MINERD to enter into an inter-institutional agreement, under terms and conditions acceptable to the Bank, which shall include, <i>inter alia</i> (i) the obligation of the Borrower to allocate sufficient resources from the Borrower's Budget to MINERD as required to enable MINERD to carry out the Project; and (ii) the obligation of MINERD to maintain the OCI			

under terms and conditions acceptable to the Bank, and allocate budget resources for the carrying out of the Borrower's reporting obligations under this Agreement.

Conditions

Source Of Fund	Name	Type

Team Composition

Bank Staff

Name	Title	Specialization	Unit
Juan D. Barón	Economist	Team Leader	GEDDR
Peter Anthony Holland	Senior Educ. Specialist	Snr. Education Specialist	GEDDR
Snjezana Plevko	Senior Economist	Program Leader	LCC3C
Maritza A. Rodríguez	Senior Financial Management Specialist	Financial Management	GGODR
Catherine Abreu	Procurement Specialist	Procurement	GGODR
Verónica Silva Villalobos	Senior Social Protection Specialist	Social Protection	GSPDR
Ignacio Jáuregui	Senior Counsel	Senior Counsel	LEGLE
Octavio Medina	Junior Prof. Associate	Operations	GEDDR
Anna Popova	ET Consultant	Operations	GEDDR
Jagannath Griffiths	ET Temporary	Program Assistant	GEDDR
Tatiana C. de Abreu	Finance Officer	Finance Officer	WFALN
Antonella Novali	Program Assistant	Program Assistant	GEDDR
Santiago Scialabba	Program Assistant	Social Development	LCC7C
Uriel Kejsefman	ET Consultant	Operations	GEDDR

Non-Bank Staff

Name	Title	Office Phone	City
Violeta Arancibia	Consultant	Consultant	Santiago de Chile
Laura Abreu	Consultant	Consultant	LCCDO
Samuel C. Carlson	Consultant	Consultant	Burlington, VT

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Dominican Republic	Valverde	Provincia de Valverde	X		

Dominican Republic	Santiago Rodriguez	Provincia de Santiago Rodriguez	X		
Dominican Republic	Santiago	Provincia de Santiago	X		
Dominican Republic	San Pedro de Macoris	Provincia de San Pedro de Macoris	X		
Dominican Republic	San Juan	Provincia de San Juan	X		
Dominican Republic	San Cristobal	Provincia de San Cristobal	X		
Dominican Republic	Sanchez Ramirez	Provincia Sanchez Ramirez	X		
Dominican Republic	Samana	Samana Province	X		
Dominican Republic	Hermanas Mirabal	Provincia de Hermanas Mirabal	X		
Dominican Republic	Puerto Plata	Provincia de Puerto Plata	X		
Dominican Republic	Peravia	Provincia de Peravia	X		
Dominican Republic	Pedernales	Provincia de Pedernales	X		
Dominican Republic	Nacional	Distrito Nacional	X		
Dominican Republic	Monte Plata	Provincia de Monte Plata	X		
Dominican Republic	Monte Cristi	Provincia de Monte Cristi	X		
Dominican Republic	Monsenor Nouel	Provincia de Monsenor Nouel	X		
Dominican Republic	Maria Trinidad Sanchez	Provincia Maria Trinidad Sanchez	X		
Dominican Republic	La Vega	Provincia de La Vega	X		
Dominican Republic	La Romana	Provincia de La Romana	X		
Dominican Republic	La Altagracia	Provincia de La Altagracia	X		
Dominican Republic	Independencia	Provincia de Independencia	X		

Dominican Republic	Hato Mayor	Provincia de Hato Mayor	X		
Dominican Republic	Españat	Provincia Española	X		
Dominican Republic	El Seibo	Provincia de El Seibo	X		
Dominican Republic	Elias Pina	Provincia de Elias Pina	X		
Dominican Republic	Duarte	Provincia Duarte	X		
Dominican Republic	Dajabon	Provincia de Dajabon	X		
Dominican Republic	Barahona	Provincia de Barahona	X		
Dominican Republic	Baoruco	Provincia de Baoruco	X		
Dominican Republic	Azua	Provincia de Azua	X		
Dominican Republic	San Jose de Ocoa	Provincia de San Jose de Ocoa	X		
Dominican Republic	Santo Domingo	Provincia de Santo Domingo	X		

I. STRATEGIC CONTEXT

A. Country Context

1. Despite rapid growth over the past few decades, the Dominican Republic (DR) continues to experience high levels of poverty and inequality. Between 1991 and 2014, Dominican Gross Domestic Product (GDP) grew at an average annual rate of 5.3 percent, among the highest growth rates for Latin America and the Caribbean over the same period, which led to sustained convergence in GDP with the rest of the region. This sustained growth, however, did not translate into a reduction of poverty during the period: in 2013, 41 percent of the country's population was living in moderate poverty, up from 32 percent in 2000, and above the average for the region. Moreover, inequality, as measured by the Gini coefficient, reduced from 0.51 in 2000 to 0.48 in 2010, a reduction equivalent to about half of that experienced across the region.
2. Low quality education contributes to the weak links between growth and shared prosperity observed in the DR. Parental education explains a quarter of the uneven distribution of opportunities, as measured by the Human Opportunity Index, limiting children's human capital, their labor market productivity later in life, and thus their ability to share in the benefits of growth. Moreover, the inadequately educated workforce limits the country's future growth potential.¹
3. Ending extreme poverty and promoting shared prosperity through investing in education to increase human capital is at the heart of the Government's National Development Strategy for 2010-30 that aims to establish "a culture of planning and public policy actions with a long term vision for developing the country, overcoming poverty and increasing welfare." Human development plays a key role within this Strategy, as embodied in the second of its four axes: a society with equal rights and opportunities, education, health, housing and quality basic services.

B. Sectoral and Institutional Context

4. The Dominican education system is organized into four levels: initial, basic, intermediate, and higher education. Initial education covers all children up to six years of age, but only the last year is compulsory. Basic education goes from grades 1 to 8, and is divided into two cycles of four grades, all of which are compulsory. Intermediate education consists of two cycles of two years each, the first one being common to all students and the second one offering different options (general, technical, or arts education). The country is transitioning to a system of primary education, with two cycles of 3 grades each, and secondary education, which would have 6 grades.
5. This education system is managed by a complex set of institutions, resulting in policies that, while laudable, are implemented unevenly and seldom robustly evaluated. The sector is governed by two separate ministries: the Ministry of Education of the Dominican Republic (*Ministerio de Educación*, MINERD), and the Ministry of Higher Education, Science, and Technology (*Ministerio de Educación Superior, Ciencia y Tecnología*, MESCyT). The first is responsible for the service delivery of public pre-university education (initial, basic, and intermediate education), and has a governance role over all pre-university schools (both public and private). The second, the MESCyT, regulates higher education, including courses related to pre-

¹ World Economic Forum. 2014. *The Global Competitiveness Report, 2014-2015*. Geneva: World Economic Forum.

service teacher training; it is, however, limited by laws protecting the autonomy of universities.

6. Early childhood development (ECD) programs also face institutional and governance challenges. The Government's flagship program *Quisqueya Starts with You* (*Quisqueya Empieza Contigo*, QEC) is under the MINERD's decentralized National Institute of Comprehensive Care for Early Childhood (*Instituto Nacional de Atención Integral a la Primera Infancia*, INAIPI). This new institute regulates the provision of ECD services under QEC for children 0-4 and will need to operate in harmony with the other levels of the education system (especially initial and basic), as well as across other sectors (especially health), and programs from other instances of government such as the Social Cabinet (*Gabinete Social*).

7. Poor student learning outcomes is the main challenge facing the system despite remaining challenges in terms of access.² According to regional student assessments from 2006, Dominican students ranked last among test takers, performing well below regional averages in all subject areas. Even students from upper income quintiles, while performing considerably better than poorer students, performed badly relative to similar socio-economic groups in the region. The findings indicate that an average of 78 percent of third-grade Dominican students did not achieve a basic level of competence in reading. Scores in mathematics were worse, with 90 percent of students performing below the basic level. This stands in sharp contrast to comparable countries such as Costa Rica (12 percent in reading and 27 percent in mathematics) and the regional average (33 percent in reading and 46 percent in mathematics). New preliminary results from regional assessments in 2013 show improvements in student learning, but confirm the lag in comparison to all other countries in the region.³

8. In order to improve learning outcomes, the DR needs to have the foundations and systems in place to formulate and implement quality-enhancing policies. There are four main underlying challenges that significantly constrain the performance of the education system, as measured by the learning outcomes of children: i) MINERD's capacity to recruit and train teachers according to quality standards; ii) MINERD's capacity to assess student learning, in particular in basic education, and the dissemination and use of that information by different actors in the system (i.e. teacher training institutions, schools, parents) for better decision making and accountability; iii) MINERD's capacity to evaluate and ensure the quality of service provided for initial education that contributes to school readiness of children entering basic education; and iv) MINERD's capacity to decentralize the school management system.

9. First, MINERD's current capacity to recruit and train teachers impacts the quality of its teaching force and, ultimately, the quality of instruction in the classroom. A recent survey of mathematics teachers conducted by the Dominican Institute of Research and Evaluation (*Instituto*

² Significant gains in access to education have been achieved over the past decade. An aggressive construction policy has greatly expanded coverage at all levels since 2004. Net enrollment rates are now 36 percent in preschool education (0-5 years of age, and compulsory for children aged 5 in preparation for their entrance into basic education), 89 percent in basic education (grades 1-8), and 62 percent in intermediate education (grades 9-12).

³ The Second Regional Comparative and Explanatory Study (*Segundo Estudio Regional Comparativo y Explicativo*, SERCE) and the Third Regional Comparative and Explanatory Study (*Tercer Estudio Regional Comparativo y Explicativo*, TERCE) are regional education assessments administered by approximately 15 countries in the Latin American and the Caribbean region with support from UNESCO. SERCE was administered in 2006 and TERCE in 2013. Both assessments evaluate student learning in primary education.

Dominicano de Evaluación e Investigación de la Calidad Educativa, IDEICE) revealed that only a minority of teachers (45 percent) were able to correctly answer 50 percent or more of questions related to the content they were supposed to be teaching.⁴ This is the result of a series of weaknesses including: i) the low capacity to attract high achieving students into teaching (in particular in becoming science teachers); ii) the absence of teacher standards guiding teacher performance; iii) an insufficiently open and transparent teacher selection and recruitment system; iv) the quality and pertinence of pre-service and in-service training and institutions; v) insufficient feedback mechanisms due to the lack of data on teacher performance; and vi) the incentives that the system offers for teachers' career development. Additionally, the design of training programs is not targeted based on school and teacher needs due to insufficient capacity to process and analyze detailed information and is not subjected to process and impact evaluations.

10. The second challenge is to improve the capacity to assess student learning and the use of this information for decision making in the system. Although student national assessments exist at the end of basic education (grade 8) and intermediate education (equivalent to grade 12), assessment data are not used to identify learning gaps in detail, diagnose system challenges, or design corrective actions at the school and teacher training institutions levels. Moreover, since the first national student assessment is not until the end of basic education (grade 8), it is often too late to address the fundamental weaknesses of math and reading instruction that constitute the basis for development of other cognitive skills. Earlier assessments are needed to flag weaknesses early and adjust teacher training programs by targeting support to the areas where gaps are greatest.

11. Third, the insufficiency of quality standards for ECD services is at the heart of the lack of capacity to evaluate the quality of these services, resulting in low school readiness of students (as ECD services expand in the country), especially those coming from poorer backgrounds. Research has shown that quality early interventions improve learning and labor outcomes later in life.⁵ Given that the poorest households can hardly afford private ECD services, the gap in school readiness and cognitive and non-cognitive development is posed to increase between poor and rich children as they grow older.⁶ As ECD programs expand to more disadvantaged populations, quality of service delivery becomes the key factor to improve school readiness and reduce the cognitive and non-cognitive development gap between poor and rich children. Improving the capacity of MINERD to evaluate ECD centers, according to standards that need to be developed, will be the first step in enabling informed decisions that will impact the quality of service.

12. The final challenge that constrains the performance of the system is an overly centralized budget management, constraining the process of decentralized school management. The system features duplicate efforts at various levels, outdated processes, and no clear mechanisms to

⁴ IDEICE. 2013. *Dominio de los contenidos matemáticos por parte del docente, como factor del éxito o fracaso escolar en el primer ciclo del nivel básico en República Dominicana*. Santo Domingo: Instituto Dominicano de Evaluación e Investigación de la Calidad Educativa (IDEICE).

⁵ Paxson, C. and N. Schady. 2007. Cognitive Development among Young Children in Ecuador: The Roles of Wealth, Health, and Parenting. *The Journal of Human Resources*, vol. 42 (1), pp. 49-84.

⁶ Schady, N., Behrman, J., Araujo, M.C., Azuero, R., Bernal, R., Bravo, D., López-Bóo, F., Macours, K., Marshall, D., Paxson, C. and R. Vakis. *Forthcoming*. Wealth Gradients in Early Childhood Cognitive Development in Five Latin American Countries. *The Journal of Human Resources*.

strengthen autonomy while making schools accountable to either the community or the MINERD.⁷ In the past, the Bank supported the deepening of this decentralization process.⁸ While systems and controls were implemented to ensure careful management of resources, their specificity and rigidity have limited the number of fully established School Management Committees (SMCs) to around a thousand (out of a total of approximately 7,000 schools), and created numerous administrative bottlenecks such that SMCs do not receive all the transfers they are due and are unable to spend them as needed to achieve the objectives for which they were created.

13. The Government has shown commitment to tackling these challenges through a strategy of broad reform of the education sector, starting with a doubling of the pre-tertiary education budget to 4 percent of GDP since 2013, and the signature of the *Pacto Educativo* (National Education Pact, NEP). The financial commitment to the sector is the clearest evidence of the political will behind its needed transformation, and will support the construction or rehabilitation of 28,000 classrooms over three years under the *Jornada Extendida* program (full-time schools).⁹ Led by the Government, the NEP process included a series of meetings (including independent agencies, universities, teachers unions, and civil society) with the objective of a broad endorsement across sectors of society and transcending political parties to tackle the issues that impede education reform and to implement policy recommendations.¹⁰ The final document of the NEP, signed in April 2014, reflected the agreement to, among other things: i) reform the teaching career by revising pre-service and in-service training programs and implementing an induction exam (i.e. capacity to recruit and train); ii) adopt a culture of evaluation across all sectors and actors in the education system; iii) increase the quality of early childhood education; and iv) modernize the management of the system to increase its efficacy and efficiency, with a focus on decentralization. The NEP is valid until 2030 and its strategies are aligned with the National Development Strategy 2010-2030 and the 10-Year Education Plan.

14. Several initiatives are underway to implement the Government's strategy. The Government has shown its commitment to improve the attractiveness of the teacher career by increasing teachers' salaries by approximately 65 percent, in nominal terms, between 2012 and 2014. The Government and teachers' unions will continue to review incentive scales to align them with

⁷ PREAL and EDUCA. 2010. *El reto es la calidad: Informe de progreso educativo*. Santo Domingo: Programa de Promoción de la Reforma Educativa en América Latina y el Caribe (PREAL) and Acción para la Educación (EDUCA).

⁸ As part of the reform supported by the Bank's Development Policy Lending series, and in support of the decentralization process, the MINERD established specific budget line items for the transfer of resources to SMCs in 2011 (*Resolución No. 0668-2011*). This policy specified that at least 2.5 percent of MINERD's overall budget would be transferred to SMCs, based on the number of students in each school. Given this was the first time SMCs were to receive significant financial resources, management accountability systems and strict controls were put in place for the legalization of SMCs, establishment of bank accounts, frequency of transfers, eligible expenditures, financial management, including accounting recording and reporting, and procurement procedures.

⁹ This program increases the school day by about 3 hours. The program aims to improve the performance and efficiency of primary and secondary education, to expand school infrastructure through the creation of "mirror schools" located on the same premise or near existing schools to accommodate the extended schedule, and to improve reading comprehension, writing and math skills in the first four elementary school grades. In the near future, the plan is to transform all public schools in the country into full-time schools.

¹⁰ These priorities are aligned with and have been informed by the *Iniciativa Dominicana por una Educación de Calidad* (IDEC), a Government led process involving civil society, the private sector, universities, NGOs, and all active donors in the education sector to put forth recommendations for the implementation of education policies.

performance. The Government is creating professional standards for teachers and improving training: the Salomé Ureña Teacher Training Institute (*Instituto de Formación Docente Salomé Ureña*, ISFODOSU), the largest pre-service teacher training institution (graduating 20 percent of teachers every year) after the Autonomous University of Santo Domingo (*Universidad Autónoma de Santo Domingo*, UASD), is currently reviewing its application procedures to make admissions more selective, and attract high-achieving secondary graduates through scholarship programs. Meanwhile, the National Institute of Education and Training of Teachers (*Instituto Nacional de Formación y Capacitación del Magisterio*, INAFOCAM) is piloting improved training in-service courses and evaluating the impact of existing programs. The revision of teacher training programs is relevant given the expected increase in demand for teachers resulting from the implementation of the full-time schools policy.¹¹

15. The Government also has initiatives underway for the other three challenges, including a sample-based student assessment in grades 3-4 and 10 (as a diagnostics tool), which is an important step towards increasing the capacity of the MINERD to assess student learning, and the participation in international student assessments, such as the Third Regional Comparative and Explanatory Study (TERCE) and the Programme for International Student Assessment (PISA) 2015. To tackle the quality of ECD programs, the Government is working on the design and early implementation of the QEC program, including the construction of the centers that INAPI will administer. At the same time, the MINERD has embarked on an ambitious program to establish SMCs in all schools before 2018 and has identified a series of reforms of SMC regulations designed to improve financial flows, physical conditions of schools, autonomy, and accountability.

16. There are several international partners supporting MINERD in the implementation of the Government's strategy in the education sector. The European Union, jointly with the Spanish Agency for International Development Cooperation (AECID), provides direct budget support, technical assistance, and capacity building and looks to address quality through the creation of an accreditation system for tertiary and technical education and teacher training programs, among others. The Inter-American Development Bank (IDB) provides financing and technical assistance in support of the 10-Year Education Plan, focusing on the expansion of the full-time school model, among others. The IDB and UNICEF also provide technical assistance to the QEC program in the design of interventions and training programs for careers in ECD centers. Other active partners are UNICEF (focusing primarily on improving primary education through different approaches, such as with technical assistance to improve on-the-job teacher training programs); USAID (early grade reading); the Organization of Iberoamerican States for Education, Science and Culture (with support to the design of the teaching career); the French Development Agency (higher education student loans); and the Cuban Government (technical assistance for literacy campaign). Under the coordination of MINERD, these efforts complement the proposed areas of support under this operation.

17. Based on the challenges constraining the education system and the Government program, the Bank's value added would be highest, and likelihood of impact maximized, in partnering with MINERD to improve its capacity to: recruit and train teachers with quality standards, assess

¹¹ The Salomé Ureña Teacher Training Institute (ISFODOSU), the National Institute of Education and Training of Teachers (INAFOCAM), and the Dominican Institute of Research and Evaluation (IDEICE) are agencies with differing levels of autonomy under MINERD that are responsible for implementing and evaluating policies.

student learning and disseminate and use results, evaluate the quality of service provision of QEC centers through the development of a quality assurance system, and enhance the process of decentralized school management. As mentioned, all four themes have been endorsed by the NEP, and are fundamental in any effort to improve the quality of education in the DR.¹² In these four areas, the Bank has leading technical knowledge, operational experience, and convening power, which gives it a comparative advantage in providing the MINERD with expert support in the design and implementation of policies.

C. Higher Level Objectives to which the Project Contributes

18. The Project would support the Government of the DR (GoDR) to achieve the higher level objective of improving learning conditions and student learning in pre-university education by, among others, improving the quality of teacher instruction in classrooms, increasing child readiness when entering basic education, and deepening the process of decentralized school management. All of these are at the heart of the NEP. The proposed Project would contribute to the Country Development Goal of Quality Education for All under Results Area 5 “Strengthening Social Service Delivery” of the Bank’s Country Partnership Strategy FY15-18 (Report No. 89551-DO) by supporting the Government to improve quality of teaching through better teaching policies and improve quality of learning through the implementation of a robust student assessment system. The Project is also consistent with the Bank’s education development strategy framed in its Education Sector Strategy 2020: Learning for All. Finally, by strengthening the education system in public schools, which disproportionately serve the poor, and developing ECD systems, which are more important for the poor as they have fewer resources and knowledge, and providing access to a system that provides quality education, the Project would contribute to the twin goals of ending extreme poverty and promoting shared prosperity in a sustainable manner.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

19. The objective of the Project is to improve the Borrower’s capacity to: (i) recruit and train primary and secondary school teachers, (ii) assess student learning in primary and secondary education, (iii) evaluate the quality of service provided by Public Early Childhood Development Centers, and (iv) enhance the process for decentralizing public school management.

B. Project Beneficiaries

20. The direct Project beneficiaries would include current and future students attending early childhood, primary, and secondary public education institutions; current and aspiring teachers, who would benefit from improved training and career paths; MINERD staff, which would benefit from institutional capacity strengthening; and schools and local communities, which would benefit from a better allocation of resources through school management committees.

¹² In addition, the last theme builds on an ongoing Government effort to increase the efficiency of school expenditures through decentralization, supported through the First, Second, and Third Development Policy Loans on Performance and Accountability of Social Sectors (PASS, P125806).

C. PDO Level Results Indicators

21. Progress towards meeting the Project Development Objective (PDO) would be measured by five outcome indicators: (a) teacher positions staffed through the revised teacher entrance exam; (b) positions to study teaching degrees at ISFODOSU filled through revised entry exam; (c) student learning outcomes for the first cycle of primary education analyzed and disseminated; (d) percentage of *QEC* care centers that have been evaluated against quality standards and their results analyzed; and (e) Increasing percentage of fully functional school management committees (*Juntas de Centro*) implementing their school development plans.

III. PROJECT DESCRIPTION

A. Project Components

22. The Project consists of the provision of financing of Eligible Expenditure Programs (EEPs) to support the implementation of the National Education Pact, as set forth in the following parts:

23. Component 1: Improving Capacity to Recruit and Train Primary and Secondary School Teachers. Carry out a comprehensive revision of MINERD's primary and secondary school teacher recruitment and training activities based on professional standards for teachers set forth in the Project Operations Manual (POM), with a focus on:

- (a) Pre-service training through, *inter alia*: (i) the revision of ISFODOSU teaching degree curricula and competence profiles, (ii) the creation of specialized degrees for secondary school teachers, (iii) the implementation of a quality assurance and monitoring system for ISFODOSU, (iv) the implementation of a scholarship program to attract high-performing secondary students to ISFODOSU pre-service degrees, (v) the implementation of a revised remedial program for admitted students with skill gaps, and (vi) the revision of the career structure and promotion schemes of ISFODOSU teachers;
- (b) Human resources management, including, *inter alia*: (i) the design and implementation of a competitive induction exam and selection process for public school teachers, administrators and staff, (ii) the launch of an online teacher recruitment system, and (iii) and the launch of web-enabled management information systems (MIS);
- (c) The teaching career, through supporting, *inter alia*, the design, and adoption of (i) guidelines for the teaching career, (ii) a revised teacher evaluation based on international best practices, and (iii) the implementation of key aspects of the teacher career, including, *inter alia*, a certification system; and
- (d) In-service training, through supporting, *inter alia*: (i) the development and piloting of in-service training programs for current teachers through INAFOCAM, (ii) the revision of guidelines and evaluation of existing in-service programs, (iii) institutional capacity strengthening for the INAFOCAM evaluation office, and (iv) an impact evaluation of INAFOCAM in-service programs with randomized assignment.

24. Component 2: Improving Capacity to Assess Student Learning in Primary and Secondary Education. Support the strengthening of student assessment system through:

- (a) Development and implementation of a national strategy for pre-tertiary student assessments;
- (b) Participation in and dissemination of international assessments;
- (c) Technical improvement of national student assessments;

- (d) Design and implementation of a system for dissemination of results and use of assessment data; and
- (e) Development and implementation of a national assessment in early grades.

25. Component 3: Improving Capacity to Evaluate the Quality of Service Provided by Public Early Childhood Development Centers. Support the organizational design and institutional strengthening of INAIPI, through:

- (a) Developing a strategic plan for INAIPI and quality standards systems for Public Early Childhood Development Centers and personnel; and
- (b) Development and implementation of an information and communications strategy to disseminate within the Public Early Childhood Development Centers standards of quality service delivery, public understanding of the QEC Program, and improve parenting practices.

26. Component 4: Improving Capacity to Enhance the Process for Decentralizing Public School Management. Support the decentralization of MINERD's functions and resources through:

- (a) Supporting the increase of established School Management Committees in public schools through Transfers to SMCs;
- (b) Supporting the review of regulations and processes to (i) increase efficiency in establishing SMCs, and (ii) streamline SMC account opening procedures;
- (c) Implementation of a functional expenditure system for SMCs;
- (d) Improving the training for SMCs to develop school improvement plans and annual work plans;
- (e) Improving financial and procurement practices at the school level; and
- (f) Revising school auditing guidelines and procedures.

B. Project Financing

27. The proposed loan instrument would be a US\$50 million Investment Project Financing (IPF) to be implemented over five years that follows a results-based approach with Disbursements-Linked Indicators (DLIs), which capture measurable results (see Annex 1). Disbursements will be made against eligible expenditures (Eligible Expenditure Program, EEP) incurred under the National Education Pact (see Annex 3). Retroactive financing would be allowed up to a maximum of US\$10 million (20 percent of the Project) under the Project conditional on i) achievement of DLIs and ii) eligible expenditures under the EEP made one year before the Loan Signing Date.

Project Costs and Financing

28. The Project costs are listed in Table 1. A set of DLIs has been established for the Project, which are related to disbursement amounts (see Table 2 and further details in Annex 2).

29. DLIs consist of specific targets agreed with the Government and related to the four priority areas, which are part of the NEP (see Annex 2). DLI targets would have clear responsibilities for achieving them, and precise verification protocols and procedures. In addition, the number and scope of DLIs included in the Project would guarantee the steady flow of funds, allow spreading out the responsibilities for achieving them among several subdivisions of MINERD, and promote coordination among them (see Table 2). The achievement of DLIs will be deemed acceptable to the Bank by the Bank's technical team according to the Protocols for Verification of DLIs (see

Table A2.3). Technical activities and their outputs required by the MINERD to achieve DLIs are also detailed in the POM.

Table 1: Project Cost and Financing

Project Components	Project Cost (US\$)	IBRD Financing	% Financing
1. Improving capacity to recruit and train primary and secondary school teachers	25,375,000	25,375,000	100%
2. Improving capacity to assess student learning in primary and secondary education	13,000,000	13,000,000	100%
3. Improving capacity to evaluate the quality of service provided by Public Early Childhood Development Centers	5,000,000	5,000,000	100%
4. Improving capacity to enhance the process for decentralizing public school management	6,500,000	6,500,000	100%
Total Project Costs	49,875,000	49,875,000	100%
Front End Fee	125,000	125,000	100%
Total Financing Required	50,000,000	50,000,000	100%

Note: The total Government program for the National Education Pact activities under the four priority areas is expected to total around US\$1,235.3 million. This Project represents around 4.05% of Pact activities.

C. Lessons Learned and Reflected in the Project Design

30. The Project design is informed by lessons learned from other Bank projects, namely the three phases of the Performance and Accountability of Social Sectors (PASS) Development Policy Loan (P116972), and the DR Early Childhood Development Project (P079566). The Project has also incorporated experiences from other DLI-based Projects such as the Pakistan Second Sindh Education Sector Project (P125952), the Moldova Education Reform Project (P127388), the Jamaica Education Transformation Capacity Building Project (P107407), and the Peru Basic Education Project (P123151). The main lessons learned concerned project ownership, donor coordination, and use of DLIs as part of the design of the Project.

31. Political economy is a key determinant of the outcome of a project. The three phases of the PASS DPL were successful due to the high level of Government ownership of the policy reforms supported by the program. This high-level political mandate and sustained support helped counteract interests resistant to reforms. Based on that experience, the Project has focused on an agenda that supports activities endorsed by Government, teacher unions, and civil society in the NEP. Also, given effectiveness delays registered in the DR Early Childhood Development Project, due to a 15-month delay in Project approval by Congress, the Bank has made a concerted effort to reach out to all agencies involved during approval and in implementation.

32. The PASS DPL series showed the importance of coordinating with other interventions, especially when the approach targets several themes. The Bank maintains an ongoing dialogue with AECID, USAID, UNICEF, the European Union, and the IDB, among other partners, to avoid duplications and explore synergies. The Bank also participates actively in the *Dominican Initiative for the Quality of Education (Iniciativa Dominicana por una Educación de Calidad, IDEC)* lead by the MINERD.

33. The DLI-based Project design seeks to align interests of all parties around national results, while simplifying fiduciary procedures governing Bank financing. As per experiences in countries like Jamaica, Pakistan, Peru, and Moldova, a DLI-based design would provide flexibility to the Government in the achievement of their targets.

Table 2: Disbursement-Linked Indicators, by expected calendar year of completion (by October 15 of each year)

DLIs eligible for partial achievement are marked “Scalable,” Verification Protocol for each DLI is in Table A2.3

	2015	2016	2017	2018	2019
<i>Improving capacity to recruit and train primary and secondary school teachers</i>	DLI 1: ISFODOSU’s revised standardized entrance examination is applied to all its applicants (Value: US\$2.5 M)	DLI 5: Dissemination of professional standards for teachers started (Value: USD 2.5 M)	DLI 8: ISFODOSU offers two new degrees for training secondary-level teachers (Scalable) (Value: US\$2.5 M)	DLI 12: INAFOCAM and ISFODOSU’s annual financial reports are prepared using SIGEF (scalable) (Value: US\$3.0 M)	DLI 17: ISFODOSU has started the implementation of its own professional development plan for its educators (Value: US\$2.375 M)
	DLI 2: MINERD administers competitive entrance exam to hire teachers (<i>Concurso de Oposición</i>) (Value: US\$2.5 M)	DLI 6: MINERD aligns entrance exam (<i>Concurso de Oposición</i>) with professional standards for teachers (Value: US\$2.5 M)	DLI 9: Teaching career and evaluation system (based on standards) has been adopted by MINERD (Value: US\$2.5 M)	DLI 13: 20% of public school teachers have been evaluated using the teacher career and evaluation system (Value: US\$2.5 M)	DLI 18: INAFOCAM adjusts in-service training programs based on results from assessments and/or impact evaluations (Value: US\$2.5 M)
<i>Improving capacity to assess student learning in primary and secondary education</i>	DLI 3: PISA 2015 applied by MINERD (Value: US\$3.0 M)	DLI 7: The implementation of the Student assessment strategy has started (Value: US\$2.5 M)	DLI 10: MINERD pilots, and based upon the results of the pilot, revises the dissemination component of the Student assessment strategy (Value: USD 2.5 M)	DLI 14: MINERD administers a student assessment for the first cycle of primary education (Value: US\$2.5 M)	DLI 19: MINERD’s Student Assessment Directorate staff have received training on sampling, item design, database management, and statistical software. (Value: US\$2.5 M)
<i>Improving capacity to evaluate the quality of service provision Public Early Childhood Development Centers</i>				DLI 15: Pilot assessment for Public Early Childhood Development Centers carried out (Value: US\$2.5 M)	DLI 20: 50% of functioning Public Early Childhood Development Centers are assessed for quality standards (Scalable) (Value: US\$2.5 M)
<i>Improving capacity to enhance the process for decentralizing public school management</i>	DLI 4: 250 additional School Management Committees (<i>Juntas de Centro</i>) receive Transfers to SMCs. (Scalable) (Value: US\$2.0 M)		DLI 11: New functional spending guidelines for School Management Committees (<i>Juntas de Centro</i>) adopted by MINERD (Value: US\$2.0 M)	DLI 16: 1,750 School Management Committees (<i>Juntas de Centro</i>) are fully functional (Scalable) (Value: US\$2.5 M)	
<i>Estimated disbursement</i>	10 M	7.5 M	9.5 M	13 M	9.875 M

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

34. The Project would be implemented by the MINERD. The MINERD and its decentralized agencies responsible for the priority areas would be responsible for implementing all activities in the Project, under the coordination of the Office of International Cooperation (OCI), which will act as the Project Coordination Unit (PCU). The OCI is the MINERD's division responsible for coordinating and overseeing all internationally-funded projects in the education sector, as well as supporting and coordinating all institutions involved in their implementation. MINERD and its decentralized institutions (e.g. ISFODOSU, INAFOCAM, IDEICE) would be responsible for the implementation of activities related to improving MINERD's capacity to recruit and train teachers. The IDEICE would support MINERD in the design and implementation of activities to improve MINERD's capacity to assess student learning. MINERD's INAIPI would oversee all activities under the Project related to improving the capacity to evaluate the quality of service provision of QEC centers using a quality assurance system. MINERD's Directorate of Management and Educational Decentralization will oversee all activities related to Transfers to SMCs their annual improvement and operational plans according to its operations manual. The operations manual of SMCs is an integral part of the POM.

35. During the Bank's previous Early Childhood Education Project (P054937), which closed in August 2011, the OCI carried out thorough monitoring of activities in compliance with its agreement with the Bank.

36. In order to support the PCU in fulfilling their responsibilities and to increase the quality of MINERD's technical activities in the areas supported by the Project, a Steering Committee would be formed, consisting of the following members: (i) a representative of MINERD's OCI, (ii) a representative of the MINERD's Vice-Ministry of Planning, (iii) a representative of the MINERD's Vice-Ministry of Technical and Pedagogical Services, and (iv) a representative of the Ministry of Finance. This committee will oversee that timely reporting is carried out, documentation of DLI achievement is submitted on-time, withdrawal applications are submitted in a timely manner, and coordination with technical and decentralized units and institutes of the MINERD is in place. The Steering Committee's responsibilities would include: (i) providing strategic guidance to MINERD for overall Project implementation; (ii) regularly reviewing Project monitoring and evaluation data to determine progress and proposing adjustments to MINERD to ensure satisfactory achievement of the Project objective; (iii) monitoring MINERD's sufficient budgetary allocation for the carrying out the audit and verification obligations under the Project in a manner satisfactory to the Bank; (iv) overseeing the reporting, documentation and submission of DLI achievement, and the timely submission of withdrawal applications; and (iv) overseeing the coordination of technical and decentralized units of MINERD and respective key stakeholders on key policy issues related to Project implementation. The Bank's education team would support this Committee technically by providing comments on the preparation and evaluation of technical activities prepared by the MINERD, its directorates, and decentralized institutions working in the areas supported by the Project towards the achievement of the PDO (e.g. teacher recruitment and training, student assessment, quality assurance of ECD centers, and decentralized school management). Thus Bank would provide - among other inputs - technical comments on terms of references for activities that will support the Project, on the planning of activities, and on the

evaluation of works contracted directly by the MINERD. It would also share experiences from other countries, promote south-south cooperation, and carry out other activities to enhance the technical quality of the implementation of the MINERD's program in Project areas.

37. Finally, the Ministry of Finance and the MINERD would enter into an inter-institutional agreement that would ensure that the MINERD has sufficient resources to carry out the Project and to maintain the OCI under terms and conditions acceptable to the Bank, and allocate budget resources for the carrying out of the reporting obligations under the Project.

B. Results Monitoring and Evaluation

38. By using a results-based system of management, monitoring and evaluation (M&E) is built into the design of the Project. Government information systems would be used to monitor progress towards outputs and outcomes. Since disbursement would require unequivocal evidence of compliance with the DLIs to be presented by the MINERD, the Government would be expected to provide the requisite information to evaluate achievement in a timely and comprehensive manner. Detailed information on Project PDO and intermediate indicators can be found in the Results Framework and Monitoring (Annex 1). In addition, Annex 2 expands the description of the Project components and contains the corresponding protocols used to evaluate achievement of each DLI. The results chain presented in Annex 2 delineates the channels through which the areas to be supported by the proposed Project contribute to the achievement of the PDO.

39. The PCU (OCI) would be in charge of overall M&E activities; this has been detailed in the POM, with inputs from each of the units carrying out activities under the Project (see Annex 3). It would send biannual Progress Reports to the Bank, including progress towards achievement of targets in the Results Framework and Monitoring (Annex 1).

40. As part of the Project, an impact evaluation of teacher training carried out by INAFOCAM is planned. This impact evaluation is envisaged to provide key information on the impact and cost-effectiveness of new teacher training approaches.

C. Sustainability

41. The Project is anchored in the Government's willingness to tackle the challenges of the Dominican education system; this is shown by the increase in pre-tertiary education spending to 4 percent of GDP and the ongoing support to the NEP process, on which most Project interventions are based. The endorsement of the NEP in April 2014 by all political parties and major actors in the system reduces the risk of future policy changes. Finally, all programs and activities supported by the Project are fully funded in the Government's regular budget, ensuring fiscal sustainability.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

42. The overall risk of the Project is Substantial. Political and Governance risks are Substantial due to the potential change in government during the Project implementation period. To mitigate this risk the Bank would maintain a broader dialogue with all relevant stakeholders on the

developments in the education sector. Sector Strategies and Policies risks are Substantial due to potential resistance to the introduction and implementation of new policies by institutions involved in teacher training, and teacher unions, as well as conflicting interests between these stakeholders. To mitigate this risk, the Bank would support the Government to maintain the participatory processes that MINERD has established already in the sector. Institutional Capacity for Implementation and Sustainability risks are Substantial as a result of the recent creation of INAIPI and the new results-based approach under the Project. To mitigate this risk the Bank would work with other donors to support the Government to strengthen INAIPI's system, as well as actively assess the progress of the new results-based approach.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

43. In the case of early childhood, primary, and secondary education, the rationale for public sector provision and Bank financing is the appropriate option. Education and human capital have long been directly linked to economic growth, productivity, and the improvement of living standards.¹³ However, a series of factors, notably the positive social externalities of education, together with market imperfections, result in a chronic underinvestment in the sector by private actors. The role of increasing investment in education must, thus, be carried out by the public sector. The relevance of public involvement is also relevant in managing an education system; in improving the quality of student assessment and teacher standards; the selection of teacher for public schools, and the standards of teaching, among others.

44. The activities implemented under the Project would have a direct development impact on the capacity of MINERD to carry out key activities to manage the education system, which in the long-term would improve educational outcomes and labor market outcomes at the individual level. This impact would be seen through two channels in life-earning profiles: i) a higher probability of school completion, which to a great extent determines lifetime earnings and type of employment; and ii) higher labor productivity growth, using labor earnings as a proxy for labor productivity. In addition, as public schools are able to offer better learning conditions, in particular to the poor, the gap in learning outcomes between the rich and the poor would reduce. The net effect of the Project on beneficiaries has been estimated using a present discounted value (PDV) approach. This approach entails estimating the stream of benefits and costs of schooling over the lifetime of a representative student with and without the Project. According to the analysis, the Project interventions are expected to yield a PDV of incremental benefits of DOP\$68,639 (US\$1,819) per final beneficiary student (in 2011 DOP\$). (See details in Annex 4.)

45. The Bank adds value by providing leading technical knowledge, operational and implementation experience, and convening power in the areas of recruitment and training of teachers, student assessment, ECD, and decentralized school management.

¹³ Barro, R. 2001. Human Capital and Economic Growth. *The American Economic Review*, Vol. 91 (2), pp. 12-17 and OECD, 2010. *The High Cost of Low Educational Performance: The Long-Run Economic Impact of Improving PISA Outcomes*. Paris: Organization for Economic Co-Operation and Development (OECD).

B. Technical

46. The GoDR's policy priorities outlined herein are supported by global evidence as being those elements most crucial to bringing about quality education. First, the quality of an education system is bound by the quality of its teachers. There is emerging evidence that the right policies for recruiting, training, supporting, and evaluating teachers can transform the effect that teachers have in the classroom.¹⁴ Second, no education system has systematically and sustainably improved its performance over time without a robust evaluation system.¹⁵ The DR's move toward such a comprehensive evaluation system will fulfill that critical element of education system management. Third, there is increasing evidence that investing in ECD can have substantial and lasting impacts on children, although the quality of those services is crucial.¹⁶ Finally, the modernization agenda is also well supported, especially with regards to the decentralization agenda. Evidence from many countries in Latin America and elsewhere shows that strengthened SMCs and increased social participation has resulted in increased efficiency in schools.¹⁷ The selected areas of intervention are also reflected in the Bank's Education Sector Strategy 2020: "invest early, invest smartly, and invest for all".¹⁸ All these activities would in the middle- to longer-term improve the learning conditions of students and improve educational outcomes.

C. Financial Management at the Project and Entity Levels

47. The Bank concluded that the MINERD's OCI, implementing and fiduciary entity for this Project, has the capacity to handle loan proceeds. The OCI would use country systems implemented in the education sector. With regards to the Transfers to SMCs, and with the support of OCI, MINERD's Department of Management and Decentralization would continue to oversee, monitor, and supervise the use of Transfers to SMCs according to the operations manual of SMCs (which is a part of the POM) and provide consolidated financial reports of Transfers to SMCs and their use to the OCI.¹⁹

48. The Government has conducted comprehensive fiduciary training for SMCs. Internal controls work reasonably well, as MINERD's auditors periodically review their operations to make sure they are performed in accordance with the operations manual for SMCs. SMCs receive Transfers based on the number of students delimited by formal internal regulations issued by the MINERD. This operations manual is mandatory for the SMCs and reporting is done quarterly, including bank reconciliations, and budget surpluses from one fiscal year are carried over to the

¹⁴ Bruns, B. and J. Luque. 2014. *Great Teachers: How to Raise Student Learning in Latin America and the Caribbean* (Advance Edition). Washington, DC: World Bank.

¹⁵ McKinsey. 2010. *How the World's Most Improved School Systems Keep Getting Better*. McKinsey & Company.

¹⁶ Evans, D. K. and K. Kosec. 2012. *Early Child Education: Making Programs Work for Brazil's Most Important Generation*. Washington, DC: World Bank.

¹⁷ Bruns, B., Filmer, D. and H. Patrinos. 2011. *Making Schools Work: New Evidence on Accountability Reforms*. Washington, DC: World Bank.

¹⁸ World Bank. 2011. *Learning for All: Investing in People's Knowledge and Skills to Promote Development*. Washington, DC: World Bank.

¹⁹ The legal basis for the constitution, legalization, functioning, implementation, accountability, and monitoring of SMCs, and Schools Transfer, can be found in the *Ley General de Educación* 66'97 (from April 9, 1997); the *Ordenanza* No. 02-2008; *Resolución* No. 0668-2011, and the *Orden Departamental* No 695. More information can also be found in the *Manual de Operación de Juntas Escolares* and the *Instructivo para el manejo de fondos transferidos a las Juntas Regionales, de Distrito y Centro Educativo*.

following year. In order to ensure that schools receive funds in line with their entitlement and that these funds are used for their intended purposes, SMCs are required to follow the operating manual, including reporting expenditures in the three allowed categories: non-personal services (40%), school supplies (40%), and non-financial (20%). Despite the strengths of the systems in place, SMCs could benefit from financial management (FM) systems that facilitate reporting in a timely and more reliable manner, as operations are performed manually. Furthermore, continuous training and communication with SMCs' members is needed to strengthen the capacity of reporting according to the operations manual and to reduce the effect of turnover in SMCs.

49. The Project and its EEP would be audited annually by an acceptable audit firm, in accordance with terms of reference acceptable to the Bank; the audit would not be financed from Bank's proceeds. (See Annex 3 for more details.)

D. Procurement

50. Procurable items financed under the EEP would be limited to small goods and minor works financed under transfers to SMCs and would be procured in accordance with the Bank "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants, January 2011, revised in July 2014," in addition to the provisions stipulated in the Loan Agreement. SMCs prepare Annual Operational Plans for the amounts received by these Transfers, ensure compliance with the procedures agreed with MINERD, and document all the processes before they can receive a new transfer, as documented in the operations manual of SMCs (see Annex 3 for more details).

E. Social (including Safeguards)

51. **Social Safeguards.** The Project would not support construction or other activities that would lead to involuntary resettlement or land acquisition, therefore, the OP/BP 4.12 on Involuntary Resettlement is not triggered.

52. There are no indigenous peoples in the DR that meet the characteristics as specified in the OP/BP 4.10 Indigenous Peoples. To ensure that all students, including those from disadvantaged groups, benefit from the improved capacity to assess student learning (Component 2), the proposed student assessment for the first cycle of primary school would be used entirely for diagnostic purposes, not for determining progression to the following grade. Additionally, the decentralization and school-based management process that MINERD would carry out under Component 4 of the Project would include schools with significant vulnerable populations.

53. **Gender.** In 2014, the DR received an overall ranking of 78 out of 142 countries in the Gender Gap Index.²⁰ The DR also shows the second largest adolescent fertility rates in the region.²¹ Under Component 1, the Bank would support the Government in making teacher training sensitive to the differences in brain development of boys and girls and the impact this may have, for example, on motivation. The Bank would also support the Government in developing workshops

²⁰ World Economic Forum. 2014. *Gender Gap Report, 2014*. Geneva: World Economic Forum.

²¹ Azevedo, J.P., Favara, M., Haddock, S., Lopez-Calva, L.F., Muller, M., and E. Perova. 2012. *Teenage Pregnancy and Opportunities in Latin America and the Caribbean: On Teenage Fertility Decisions, Poverty and Economic Achievement*. Washington, DC: World Bank.

for teachers in ISFODOSU and INAFOCAM to increase awareness of the powerful role models they are for young people and their role in transforming gender stereotypes through their attitudes, words, and actions. In addition, the assessment system under Component 2 would provide information by gender, to better inform policy interventions. The Bank would also work with partners to help MINERD revise their training materials to make them gender informed.

54. **Beneficiary feedback mechanisms.** The Project would include mechanisms to incorporate beneficiary feedback at several levels. The Project would support the redesign and improvement of SMCs (*Juntas de Centro*) surveys, which would then be used to incorporate feedback from teachers, parents, and community members. This would be reflected in the Results Framework. The Project would also promote feedback from students through the application of the new diagnostic census-based student assessment, which would include surveys on student perceptions.

F. Environment (including Safeguards)

55. The Project is classified as category C. It would not include construction or rehabilitation of infrastructure, therefore the OP/BP 4.01 on Environmental Assessment is not triggered.

G. World Bank Grievance Redress

56. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring

DOMINCAN REPUBLIC: Support to the National Education Pact Project (P146831)

Project Development Objectives

PDO Statement

The objective of the Project is to improve the Borrower's capacity to: (i) recruit and train primary and secondary school teachers, (ii) assess student learning in primary and secondary education, (iii) evaluate the quality of service provided by Public Early Childhood Development Centers, and (iv) enhance the process for decentralizing public school management.

These results are at Project Level

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
1. Teacher positions staffed through the revised teacher entrance exam	<input type="checkbox"/>	Yes/No	No	No	No	Yes	Yes	Yes	Annual	Project Progress Reports; Report of changes of assessment to align with standards	MINERD, Human Resources Office, vice-ministry of teacher certification	Teacher positions" refers to positions for teacher or directors hired by MINERD. Teacher entrance exam refers to the <i>Concurso de Oposición</i> . "Revised" means aligned with Professional Standards for Teachers. "Staffed" refers to the action of hiring teacher and directors for available positions as teachers or school principals in primary and secondary school levels.
2. Positions to study teaching degrees at ISFODOSU filled through revised entry exam	<input type="checkbox"/>	Yes/No	No	Yes	Yes	Yes	Yes	Yes	Annual	Project Progress Reports	MINERD, ISFODOSU	"Positions to study teaching degrees at ISFODOSU" refers to students that ISFODOSU could accept to study a teaching degree. "Entry exam" refers to an assessment of potential candidates for those positions that at least assesses content knowledge in key areas. "Revised entry exam" refers to an exam that has incorporated technical improvements recommended

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
												by an expert on student assessment.
3. Student learning outcomes for the first cycle of primary education analyzed and disseminated	<input type="checkbox"/>	Yes/No	No	No	No	No	Yes	Yes	Annual	Project Progress Reports with inputs from Evaluation and Quality Control Office, INAFOCAM, and ISFODOSU	MINERD, ISFODOSU, INAFOCAM	Student learning outcomes are defined as the results obtained by students in standardized test that measure learning during the first three grades of primary education. These must include the rollout of the dissemination strategy. "Analyzed" means reporting and publishing results by area of learning (and subarea if possible), area, gender, type of school, rural/urban, and school district or other geographic disaggregation. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators.
4. Percentage of QEC care centers that have been evaluated against quality standards and their results analyzed	<input type="checkbox"/>	Percentage	0%	0%	10%	20%	30%	50%	Annual	Project Progress Reports with inputs from INAIPI	MINERD, INAIPI	The assessment must be in accordance with the guidelines established in the strategic plan for INAIPI, and for the last year should be verified by and independent agency according to Table A2.3. Protocols for Verifying Disbursement-Linked Indicators. The analysis should include improvement plans with specific areas of improvement, a self-evaluation tool, and a fixed time frame for improvement and verification of improvement.

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
5. Increasing percentage of fully functional school management committees (Juntas de Centro) implementing their school development plans	<input type="checkbox"/>	Text	0p.p.	2p.p	4p.p	6p.p	8p.p	10p.p	Annual	MINERD list of bank accounts to transfer funds, school improvement plans, transfer execution per school	MINERD	The percentage of schools that are implementing their projects would be determined through a school sample. An audit would be carried out by an agent external to MINERD, and the estimation of the percentage would be based on a random sample of the SMCs that are fully functional (denominator). By fully functional it is understood the SMCs that are legally constituted, with an improvement plan, with a bank account, and receiving transfers from MINERD. By implementing it is meant that SMCs spend the money according to the improvement plan and with the participation of all members of the SMCs in the decision making. Guidelines for evaluating successful implementation of improvement plans would be jointly designed by MINERD and the Bank, and they would be made clear in the terms of reference of the agent that would verify the achievement. The size of the sample and the actual random draw of the sample would be done by an expert in sampling. Units of measure for this indicator are percentage points and it is cumulative.

Intermediate Results Indicators

Component 1 – Improving capacity to recruit and train primary and secondary school teachers

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
1. Design and implementation of ISFODOSU revised entrance examination.	<input type="checkbox"/>	Text	Revised entrance examination designed.	DLI 1: ISFODOSU's revised standardized entrance examination is applied to all its applicants (Value: US\$2.5 M)	ISFODOSU revised entrance examination is applied to all its applicants.	ISFODOSU revised entrance examination is applied to all its applicants.	ISFODOSU revised entrance examination is applied to all its applicants.	ISFODOSU revised entrance examination is applied to all its applicants.	Annual	Project Progress Reports	MINERD, ISFODOSU	The entrance examination refers to the test ISFODOSU applies to admit students into its programs. The revision refers to a technical improvement in the instruments used. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators. "Revised" means that an expert on student assessment has revised the test.
2. Number of positions to study teaching degrees at ISFODOSU filled through revised entry exam (% female)	<input type="checkbox"/>	Number (percentage female)	0	1,200 (65%)	2,300 (65%)	3,400 (65%)	4,500 (65%)	5,600 (65%)	Annual	Project Progress Reports	MINERD, ISFODOSU	"Positions to study teaching degrees at ISFODOSU" refers to number of students that ISFODOSU could accept to study a teaching degree. "Entry exam" refers to an assessment of potential candidates for those positions that at least assesses content knowledge in key areas. "Revised" means that an expert on student assessment has revised the test. Unit of measure for this indicator is percentage and it is cumulative.
3. Implementation of ISFODOSU secondary-level teaching degrees.	<input type="checkbox"/>	Text	Not started	Initial planning for degrees	Design of curriculum and guidelines for secondary level	ISFODOSU prepares to offer teaching degrees.	DLI 8: ISFODOSU offers two new degrees for training secondary-level teachers (Scalable)	ISFODOSU offers at least two secondary level teaching degrees and advances on	Annual	Project Progress Reports	ISFODOSU	"Secondary-level degrees" refers to degree programs in any of the following areas: mathematics, chemistry, social sciences/history, and other sciences. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators.

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
					teaching degree.		(Value: US\$2.5 M)	implementation of curricula.				
4. ISFODOSU has started the implementation of its own teaching career	<input type="checkbox"/>	Text	Not started	Analysis of alternatives and TOR for study about options	Planning and calendar for the activities of ISFODOSU teaching career	Design of proposal for ISFODOSU teaching career.	Proposal for ISFODOSU teaching career adopted.	DLI 17: ISFODOSU has started the implementation of its own professional development plan for its educators (Value: US\$2.375 M)	Annual	Project Progress Reports	ISFODOSU	ISFODOSU teaching career refers to career development and evaluation system of ISFODOSU educators (teachers of teachers) focused on standards and competencies, with clear incentives to stimulate professional development of educators. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators.
5. Design and adoption of professional standards for teachers.	<input type="checkbox"/>	Text	Designed and adoption completed by MINERD	Dissemination plan	DLI 5: Dissemination of professional standards for teachers started (Value: USD 2.5 M)	Professional standards for teachers adopted and disseminated	Professional standards for teachers adopted and disseminated	Professional standards for teachers adopted and disseminated	Annual	Project Progress Reports, report of activities of dissemination	MINERD	Professional standards for teachers refer to the standards for teacher performance designed by the Vice-Ministry for Certification within MINERD, which teachers must know and apply. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators.
6. Design and implementation of competitive entrance exam for teachers.	<input type="checkbox"/>	Text	MINERD applies competitive entrance exam to hire teachers (<i>Concurso de Oposición</i>)	DLI 2: MINERD administers competitive entrance exam to hire teachers (<i>Concurso de Oposición</i>) (Value: US\$2.5 M)	DLI 6: MINERD aligns entrance exam (<i>Concurso de Oposición</i>) with professional standards for teachers (Value: US\$2.5 M)	MINERD applies entrance exam (<i>Concurso de Oposición</i>) aligned with professional standards for teachers	MINERD applies entrance exam (<i>Concurso de Oposición</i>) aligned with professional standards for teachers	MINERD applies entrance exam (<i>Concurso de Oposición</i>) aligned with professional standards for teachers	Annual	Project Progress Reports	MINERD	Competitive examination or <i>concurso de oposición</i> refers to the entrance exam applied to all candidates applying to be hired as teachers by MINERD. Professional standards for teachers refer to the standards for teacher performance designed by the Vice-Ministry for Certification within MINERD that teachers must know and apply. See also Table A2.3. Protocols for

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
												Verifying Disbursement-Linked Indicators.
7. Design and adoption of teaching career proposal, and implementation of teacher evaluation system.	<input type="checkbox"/>	Text	Career proposal drafted	Event to discuss the first draft of teacher career	Teaching career proposal, including scope of evaluation system designed.	DLI 9: Teaching career and evaluation system (based on standards) has been adopted by MINERD (Value: US\$2.5 M)	DLI 13: 20% of public school teachers have been evaluated using the teacher career and evaluation system (Value: US\$2.5 M)	At least 40% of teachers have been evaluated using the revised teacher evaluation system, which is aligned with professional standards for teachers	Annual	Project Progress Reports	MINERD	Teaching career proposal refers to a document establishing the guidelines for the components of a teaching career, including entrance, progress, and exit. It should also include issues such as the selection process for teachers, in-service training, professional standards, a growth-oriented teacher evaluation system, an attractive career in terms of responsibilities (career advancement, definition of each stage of the teaching career with requirements for entry and exit), links to certification and teacher induction, and teacher development and improvement options, among others. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators.
8. Design and adjustment of INAFOCAM in-service training programs.	<input type="checkbox"/>	Text	Not started	Not started	Design proposals for INAFOCAM in-service training programs drafted including impact evaluation.	INAFOCAM adopts new designs of in-service training aligned with professional standards for teachers.	INAFOCAM analyzes results from national assessments and pilot modules for training ready.	DLI 18: INAFOCAM adjusts in-service training programs based on results from assessments and/or impact evaluations (Value: US\$2.5 M)	Annual	Project Progress Reports	INAFOCAM documents, ii) MINERD documents, iii) MINERD school databases, iv) national student assessments and sample-	New training programs refer to in-service specific modular programs, with an online component, and which include mentoring. The design of these programs must be based on evidence from national test results, diagnostic evaluations, and/or teacher evaluations in the areas of language and mathematics. These programs are intended for primary

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
											based diagnostic assessments.	teachers (first cycle), and will be part of the design of an impact evaluation. The impact evaluation could include a group of schools that will apply the existing in-service programs, and a control group. At least the control group and the group undertaking the new modular training programs will be selected randomly, within the schools under consideration. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators.
9. Number of teacher positions staffed through the teacher entrance exam (% female)	<input type="checkbox"/>	Number	6,000 (in 2014)	7,000 (80%)	10,000 (80%)	13,000 (80%)	16,000 (80%)	19,000 (80%)	Annual	Project Progress Reports	MINERD, Human Resources Office	"Teacher positions" refers to positions for teacher and directors hired by MINERD. Teacher entrance exam refers to the <i>Concurso de Oposición</i> . Note that this indicator tracks staffing using either the test that has been used and recently adopted and/or the revised test. The 2015 number is the one for that year, all others are cumulative.
10. Implementation of SIGEF in MINERD decentralized agencies.	<input type="checkbox"/>	Text	Planning for implementation in both institutions	Discussion with Ministry of Finance, ISFODOSU, and INAFOCAM, and implementation started	Discussions to define scope and further plans for further implementation	Design of SIGEF implementation plan.	Piloting of SIGEF in INAFOCAM and ISFODOSU	DLI 12: INAFOCAM and ISFODOSU's annual financial reports are prepared using SIGEF (scalable) (Value: US\$3.0 M)	Annual	Project Progress Reports	INAFOCAM and ISFODOSU in coordination with the Ministry of Finance and MINERD	SIGEF refers to the national comprehensive financial management system implemented nationwide. Implementation means the use of SIGEF to produce financial reports.

Component 2 – Improving capacity to assess student learning in primary and secondary education

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
11. Student learning outcomes for the first cycle of primary education analyzed (including by gender) and disseminated	<input type="checkbox"/>	Text	Not started	Draft of the student assessment strategy in the process of elaboration (including dissemination on strategy of student assessments)	DLI 7: The implementation of the Student assessment strategy has started (Value: US\$2.5 M)	DLI 10: MINERD pilots, and based upon the results of the pilot, revises the dissemination component of the Student assessment strategy (Value: USD 2.5 M)	DLI 14: MINERD administers a student assessment for the first cycle of primary education (Value: US\$2.5 M)	DLI 19: MINERD's Student Assessment Directorate staff have received training on sampling, item design, database management, and statistical software. (Value: US\$2.5 M)	Annual	Evaluation and Quality Control Office report	MINERD	Student learning outcomes are defined as the results obtained by students in standardized test that measure learning during the first three grades of primary education. These must include the rollout of the dissemination strategy. "Analyzed" means reporting and publishing results by area of learning (and subarea if possible), area, gender, type of school, rural/urban, and school district or other geographic disaggregation. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators included in this indicator.
12. Application and dissemination of international student assessments.	<input type="checkbox"/>	Text	PISA 2015 pilot applied	DLI 3: PISA 2015 applied by MINERD (Value: US\$3.0 M)	Dissemination of TERCE results.	Dissemination of PISA 2015 results	Application of PISA 2018	Workshop on use and dissemination of international assessment	Annual	Project Progress Reports	MINERD	PISA refers to the Programme for International Student Assessment of the OECD. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators. Dissemination refers to activities that share the main lessons learned from the participation in international assessments to a wider audience.
Component 3 – Improving capacity to evaluate the quality of service provided by Public Early Childhood Development Centers												
13. Capacity strengthening of INAIPI and assessment of QEC centers	<input type="checkbox"/>	Text	Discussions about the themes the content of INAIPI's strategic plan	Terms of reference for the draft of INAIPI's strategic plan ready (including quality standards).	INAIPI's strategic plan ready (including quality standards).	Development of a self-evaluation tool and monitoring system for quality standards, and a process for	DLI 15: Pilot assessment for Public Early Childhood Development Centers carried out (Value: US\$2.5 M)	DLI 20: 50% of functioning Public Early Childhood Development Centers are assessed for quality standards	Annual	Project Progress Reports, MINERD, INAIPI, information system	MINERD, INAIPI, DIGEPEP	Strategic plan refers to a document providing guidelines in terms of: i) Organizational and operational structure of the Institute, including administrative and management structure; ii) strategic framework (mission, vision, values, operational manual); and iii) a system of quality management including

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
						developing improvement with clear dates for implementation.		(Scalable) (Value: US\$2.5 M)				service delivery standards. In place refers to the fact that is used to assess quality of service delivery and it is used for decision making in terms of improving quality in centers. The assessment must be in accordance with the guidelines established in the strategic plan for INAPI, and should be verified by an independent agency according to the protocols of verification of DLIs (see Table A2.3)
<i>Component 4 – Improving capacity to enhance the process for decentralizing public school management</i>												
14. Number of School Management Committees (SMCs) receiving funds directly.	<input type="checkbox"/>	Number	1,021	DLI 4: 250 additional School Management Committees (<i>Juntas de Centro</i>) receive Transfers to SMCs. (Scalable) (Value: US\$2.0 M)	1,400	1,500	1,600	DLI 16: 1,750 School Management Committees (<i>Juntas de Centro</i>) are fully functional (Scalable) (Value: US\$2.5 M)	Annual	Project Progress Reports	MINERD	SMCs refer to school management committees (<i>Juntas Centro</i>), and the number refers to the number of SMCs currently receiving transfers through direct deposit to their bank account, except for DLI 16 (see Table A2.3. Protocols for Verifying Disbursement-Linked Indicators). The number would be determined as the number of SMC receiving funds directly to their bank accounts during the first quarter of each calendar year. Unit of measure is Number and it is not cumulative.

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
15. Implementation of revised SMC guidelines.	<input type="checkbox"/>	Text	Not started	Proposal to revise SMC guidelines	New functional spending guidelines for School Management Committees (<i>Juntas de Centro</i>) discussed	DLI 11: New functional spending guidelines for School Management Committees (<i>Juntas de Centro</i>) adopted by MINERD (Value: US\$2.0 M)	Implementation initiated on revolving budgets and notification to SMCs. and	Implementation advanced on revolving budgets and notification to SMCs.	Annual	Project Progress Reports	MINERD	New guidelines refer to the revision of the ordinances and resolutions regulating SMCs to provide more flexibility to the SMCs in terms of allowable expenses and streamlining financial flows. See also Table A2.3. Protocols for Verifying Disbursement-Linked Indicators. Report on the characteristics of School Management Committees' (<i>Juntas de Centro</i>) improvement projects could be done in 2017 and 2019.
<i>Other Indicators</i>												
16. Beneficiary feedback included at different level	<input type="checkbox"/>	Text	Not started	Not started	Student feedback incorporated in assessments complementarily questionnaires	School district scorecard implemented and design of survey to teachers receiving training	Survey to school Management Committees piloted	All three mechanisms in place and implemented	Annual	MINERD reports, and project reports		Reports of the data collected are published and analyzed. Details of the type and opportunities for beneficiary feedback will be included in the Operational Manual.
17. Direct project beneficiaries (number), of which female (percentage)	<input checked="" type="checkbox"/>	Number (cumulative)	0	37,200 (51%)	82,340 (51%)	332,600 (51%)	393,420 (52%)	455,520 (53%)	Annual	MINERD Reports and EMIS.	MINERD and OCI	The number of direct beneficiaries is calculated as the sum of: (i) teachers trained by INAFOCAM in programs that responded to needs identified with datasets, (ii) students recruited by ISFODOSU using revised exam, (iii) teachers recruited by MINERD using revised <i>Concurso de Oposición</i> , (iv) number of students under <i>Juntas de Centro</i> that start receiving direct

Indicator Name	Core	Unit of Measure	Baseline 2014	Target Values					Frequency	Data Source /Methodology	Resp. for Data Collection	Description
				2015	2016	2017	2018	2019				
												transfers, (iv) students assess with the primary census assessment, and (v) children in QEC centers that have been assessed for quality standards.
18. System for learning assessment at the primary level (utility of learning assessment)	<input checked="" type="checkbox"/>	Yes/No (score)	Yes (3.0)	Yes (3.0)	Yes (3.0)	Yes (4.0)	Yes (4.0)	Yes (4.0)	Annual	MINERD Reports, National Assessments Directorate	MINERD Reports, National Assess, Directorate	Assessment refers to sample of census based assessment in primary education carried out at least once every 5 years. For score, see Bank Guidelines on core sector indicators.

Annex 2: Detailed Project Description

DOMINICAN REPUBLIC: Support to the National Education Pact Project

1. The objective of the Project is to improve the Borrower's capacity to: (i) recruit and train primary and secondary school teachers, (ii) assess student learning in primary and secondary education, (iii) evaluate the quality of service provided by Public Early Childhood Development Centers, and (iv) enhance the process for decentralizing public school management.
2. The Higher Level Objective of the Project would be to improve learning conditions and student learning in the pre-university levels by, among others, bringing higher quality teachers into classrooms, increasing child readiness when entering primary education, empowering schools, and monitoring of student learning. All activities in the Project support these higher level objectives at different parts of the system.
3. The Project would support the implementation of the National Education Pact (*Pacto Educativo*, NEP). Signed in April 2014, the NEP is a broad-based consensus among Dominican society that aims to transform the education system in the Dominican Republic.

Rationale for Bank Support and Results Chain

4. Of the challenges the education system must face in the next decade, the following are key to improving it, and, ultimately, the quality of education in the Dominican Republic. These are: i) quality of teacher instruction that responds to standards for recruiting, teaching, assessing; ii) lack of capacity to assess student learning that would serve as diagnostic information for adjustment, improvement, accountability, and monitoring of progress; iii) school readiness of children; and iv) excessive system centralization. Considering these challenges and taking into consideration client demand and the value that the Bank can add, the Project would focus on four areas: improve the Borrower's capacity to: (i) recruit and train teachers, (ii) assess student learning, (iii) evaluate the quality of service provision of *Quisqueya Empieza Contigo* (QEC) centers, and (iv) enhance the process for decentralizing school management. These four areas of intervention have received explicit backing by all the actors represented in the *Pacto Educativo*, and complement actions underway by other donors to improve access, literacy, and curricula. The last theme additionally builds on an ongoing Government effort to increase the efficiency of school expenditures through decentralization, supported through the First, Second, and Third Development Policy Loans on Performance and Accountability of Social Sectors (PASS). More importantly, all these create synergies that permit to transform activities into outputs to achieve clear outcomes that would result in improving learning conditions in Dominican classrooms and thus student learning in the long term, as shown below.
5. According to the literature, teacher quality instruction is one of the key determinants of student learning outcomes (Hanushek and Rivkin, 2006); in that way, improving the Borrower's capacity to recruit and train teachers (Component 1) tackles the most important aspect of improving teacher instructions. In the absence of the capacity to make the teacher career attractive and an institutional framework capable of recruiting, training, and grooming good teachers, it is unlikely that Dominican students will improve their educational outcomes. The activities under

this component would result in outcomes of vital importance for teacher quality instructions such as having better recruited and trained teachers in classrooms and better teacher and recruitment programs that use the information in the system for educational policy. By creating this capacity at MINERD (outcome), the Project would contribute to the higher-level objective of improving the conditions of learning in the classroom targeting the most important factor of education, teacher instruction, which would translate into improved student learning.

6. Moreover, a large percentage of students are already lagging behind by the time they start compulsory primary education, making ECD key to avoiding repetition and low internal efficiency later on. While the Government and other donors focus on increasing ECD coverage, the Project would complement this by focusing on strengthening the capacity to evaluate the quality of service provision of *Quisqueya Empieza Contigo* centers (ECD Centers) under Component 3. As recognized in the literature, the key aspect that determines the success of ECD services, and the positive effect on children, is the quality of those services. By creating the capacity in MINERD to use standards and evaluate services against them (outcome), the Project would contribute to the higher-level objective of improving the conditions of learning and the actual learning of students in the classroom.

7. At the school level, evidence suggests that higher parental and community involvement has the potential to increase student outcomes by making actors more accountable for their actions (Bruns, Filmer, and Patrinos, 2011). Building on the ongoing decentralization effort, the Project would improve MINERD's capacity to enhance the process of decentralized school management through the expansion of school management committees (SMCs) representing students, teachers, parents, and civil society (Component 4). The transfer of financial resources to SMCs would also increase the efficiency and timeliness of school material purchases and other expenditures (an ongoing problem in the Dominican Republic), thereby contributing to the higher level objective of improving learning conditions in the classroom from the point of view of material resources and learning physical environment (suing the parents, teacher, and directors as catalysts for transformation of schools). This would contribute, as well, to increased student learning.

8. Lastly, progress in student learning can only be monitored and acted upon if MINERD has the capacity to assess student learning (Component 2). The Project would thus support the implementation of an student and school evaluation strategy and the use of instruments to gather diagnostic information and enable positive feedback towards universities and institutes in charge of teacher training, schools, parents, and ministry officials for better decision making at all levels. All these activities would be transformed into information and dissemination outputs that would contribute to the higher-level objective of improving learning conditions and student learning by tracking progress in the system and that would serve as catalyst of change in teacher training programs, targeting of pedagogical support, and informed decision making at the school, district and central levels.

Figure A2.1. Results chain of the Project

Activities	Outputs	Outcome of Project	Outcome Long term (Higher-level objective)
<p>1. Improving capacity recruit and train primary and secondary school teachers Sample Activities: - Development of entrance exam for teacher recruitment and teacher training - Development of teacher standards - Design of new degrees in areas of need - Assessment of teachers - Revision and adjustment of teacher training programs for better focus - Improvement of MINERD’s teacher training institution - Development of a teacher career framework</p>	<p>- More selective system to better recruit teachers for the profession based on standards - System to better select students for teaching degrees - More degrees in areas of need - Information is available on teachers - Teacher career</p>	<p>- Better teachers are hired for the public system according to standards - Better potential teachers are trained for the system - Information is used to adjust programs and respond to teacher training needs</p>	<p>The previous outcomes lead to a new scenario where students start school ready, are taught by teachers who are motivated and trained to provide quality education, in schools empowered with the resources to educate, and a system of monitoring and assessment for student learning</p>
<p>2. Improving capacity to assess student learning in primary and secondary education Sample Activities: - Development of a new framework (strategy) for student assessment -Development of dissemination and use of information strategy - Application of international tests (PISA) - Development of new assessment to evaluate learning of the first three years of primary education - Training and reinforcement of capacity of assessment office</p>	<p>- More information on student learning outcomes is available - Clear processes and systems for the dissemination of assessment results are available</p>	<p>- Student assessment results are analyzed and disseminated to different stakeholders</p>	
<p>3. Improving capacity to evaluate the quality of service provided by Public Early Childhood Development Centers Sample Activities: - Design of INAIPI’s strategic plan, including quality assurance sys. - Implementation of the system - Development of communication strategy about the program</p>	<p>- System for quality assurance designed, communicated, and functioning - Clear quality standards for ECD centers and instruments for assessment available</p>	<p>- Information on the quality standards of service delivery of QEC is analyzed on aggregate and at the center level</p>	
<p>4. Improving capacity to enhance the process for decentralizing public school management Sample Activities: - Review of regulation on school based management and support to schools - Increase the number of school management committees that are functional - Communication and training campaigns to inform about the roles and responsibilities of different SMC members</p>	<p>- Clear regulation for schools in terms of process and roles of different actors - Trained SMCs - Communication campaigns in place - More fully functional SMCs</p>	<p>- Improved performance of the system of decentralization - Better functioning of SMC to implement school development plans - More community participation SMCs</p>	

9. Finally, there are clear linkages and synergies among the four areas that the Project would support. First, improving MINERD's capacity to recruit and train teachers benefits from several inputs from other activities supported. Student assessment results gathered and disseminated through the improved capacity to assess student learning would serve as an input for in-service training programs and for universities and institutes training potential teachers in their classrooms. School-level results would allow in-service educators like INAFOCAM to tailor their training plans to local needs of students, focusing on subjects where students are falling behind. At the same time, student assessment results at a higher aggregation level would serve as an input for pre-service curricula at ISFODOSU, the second largest pre-service teacher training institution (graduating 20 percent of teachers every year), and other higher education institutions. Improving the capacity of MINERD to enhance the process of decentralized school management would improve learning conditions for students and decrease the amount of time teachers spend on administrative duties, thereby allowing teachers to focus on teaching. At the same time, the student evaluation system would benefit from clear standards for teachers and students through the new revised curriculum, as it will allow clear expectations of what a teacher must know and know how to do, and what a student should learn. Next, the improved capacity to evaluate quality of centers under the *QEC* program would benefit from the evaluation interventions. These would include the dissemination of student assessment results for year 3, which are key diagnostic tools to evaluate the weaknesses students develop during their first years of compulsory education. Early evaluation would also provide early feedback to the current system where the first national assessment only occurs when children reach grade 8, which is considered too late for remedial actions. Finally, improving MINERD's capacity to enhance the process of decentralized school based management would benefit from inputs from both teacher training activities and evaluation. Since teachers are represented in SMCs, improved training would increase the quality of SMC decisions. Additionally, school-level assessment results would provide diagnostic information to the SMCs, thereby improving its allocation of resources, community involvement, and accountability of parents, principals, teachers, schools, and districts. All these synergies would also contribute to the higher-level objective of improving learning conditions in Dominican classroom.

Project Description

10. The Project consists of the provision of financing of Eligible Expenditure Programs (EEPs) to support the implementation of the National Education Pact, as set forth in the following parts:

11. Component 1: Improving Capacity to Recruit and Train Primary and Secondary School Teachers. Carry out a comprehensive revision of MINERD's primary and secondary school teacher recruitment and training activities based on professional standards for teachers set forth in the POM, with a focus on:

- (a) Pre-service training through, *inter alia*: (i) the revision of ISFODOSU teaching degree curricula and competence profiles, (ii) the creation of specialized degrees for secondary school teachers, (iii) the implementation of a quality assurance and monitoring system for ISFODOSU, (iv) the implementation of a scholarship program to attract high-performing secondary students to ISFODOSU pre-service degrees, (v) the implementation of a revised remedial program for admitted students with skill gaps, and (vi) the revision of the career structure and promotion schemes of ISFODOSU teachers;
- (b) Human resources management, including, *inter alia*: (i) the design and implementation of a

- competitive induction exam and selection process for public school teachers, administrators and staff, (ii) the launch of an online teacher recruitment system, and (iii) and the launch of web-enabled management information systems;
- (c) The teaching career, through supporting, *inter alia*, the design, and adoption of (i) guidelines for the teaching career, (ii) a revised teacher evaluation based on international best practices, and (iii) the implementation of key aspects of the teacher career, including, *inter alia*, a certification system; and
 - (d) In-service training, through supporting, *inter alia*, (i) the development and piloting of in-service training programs for current teachers through INAFOCAM, (ii) the revision of guidelines and evaluation of existing in-service programs, (iii) institutional capacity strengthening for the INAFOCAM evaluation office, and (iv) an impact evaluation of INAFOCAM in-service programs with randomized assignment.

12. *Pre-service training*: The Government has made significant efforts to improve pre-service training, which is currently carried out by public and private universities, and the Salomé Ureña Institute for Teacher Training (ISFODOSU), but important challenges remain. Just like in other countries in the region, there seems to be a disconnect between pre-service training and the quality of education. Furthermore, access to pre-service training is not selective enough; education degrees have some of the lowest pre-requisites for entry. As a result, many students enroll and graduate from education degrees, far exceeding the number of jobs available in the education system. Additionally, recent evidence suggests that, on average, Dominican teachers come out of teaching schools with large gaps in content knowledge (IDEICE). This problem is especially acute at the secondary level, where teachers show the greatest knowledge gaps and content becomes much more subject-specific, and where there is a lack of teachers for subjects such as chemistry, biology, physics, and math.

13. Project interventions at the pre-service training level would be carried out through ISFODOSU. The Project would focus on ISFODOSU as it is directly under the umbrella of MINERD, although as a tertiary education institution, it is regulated by MESCyT; all other pre-service teacher trainings institutions, either public or private, are regulated by MESCyT. The Project would support (i) the revision of ISFODOSU teaching degree curricula and competence profiles to make them more relevant and demanding, (ii) the creation of specialized degrees to train secondary level teachers, (iii) the implementation of a quality assurance and monitoring system for ISFODOSU, (iv) the implementation of a scholarship program to attract high-performing secondary students to ISFODOSU pre-service degrees, as well as (v) the implementation of a revised remedial program for admitted students that have skill gaps, and (vi) the revision of the career structure and promotion schemes of ISFODOSU teachers.

14. The revised ISFODOSU curricula would focus on switching from a model excessively focused on pedagogical philosophy and theory to a content-based curriculum with a higher ratio of practical training. ISFODOSU would also implement specialized secondary teaching degrees focusing on a single core subject (e.g. biology or mathematics). Progress would be tracked using a quality assurance system.

15. To improve the quality of the student pool, a scholarship program would target students from the top quartile of the POMA test (*Prueba de Orientación y Medición Académica*), the

Dominican university entrance exam. The program would provide living stipends and housing for students enrolled full-time in primary, secondary, and upper secondary pre-service degrees in ISFODOSU. Students entering their degrees with deficiencies would undergo a mathematics and Spanish language intensive remedial program before formally starting their course of study. ISFODOSU also plans to revise its own teacher career, revising promotion schemes for ISFODOSU teachers, increasing salaries to attract talent, and creating partnership with other national and international institutions.

16. *Human resources management:* The Project would support the design and implementation of a competitive induction exam and selection process for public sector teachers, administrators and staff. MINERD would align this exam with teacher standards that would serve as the reference for recruitment processes. MINERD would also launch an online recruitment system that allows for real time job postings and direct application. Previously, district offices managed applications, and prospective teachers could only apply for vacancies in the area covered by the district where they currently lived. The new system would eliminate geographical restrictions and create a national vacancy and applicant pool, making job matching more efficient.

17. The Project would additionally support a web-enabled MIS, which would include digitization of the personnel files of MINERD personnel (teaching and administrative) and linkages to both the public service payroll (*Sistema de Administración de Servidores Públicos, SASP*) and school-level teacher allocation (*Sistema de Información de Gestión Escolar, SIGE*). Specifically, the Project would launch the MIS software and necessary modules, digitize personnel files, pilot and roll-out the system, and train users in the operation and updating of the MIS. MINERD would own the software and the codes for further customization and development of additional MIS modules. The envisaged outcome is greatly increased efficiency of personnel management, increased capacity to support professional development and certification of teachers (*Carrera Docente*), and reduced wastage of personnel expenditures.

18. MINERD would also roll out the SIGEF systems currently in place in the Ministry of Finance (*Ministerio de Hacienda*) to its decentralized institutions INAFOCAM and ISFODOSU. The main advantages of the new system include the links to key functional modules, such as budgeting, procurement, payment, as well as having a web-based system, instead of just a client-server one to make it easier for the Ministry of Finance to prepare consolidated financial information. The annual reports that would be generated by SIGEF would then be published on the Information and Management System for Democratic Governance (*Sistema de Información y Gestión para la Gobernabilidad Democrática, SIGOB*)), as well as on the Government's Transparency Portal, under the *Gabinete de Coordinación de Políticas Sociales* (Office of Social Policy Coordination), as well as the Finance Ministry's Citizen's Portal,²² still being adjusted to be able to display comprehensive features.

19. *Teaching career:* There are currently no systematic mechanisms in place to evaluate or certify the quality of educators. Although the Teacher Regulations (*Estatuto Docente*) include plans for a teacher evaluation system and incentive scheme, these are not currently applied, since the system lacks a monitoring and evaluation mechanism for teacher performance.

²² <http://www.portaldelciudadano.gov.do/>

20. The Project would support the design, and adoption of (i) guidelines for the teaching career, and (ii) a revised teacher evaluation based on international best practices, and (iii) an the implementation of some key aspects of the teacher career (e.g. certification system). The teaching career document would include procedures for induction into, promotion within, and exit from the system. It would also include guidelines for the evaluation of teacher performance, and its links to teacher standards, and in-service teacher training. IDEICE is currently implementing a teacher evaluation program based on the current teacher profile. Building on this experience, an evaluation model based on the revised competence-based teacher profile designed by MINERD would be designed and piloted.

21. The Project would also support the development and implementation of standards for the certification process that would improve the prospects of the teacher career for potential candidates. The Project would support the evaluation of the use of teacher standards to ensure their relevance in different parts of the teacher career and provide support to develop a system to track and monitor results from certification tests.

22. *In-service training:* A recent survey of mathematics teachers conducted by IDEICE revealed that only a small share of teachers (45 percent) were able to correctly answer 50 percent or more of questions related to the content they were supposed to be teaching (IDEICE, 2013). Thus, the Dominican Republic has the challenge to reorient the in-service training efforts, align them with a robust evaluation and teacher support system, and with the needs of the educational system as a whole, reflected in the knowledge gaps of teachers and student learning outcomes. In-service training currently responds to the training needs of teachers themselves and to the supply of training service providers (mainly undertaken by the universities specializing in pre-service training), but not necessarily to the training gaps identified and prioritized by MINERD.

23. The Government has made a substantive effort to increase the resources allocated to in-service training, which would be channeled through INAFOCAM. Although INAFOCAM does not directly train current teachers (in-service teacher training programs are implemented by Dominican universities), it provides more than 80 percent of the financing for tuition and living costs for in-service programs and can provide guidelines and design new programs. This represents a unique opportunity to change the model of in-service training provision under which INAFOCAM is currently operating.

24. The Project would support (i) the development and piloting of several in-service training programs for current teachers through INAFOCAM, and (ii) the revision of guidelines and evaluation of existing in-service programs. Gaps would be identified using teacher and student assessments to better target beneficiaries of training programs.

25. This would require the implementation of diagnostic teacher evaluations to identify strengths and weaknesses, in order to then hire the service providers (local or international, public or private) most suited for the teachers' needs. It would also require the creation of leading training centers at schools that have proven to be effective and show consistently good student learning outcomes, and the implementation of induction mechanisms for new teachers and of retraining for current teachers. The Project would also support INAFOCAM's efforts to more effectively use national student assessment results in order to better target and adjust in-service training programs.

26. INAFOCAM also plans to pilot a series of short school-based in-service training programs, focusing on specific subjects (*especialidades*) and informed by student assessment outcomes. The pilot is expected to focus on 60 schools, and would be implemented by universities and district specialists. INAFOCAM expects to expand this program in the next five years. In addition, revised in-training programs would focus on increasing weekly class hours and balancing the workload of teachers. Most in-training programs financed by INAFOCAM scholarships are taught part-time during weekends, with teachers spending the rest of the week teaching several school shifts. The excessive workload means enrolled teachers lack the time to concentrate on the training program. Revised programs would require a minimum of 12 weekly hours spent on campus (or at schools), and would involve a decrease in working hours.

27. With regards to activities leading to improved MINERD capacity to recruit and train teachers and students enrolled in teaching degrees, the Project is expected to support, among others: i) institutional capacity strengthening for the INAFOCAM evaluation office, and ii) an impact evaluation of INAFOCAM in-service programs with randomized assignment. INAFOCAM is planning to roll out a series of short-term training programs for current teachers over the next two years. The lapse in time would allow for a randomized evaluation design. Up to this point, the INAFOCAM evaluation team has only carried out pre-post evaluations of training programs, due to staff and technical limitations. The Government's capacity building activities under the Project would focus on providing the INAFOCAM team with the capacity to carry out impact evaluations and other types of evaluation.

28. The Bank would also work with other partners to help the MINERD revise their training and communication materials to be gender informed and to avoid the distribution of materials that perpetuate gender stereotypes.

29. Finally, in order to strengthen financial management procedures of teacher MINERD's teacher training institutes, the Project would support the implementation of the public financial management information country system (SIGEF) in ISFODOSU and INAFOCAM. This would contribute to the Government's efforts to strengthen governance and accountability through enhanced use of the IT country systems for public financial management.

Expected Outcome

30. The envisaged outcome of this component at the end of the Project is better teachers recruited and trained according to professional standards for teachers and who enter the public education system through established mechanisms that are efficient and transparent and that use all types of information available in the system to inform decision on teacher training and recruiting.

31. Component 2: Improving Capacity to Assess Student Learning in Primary and Secondary Education. Support the strengthening of student assessment system through:

- (a) Development and implementation of a national strategy for pre-tertiary student assessments;
- (b) Participation in and dissemination of international assessments;

- (c) Technical improvement of national student assessments;
- (d) Design and implementation of a system for dissemination of results and use of assessment data; and
- (e) Development and implementation of a national assessment in early grades.

32. Although the Dominican Republic has a student evaluation system that includes assessments in grades 8 and 12, the information could be more effectively used by all actors in the system (including for teacher training targeting). Additionally, the first census-based student assessment is applied in 8th grade, which is too late to provide effective feedback on student learning gaps. Both student assessments are high stakes and have consequences for grade promotion. There are also two diagnostic assessments, which have no impact on student promotion, and are sample-based (grades 3-4 and 10). These were first applied in 2012. Unfortunately, they cannot provide individualized data to measure student progress.

33. National student assessments should respond to strategic planning based on the information needs of the system, and should be complemented with participation in international assessments at different levels. The last participation of the Dominican Republic in an international student assessment was in the 2006 edition of SERCE; MINERD is participating in TERCE and PISA 2015. The information collected through international assessments could be better used by MINERD, universities, teacher-training institutions, schools, teachers, and family.

34. This component would include a cross-cutting focus on improving the use of data generated to inform educational practices, for example, by feeding it into institutional improvement plans, the adjustment and refinement of training programs, and the content of educational materials.

35. The student assessment strategy would include new and existing guidelines for national assessments, the nature of these assessments, frequency, grades, and basic characteristics (census-based, sample-based). It would also include aims and objectives, implementation plans, strategies for using and disseminating information, plans for strengthening the evaluation directorate in terms of budget and staff, and other related topics. It would also consider participation in international tests.

36. The census student assessment for the first cycle of primary school would be used for diagnostic purposes and would not be used in any way to determine students' progression to the following grade. Activities related to PISA would include participation and dissemination in PISA 2015, and enrollment in PISA 2018. The TERCE assessment is currently under implementation, so the Project would support the dissemination of test results and the drafting and publication of a national report. The evaluation/assessment system would also provide information by gender.

37. The Project would additionally support the drafting of a student assessment data use and dissemination strategy, including new report guidelines, and the piloting and implementation of a simplified results dissemination system at the school, district, region, and national level. Reports would also be accessible online, and would include specific recommendations tailored to each school.

38. As mentioned in the DLI protocol table, the Government would provide: i) assistance and

training to Quality and Evaluation Office staff on impact evaluation methods and student assessments; ii) diagnostic reports and studies using national student assessment and teacher evaluation results; and iii) other consultancies to support the development and improvement of the new assessment and the existing ones.

Expected Outcome

39. The envisaged outcome of this component is a Ministry of Education with the capacity to assess student learning, analyze, and disseminate learning information. In the long term this information would be useful for adjusting teacher training programs and targeting school districts for further pedagogical support, among others. More detailed information on school characteristics would be available to inform decision-making (e.g. training, school administrative functioning, academic improvement plans, content of educational materials, etc.).

40. Component 3: Improving Capacity to Evaluate the Quality of Service Provided by Public Early Childhood Development Centers. Support the organizational design and institutional strengthening of INAPI, through:

- (a) Developing a strategic plan for INAPI and quality standards systems for Public Early Childhood Development Centers and personnel; and
- (b) Development and implementation of an information and communications strategy to disseminate within the Public Early Childhood Development Centers standards of quality service delivery, public understanding of the QEC Program, and improve parenting practices.

41. The absence of ECD services, particularly for children from disadvantaged families, affects the internal efficiency of the education system. There is ample international evidence suggesting that access to early childhood education can increase student performance in higher levels (Berlinski et al., 2006). Furthermore, ECD interventions in disadvantaged families could reduce gaps in child development due to socioeconomic factors (Vegas and Santibáñez, 2010), and are also more cost effective than interventions later on (Heckman, 2006).

42. MINERD currently serves (compulsorily) students aged 5 and on (75.4 percent of students aged 5 attend school), and the 2030 National Development Strategy (*Estrategia Nacional de Desarrollo 2030*) makes education from age 3 compulsory. The challenge is to expand the coverage of early childhood services to children aged 0-5, especially for the most vulnerable populations.

43. The lack of a comprehensive provision of ECD services makes low coverage worse. Besides the limited coverage of the different programs and Government agencies (26,000 children covered out of a total of 150,000 children aged 5 or less in the education system), the provision of services lacks a common regulatory framework. Among the institutions providing ECD services are MINERD, the Ministry of Health and Social Assistance, the Social Cabinet, the Dominican Institute for Social Security, and the National Council for Childhood and Adolescence (CONANI), among others. Each institution develops its own separate programs, curricula and evaluation instruments, lacking articulation and coordination among them.

44. The Government’s flagship program *Quisqueya Empieza Contigo* (QEC) has been designed and implemented and has started. Under the plan, the bulk of service provision for children 0-4 would be passed on to MINERD. To regulate the provision of ECD services under QEC, the National Institute of Comprehensive Care for Early Childhood (*Instituto Nacional de Atención Integral a la Primera Infancia*, INAIPI) has been created, under the umbrella of MINERD. This new institution would need to operate in harmony with the other levels of the education system (especially primary), as well as across other sectors (especially health).

45. The *QEC* program aims to increase ECD service coverage through two interventions: *Estancias Infantiles* and *Programa de Atención Integral de Base Familiar y Comunitaria* (PAIBFC or Program of Comprehensive Community and Family Based Assistance), supported by UNICEF, the IDB, and the European Union. The former program would provide full time comprehensive early childhood services (0-1 year olds), including cognitive, emotional, and psychomotor skill development, nutrition, and training for parents to disadvantaged populations through Government-owned ECD centers. The latter would be co-implemented with civil society organizations, and would focus on children aged 0-4. It would: i) provide assistance and support to parents on lactation, nutrition, and early skill development from pregnancy on; and ii) provide early education to children aged 0-2 and basic education to those aged 3.

46. The Project would support the design and implementation of: i) a strategic plan for INAIPI, including quality standards for centers and profiles for caregivers, educators, nutritionists, and other staff of the *QEC* programs; and ii) a communications strategy. The communications strategy would aim to increase the understanding of the program among the public and the implementing agencies, increase participation of disadvantaged populations in *QEC*, and raise awareness and provide information on parenting practices.

Table A.2.1 – Support to ECD interventions by the Bank and other partners

IDB	Evaluation and M&E system and design of the PAIBFC or Program of Comprehensive Community and Family Based Assistance.
UNICEF	Design of the PAIBFC or Program of Comprehensive Community and Family Based Assistance.
Bank	Institutional design of INAIPI, implementation of quality assurance mechanisms for ECD centers, and communications strategy
European Union	Training of staff for centers

47. As reflected in the DLI protocols, the Government, with other partners, would finance capacity building and assistance to the *QEC* team on international best practices and other ECD reform efforts in Latin America.

Expected Outcome

48. The envisaged outcome of this component is an increased capacity of MINERD-INAIFI to collect and analyze information on the quality of ECD services in the QEC program according to international standards. This information would feed into an M&E system that would follow progress in the implementation of recommendations for each center. In the long term, these outcomes would translate into better service delivery and the assurance that Dominican children that attend these centers are well cared for and are ready to start primary education.

49. Component 4: Improving Capacity to Enhance the Process for Decentralizing Public School Management. Support the decentralization of MINERD's functions and resources through:

- (a) Supporting the increase of established School Management Committees in public schools through Transfers to SMCs;
- (b) Supporting the review of regulations and processes to (i) increase efficiency in establishing SMCs, and (ii) streamline SMC account opening procedures;
- (c) Implementation of a functional expenditure system for SMCs;
- (d) Improving the training of SMCs to develop school improvement plans and annual work plans;
- (e) Improving financial and procurement practices at the school level; and
- (f) Revising school auditing guidelines and procedures.

50. Each SMC is constituted by the school principal, members of the parents association, students, teachers, and representatives of community organizations. The functions of the SMCs are to support and help manage the development of schools; participate in the management of human, physical, and financial resources; and promote community participation in school activities and decisions. Transfers are financial resources made available by MINERD to SMCs to execute their school development project and annual operational plans. SMCs can use transfers in the following way: 40% for non-personal services (e.g. internet, printing, photocopies, per-diems, minor works, banks fees); 40% for supplies (e.g. food, paper, fuel, cleaning products sports and kitchen utensils); and 20% for non-financial assets (e.g. computers, equipment, and office furniture). During the first quarter of 2015, MINERD transferred approximately US\$10.5 million directly to 1,200 SMCs, and nearly US\$15.5 million to 5,800 additional SMCs through school districts.

51. The component would also support the review of regulations and processes to increase efficiency and would develop information activities to increase knowledge on roles and responsibilities of SMCs, the improvement of financial and procurement practices at the school level, and the implementation of school development plans.

52. Weaknesses in administrative and pedagogical management, and the organization of the educational system remain a challenge. Despite the progress during the last decade in terms of organization and decentralization, as well as an increased emphasis on participation (e.g. school management committees, regional committees, and Parent Teacher Associations), the organization of the system at all levels remains a challenge. The great majority of decisions are made at the central level and there are no clear mechanisms for schools to remain accountable to communities for the quality of education provided (PREAL, 2006 and 2010).

53. The organizational structure of MINERD is divided in three levels: central, regional, and

local, which includes school management committees. Despite this structure, the educational system is still highly centralized, since most of the transfer of responsibilities and competences to the regional and local levels has been very limited. Although the spending decentralization process can empower SMCs to allocate resources more efficiently and make decisions regarding, for instance, the maintenance of schools, this process has been slow and most SMCs are not currently receiving the transfers stipulated in the regulations.

54. The Project would support the efforts to make the SMC legalization process faster; the streamlining of SMCs' account opening procedures through pre-checks and adherence with the National Treasury Law when handling public funds; the implementation of a functional expenditure system for SMCs; improved training for SMCs for the development of School Development Plans (SDPs) and Annual Work Plans (AWPs); and revised auditing guidelines and procedures. Beneficiary feedback mechanisms would be incorporated through the activities of SMCs.

55. In 2011 the MINERD made the decision (*Resolución 0668-2011*) to allocate funds directly to School Management Committees (*Juntas de Centro*), based on the number of students in each school. This reform was one of the triggers of a three-phase Development Policy Loan financed by the Bank. Because it was the first time such transfers to SMCs had been made, strict controls were put in place to ensure adequate financial management, covering composition of the SMC, legalization, opening of bank accounts, permissible uses of the funds, frequency of transfers, multiple levels of expenditure review and audit, and adherence to official Government procurement procedures for all purchases.

56. Legalization: Currently, only the President of the country is authorized to legalize the SMCs, which constitutes a significant bottleneck and creates delays. Legalization also requires certification that all members of the SMC have been duly elected by their respective groups (teachers, parents, community members, students). The Project would support the efforts by MINERD to delegate legalization to lower levels to speed up the formation process while creating the accountability necessary to make the process transparent.

57. Account opening: A related issue is opening of bank accounts at the *Banco de Reservas*, a Government-owned bank. It is not uncommon for opening of SMC bank accounts to take 4-6 months. The Project would support interventions by MINERD to appoint personnel with training in bank requirements to pre-review all SMC applications, to help to identify any errors beforehand, and to accelerate the account opening process following the National Treasury Law.

58. Permissible expenditures: MINERD's 2011 ministerial decision to begin financial transfers to the SMCs (*Resolución 0668-2011*) included specification of permissible expenditures and their ceilings. SMCs are allowed to spend 40 percent of their transfer on non-salary services, 40 percent on materials and supplies, and 20 percent on non-financial assets (e.g. information technology). This 40-40-20 specification constitutes a "straitjacket" that is defeating the purpose of the financial transfers. The Project would support the implementation of three categories of functional spending (pedagogical, administrative and school infrastructure maintenance), with increased flexibility in the distribution across categories as specified in the School Development Projects and Annual Work Plans.

59. School development projects: Another issue relates to the preparation by the SMCs of multi-year SDPs and AWP. While this is a sound process, the reality is that the vast majority of SMCs have not been trained in the preparation and budgeting of SDPs and AWP, such that most SMCs simply lack this institutional capacity. In theory, the SDPs and AWP are the key documents that establish the link between student learning and school-level interventions under SMC control. That is, SMCs are supposed to review school-level student evaluation data (e.g. the results of the standardized 8th grade exams) and reach a consensus on how best to allocate transferred funds to improve student learning levels, which would be reflected in the SDPs and AWP. Building this capacity requires additional training. The Project would support efforts by MINERD to increase the staffing and operational budgets of central and district-level officers to address this issue.

60. Audits of SMCs: Currently, there are multiple controls and reviews of each quarterly transfer by district-level accountants and central-level auditors from the Public Auditor's Office (*Contraloría*). These reviews are required before subsequent transfers can be made. With one (sometimes two) accountant(s) at the District Office responsible for reviewing 80-100 SMC financial reports each quarter, the review process gets delayed. In turn, this holds up the authorization of the next financial transfer, so that schools do not receive all the transfers they are due on an annual basis, which makes it impossible for SMCs to implement their SDPs and AWP. The Project would support the streamlining of operations and increase efficiency, and to encourage SMCs to submit their financial reports covering only a portion (e.g. 50 percent) of their transfer, so they can continue to spend their remaining 50 percent while waiting for the next transfer (in this case, the SMC would function more like a revolving fund with periodic replenishments).

61. To assist in the achievement of these indicators, the Project would support: the development of easy-to-understand pamphlets and posters that explain the roles and responsibilities of SMCs; piloting of SMC training and capacity-building; piloting of the use of local private audit firms to visit a sample of SMCs; review and technical assistance to promote the adherence of financial management and procurement practices to standards that would make transfers to SMC and their use eligible under the eligible expenditures according to Bank's guidelines.

Expected Outcome

62. The envisaged outcome of this component is a Ministry with the capacity of deepening the decentralization process to SMCs to improve learning conditions in the classrooms in the middle to longer term. It would also improve community participation and involvement in school decisions and accountability of resources.

Medium-Term Expenditure Framework

63. The Bank would support the implementation of the National Education Pact, currently estimated at US\$9.35 billion (US\$1.24 billion for the four priority areas shown below) for the 2014-2016 period. Table A2.2 presents the expected projections of expenditures in the key areas: i) non-salary teacher related expenditures (primarily training); ii) budget of MINERD's evaluation

office; iii) institutional budget for the INAIPI; and iv) annual disbursements to SMCs.

Table A2.2. MINERD Medium-Term Expenditures (US\$ million)

<i>Expenditures</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Total Government Budget (% of GDP)	14,102 22.47%	14,737 21.18%	15,400 20.27%
Of which Education (% of GDP)	2,511 4.00%	3,236 4.65%	3,607 4.75%
1. Teacher training (% of Education)	51.37 2.05%	122.50 3.79%	144.68 4.01%
2. Evaluation (% of Education)	6.45 0.26%	11.09 0.34%	13.68 0.38%
3. INAIPI (ECD) (% of Education)	95.45 3.80%	170.18 5.26%	195.21 5.41%
4. Direct transfers to schools (% of Education)	107.88 4.30%	151.40 4.68%	165.40 4.59%
Total by year	261.15	455.17	518.97
Total spending in priority areas 2014-2016	1235.30		
Total education spending in 2014-2016	9354.00		

Note: This table comes from the multiyear operational plan from MINERD.

Table A2.3. Protocols for Verifying Disbursement-Linked Indicators

(DLIs eligible for partial completion are labeled “Scalable”)

DLI	Definitions	Proof of accomplishment	Data sources	Responsible unit
<p>DLI 1: ISFODOSU’s revised standardized entrance examination is applied to all its applicants</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank’s EDU team—Independent Verifier</p>	<p>The entrance examination refers to the test ISFODOSU applies to admit students into its 2015 programs. The revision refers to a technical improvement by an assessment expert of the instruments used in the assessment.</p>	<p>The DLI will be accomplished when ISFODOSU presents a document explaining the activities carried out and the differences with a comparative analysis of the previous test and the new test, describing the steps undertaken to improve the instruments used to determine admission. The document will also include a statistical analysis of student results and the names of the technical team that revised the instruments.</p>	<p>i) ISFODOSU documents, including a sample of old and revised instruments; ii) MINERD documents.</p>	<p>MINERD, OCI, ISFODOSU</p>
<p>DLI 2: MINERD administers competitive entrance exam to hire teachers (<i>Concurso de Oposición</i>)</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank’s EDU team—Independent Verifier</p>	<p>Competitive examination or <i>Concurso de Oposición</i> refers to the entrance exam applied to all candidates applying to be hired as teachers, principals, etc. by MINERD.</p>	<p>The DLI will be accomplished when MINERD sends a document including the evidence of the application of the <i>Concurso de Oposición</i> in 2015. The document should include number of applicants, successful applicants, gender, and communication material to announce the assessment. The analysis should include results by region, gender, higher education institution, experience, age, type of degree, etc.</p>	<p>i) MINERD documents; ii) competitive exam databases; iii) human resources databases; iv) analysis of reports.</p>	<p>OCI, Human Resources Department, MINERD, Vice-Ministry for Pedagogical and Technical Services.</p>
<p>DLI 3: PISA 2015 applied by MINERD D</p> <p>Value: US\$3.0 M Scalable: No Time Bound: No Verified by: Bank’s EDU team—Independent Verifier</p>	<p>PISA refers to the Programme for International Student Assessment of the OECD. Implementation refers to the administration of the assessment a per PISA 2015 guidelines.</p>	<p>The DLI will be accomplished when MINERD administers the assessment and submits to the Bank a letter from the OECD confirming that the DR is participating in the 2015 assessment and that, in that process, MINERD has administer the assessment.</p>	<p>i) MINERD documents; ii) OECD-PISA documents.</p>	<p>MINERD, OCI, Evaluation Directorate of MINERD.</p>
<p>DLI 4: 250 additional School Management Committees (<i>Juntas de Centro</i>) receive Transfers to SMCs.</p> <p>Value: US\$2.0 M Scalable: Yes Time Bound: No Verified by: Bank’s EDU team—Independent Verifier</p>	<p>SMCs refer to school management committees (<i>Juntas de Centro</i>), and the number refers to the number of SMCs made fully functional (and currently receiving transfers through direct deposit to their bank account) during 2015.</p>	<p>The DLI will be accomplished when the Directorate of Decentralization has submitted a list of schools with SMCs constituted, legalized, with active accounts and disbursements carried out. The list must include a name, phone number, email address for verification and information on disbursements made. The information must include the number of SMC receiving funds directly during the first quarter of calendar year 2014 and the number of SMCs receiving funds directly during the first quarter of 2015. The difference between these two would constitute the “additional” SMCs receiving school Transfers.</p>	<p>i) MINERD documents showing legalization of SMCs; ii) Bank account opening statements; iii) SMC centralized database with names and contact information; iv) independent agent verification (e.g. phone survey).</p>	<p>MINERD, OCI, Directorate of Decentralization</p>

<p>Scalability: US\$8,000 for each of the new SMC up to 250 that this DLI refers to</p>				
<p>DLI 5: Dissemination of professional standards for teachers started</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>Professional standards for teachers refer to the standards for teacher performance designed by the Vice-Ministry for Certification within MINERD, which teachers should know and apply. By dissemination it is understood events, communication materials (printed or digital), presentations, social media, etc.</p>	<p>The DLI will be accomplished when the MINERD sends documentation to the Bank describing at least 4 dissemination activities in the form of agendas, description of events, objectives of communications, targeting of campaigns, workshops descriptions, participants, etc.</p>	<p>i) MINERD documents; ii) Vice-Ministry for Certification documents.</p>	<p>MINERD, OCI Vice-Ministry for Certification.</p>
<p>DLI 6: MINERD aligns entrance exam (<i>Concurso de Oposición</i>) with professional standards for teachers</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>Competitive examination or <i>Concurso de oposición</i> refers to the entrance exam applied to all candidates applying to be hired as teachers or principals by MINERD.</p> <p>Professional standards for teachers refer to the standards for teacher performance prepared in 2014-2015 by the Vice-Ministry for Certification within MINERD that teachers must know and apply</p>	<p>The DLI will be accomplished when MINERD reviews the instruments used in the competitive examination according to at least 50% of the new standards, submits an analysis of the alignment of the instruments with said standards to the Bank, and starts applying the revised competitive examination in the following hiring process.</p>	<p>i) MINERD documents; ii) competitive exam databases; iii) human resources databases; iv) the office of the Vice-Ministry for Certification provides an assessment of the alignment of the <i>Concurso</i> with Standards.</p>	<p>Human Resources Department, Vice-Ministry for Pedagogical and Technical Services, Vice-Ministry for Certification.</p>
<p>DLI 7: The implementation of Student assessment strategy has started</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>Student assessment strategy refers to a medium-term strategy that describes new and existing guidelines for national assessments, the nature of these assessments, frequency, grades, and basic characteristics (census-based, sample-based). It should also include aims and objectives, implementation plans, strategies for using and disseminating information about students' assessment results, plans for strengthening the evaluation directorate in terms of budget and staff, and other related topics. It should also consider participation in international tests.</p>	<p>The DLI will be accomplished when MINERD adopts the strategy through adjustments to the relevant regulations, has a draft of a concrete schedule for implementation, and has sent this information to the Bank. For purposes of this DLI all approvals and adjustments to regulations must have been carried out or under approval. To demonstrate that implementation has started the office of National Assessments will send an official communication describing the steps taken (for example, contracts, technical studies, calendar, internal MINERD decisions, funding, and communication strategy) towards the administration of a census-based student assessment for the first cycle of primary education.</p>	<p>i) MINERD documents (eg. Changes to regulations, etc.); ii) Document of strategy, and others.</p>	<p>Evaluation Directorate of MINERD.</p>

<p>DLI 8: ISFODOSU offers two new degrees for training secondary-level teachers. (Scalable)</p> <p>Value: US\$2.5 M Scalable: Yes Time Bound: No Verified by: Bank's EDU team—Independent Verifier Scalability: US\$1.25 M for each of the new two degrees that the DLI refers to.</p>	<p>Undergraduate degree programs in secondary education refer to degree programs in any of the following areas: mathematics, chemistry, social sciences/history, or other sciences.</p>	<p>The DLI will be accomplished when ISFODOSU is implementing at least 20% of the revised curriculum in at least two new undergraduate degrees in secondary education. ISFODOSU will send the Bank a brief report outlining: i) new curricula, ii) new programs in mathematics, chemistry, social sciences/history, and other sciences iii) new pedagogical practices incorporated into the curriculum, and iv) a statistical summary of the students who have been admitted, are enrolled, or were enrolled in such programs. For purposes of this DLI all approvals and adjustments to regulations must be submitted to the Bank.</p>	<p>i) Documents showing ISFODOSU activities undertaken during the implementation of the degrees; ii) databases of students and ISFODOSU courses taken.</p>	<p>MINERD, OCI, ISFODOSU</p>
<p>DLI 9: Teaching career and evaluation system (based on standards) has been adopted by MINERD</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>Teaching career and evaluation system refers to a document establishing the guidelines for the components of a teaching career, including entrance, progress, and exit. It should also include issues such as the selection process for teachers, in-service training, professional standards, a growth-oriented teacher evaluation system aligned with the professional standards for teachers, an attractive career in terms of responsibilities (career advancement, definition of each stage of the teaching career with requirements for entry and exit), links to certification and teacher induction, and teacher development and improvement options, among others.</p>	<p>The DLI will be accomplished when MINERD delivers an official document containing the elements described in the definitions, and proof of adoption. For purposes of this DLI all approvals and adjustments to regulations must be submitted to the Bank and the documentation provided must be acceptable to the Bank given the definitions. Dissemination plans and current should also be included as part of the information sent to the Bank.</p>	<p>i) MINERD documents; ii) Vice-Ministry for Certification documents.</p>	<p>MINERD, Vice-Ministry for Certification, OCI</p>
<p>DLI 10: MINERD pilots, and based upon the results of the pilot, revises the dissemination component of the Student assessment strategy (Value: USD 2.5 M)</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>The dissemination strategy refers to the system designed within the student assessment strategy and includes mechanical and systematic dissemination of the results of national assessments and other census tests taking into account the different types of users of this information (parents, students, schools, school boards, districts, agencies responsible for teacher training, researchers, and internal MINERD customers), and different media (on-line, physical media, etc).</p>	<p>The DLI will be achieved when a pilot of the system has been implemented and MINERD has produced a report with recommendations on adjustments to the strategy before national implementation.</p>	<p>i) MINERD documents, action plans, pilot documents, and description of the strategy.</p>	<p>Evaluation Directorate of MINERD, OCI</p>
<p>DLI 11: New functional spending guidelines for School Management Committees (<i>Juntas de Centro</i>) adopted by MINERD</p>	<p>New guidelines refer to the revision of the ordinances and resolutions regulating SMCs to provide more flexibility to the SMCs in terms of permitted expenses and streamlining financial flows.</p>	<p>The DLI will be accomplished when the ordinance has been revised and the new guidelines have been adopted by MINERD, published on its website, and sent to all SMCs and districts. The documentation will be sent to the Bank as evidence of the achievement of this DLI.</p>	<p>i) MINERD documents; ii) MINERD websites.</p>	<p>MINERD, Vice-Ministry for Management, Decentralization and Cultural Affairs, Directorate of Decentralization, OCI</p>

<p>Value: US\$ 2.0 M Scalable: No Time Bound: No Verified by: Bank's EDU team</p>				
<p>DLI 12: INAFOCAM and ISFODOSU's annual financial reports are prepared using SIGEF</p> <p>Value: US\$3.0 M Scalable: Yes Time Bound: No Verified by: Bank's EDU team—Independent Verifier Scalability: US\$1.5M for each institution that has submitted annual financial reports through SIGEF.</p>	<p>SIGEF refers to the national comprehensive financial management system implemented nationwide. The implementation of SIGEF has been carried out in stages. 100% of centralized institutions are currently using it, whilst decentralized and autonomous institutions and municipalities are still implementing it. The Project aims to implement SIGEF and replace software operating in a client / server platform with a more robust platform based on the Internet, thereby strengthening the capacity of these public entities to manage their finances.</p>	<p>The DLI will be accomplished when MINERD sends to the bank evidence that the annual financial reports of INAFOCAM and ISFODOSU have been submitted through SIGEF.</p>	<p>i) MINERD, INAFOCAM, ISFODOSU documents, ii) SIGEF generated reports</p>	<p>MINERD, ISFODOSU, INAFOCAM, OCI</p>
<p>DLI 13: 20% of public school teachers have been evaluated using the teacher career and evaluation system</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>The revised teacher evaluation system refers to the evaluation and guidelines described in the document on the teaching career. The percentage would be calculated as follows: the numerator is the number of teachers who are assessed and the denominator is total number of teachers in the system at the time of the application of the assessment.</p> <p>The evaluation of teachers should contain at least a module on content knowledge at a sufficient level of detail to be able to provide information for teacher training.</p>	<p>The DLI will be accomplished when 20% of teachers receive individual feedback on their performance in the revised teacher evaluation, and MINERD submits a report to the Bank, analyzing the evaluation results.</p>	<p>i) Teacher evaluation instruments; ii) centralized database with results of teachers who participated in the evaluation; iii) individual, school, district-level, regional and national reports iv) documents provided by MINERD.</p>	<p>Vice-Ministry for Pedagogical and Technical Services, Vice-Ministry for Certification; IDEICE, OCI</p>
<p>DLI 14: MINERD administers a student assessment for the first cycle of primary education</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>The assessment refers to a diagnostic, census-based Spanish and mathematics assessment (at a minimum) designed for the purpose of providing feedback for parents, schools, teacher training institutions, and MINERD. The test must assess learning outcomes of the first cycle of primary education (grades 1 to 3). The test could be applied to students in 3rd grade or 4th grade as the MINERD's Student assessment strategy deems more appropriate.</p>	<p>The DLI will be accomplished when MINERD successfully implements the assessment as defined, and sends to the Bank: i) a preliminary implementation report. If assessment results are available they should also be sent in a brief document by gender, region, type of school, etc.</p>	<p>i) Completed mathematics and Spanish assessments; ii) centralized database; iii) other documents prepared for the test by MINERD.</p>	<p>Evaluation Directorate of MINERD, OCI.</p>
<p>DLI 15: Pilot assessment for Public Early Childhood</p>	<p>By "pilot" it is understood the administration of questionnaires and tools in a subsample of QEC centers. Strategic plan refers to a document providing guidelines in terms of: i)</p>	<p>The DLI will be accomplished when INAIPI / MINERD or the relevant authority pilots the assessment tools and questionnaires for QEC centers. For the purposes of this DLI, the pilot should be in line with the Strategic Plan and</p>	<p>i) INAIPI, MINERD, INAIPI, CONANI documents.</p>	<p>MINERD, INAIPI, OCI</p>

<p>Development Centers carried out</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>Organizational and operational structure of the Institute, including administrative and management structure; ii) strategic framework (mission, vision, values, operational manual); and iii) a system of quality management including service delivery standards (and including instruments for assessing improvements).</p>	<p>the system of quality management that includes service delivery. MINERD will send a report with the lessons learned from the pilot and how the tools would be improved.</p>		
<p>DLI 16: 1,750 School Management Committees (Juntas de Centro) are fully functional</p> <p>Value: US\$2.5 M Scalable: Yes Time Bound: No Verified by: Bank's EDU team—Independent Verifier Scalability: US\$0,0 for the first 250 SMC, as they were already counted towards the 2015 DLI, and US\$1,428 for every SMC after that, and up to 1,750 SMCs.</p>	<p>SMCs refer to school management committees (<i>Juntas de Centro</i>), and the number refers to the number of SMCs made fully functional (and currently receiving transfers through direct deposit to their bank account) since 2014 up to the date of verification. By fully functional it is understood the SMCs that are legally constituted, with an improvement plan, with a Bank account, and receiving transfers from MINERD. By implementing it is meant that SMCs spend the money according to the improvement plan and with the participation of all members of the SMCs in the decision making.</p>	<p>The DLI will be accomplished when the Directorate of Decentralization has submitted a list of schools with SMCs constituted, legalized, with active accounts and disbursements carried out (the list must include a name, phone number, email address for verification and information on disbursements made), and an audit report of SMC expenditures covering at least 300 randomly-selected SMCs to verify that schools are implementing their school improvement plans.</p>	<p>i) MINERD documents showing legalization of SMCs; ii) Bank account opening statements; iii) SMC centralized database with names and contact information; iv) external audit of SMC expenditures covering at least 300 SMCs and compared with the school improvement plan.</p>	<p>MINERD, Directorate of Decentralization, OCI</p>
<p>DLI 17: ISFODOSU has started the implementation of its own professional development plan for its educators</p> <p>Value: US\$2.375 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>ISFODOSU teaching career refers to an evaluation system of ISFODOSU educators (teachers of teachers) focused on standards, competencies, and assessments, and a system able to stimulate and create incentives for professional development of educators.</p>	<p>The DLI will be accomplished when ISFODOSU sends the Bank: i) the new academic regulations; ii) evidence of teaching career adoption by the Board of ISFODOSU, iii) a report with an analysis of the results of the educator assessment and policy recommendations.</p>	<p>i) Academic regulations of ISFODOSU; ii) decisions of the ISFODOSU board related to the academic career within ISFODOSU; iii) documents provided by MINERD; iv) databases of the educator assessment and analysis.</p>	<p>MINERD, OCI, ISFODOSU</p>
<p>DLI 18: INAFOCAM adjusts in-service training programs based on results from assessments and/or impact evaluations</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank's EDU team—Independent Verifier</p>	<p>Adjustments refer to changes to existing in-service training programs, or the creation of new ones, based on new evidence indicating specific areas for improvement in mathematics and Spanish. This new evidence may come from teacher assessments, student assessments, impact evaluations, and diagnostic tests.</p> <p>In-service training refers to training programs that target teachers that are already employed by MINERD.</p>	<p>The DLI will be accomplished when INAFOCAM analyzes available national assessment data, including impact evaluations if available, and develops an adjustment plan or new training programs, focused on improving the impact of in-service training programs for teachers in the areas that need the most improvement in mathematics and Spanish.</p>	<p>i) MINERD student assessment databases; ii) international tests; iii) diagnostic tests, iv) teacher evaluation; v) teacher certification; vi) INAFOCAM documents.</p>	<p>INAFOCAM, with support from other MINERD agencies. OCI</p>

<p>DLI 19: MINERD’s Student Assessment Directorate staff have received training on sampling, item design, database management, and statistical software.</p> <p>Value: US\$2.5 M Scalable: No Time Bound: No Verified by: Bank’s EDU team—Independent Verifier</p>	<p>MINERD’s Student Assessment Directorate staff refers to technical employees who participate in the preparation, analysis and dissemination of assessments at any level. By “sampling” is meant training in statistical methods and tools that are used to indicate how much data to collect and how often it should be collected. By “item design” is meant training in developing questions for student assessments that are aligned with what the purpose of the assessment. By “database management” is understood the processing, storage, and transformation of information using computer systems. By “statistical software” is meant any software that allows the processing of data for statistical analysis. By “training” is meant any activity, workshop, course or similar that shares knowledge with participants on how to achieve specific task on the areas of the training.</p>	<p>The DLI will be accomplished when MINERD carries out at least two (2) training sessions of each of the types of training included in the description column. The training should be acceptable to the Bank and the MINERD will send a report of the activities, materials used in the training, and a sample of the products that have used the new capacity of staff to analyze assessment data (ex: a brief report that analyses student learning results by area of learning area, gender, type of school, rural/urban, and school district or other geographic disaggregation).</p>	<p>i) Completed mathematics and Spanish assessments; ii) centralized database; iii) other documents prepared for the test by MINERD.</p>	<p>Evaluation Directorate of MINERD, OCI.</p>
<p>DLI 20: 50% of functioning Public Early Childhood Development Centers are assessed for quality standards</p> <p>Value: US\$2.5 M Scalable: Yes Time Bound: No Verified by: Bank’s EDU team—Independent Verifier Independent and or CONANI Scalability: US\$50,000 for each percentage point up to the 50% that this DLI refers to.</p>	<p>ECD comprehensive care centers refer to the centers under the QEC program, and standards refer to the quality standards set by INAIPI. The denominator number would be the number of centers functioning at the start of the planning of activities for assessing quality standards.</p>	<p>The DLI will be accomplished when CONANI or an external audit firm submits to the Bank a report in which at least 50% of functioning ECD comprehensive care centers have been assessed for the quality standards set by the INAIPI.</p>	<p>i) MINERD/ INAIPI/ DIGEPEP documents; ECD center documents (if needed); ii) Independent verification by another institution of the Government (for example, CONANI) or a private firm.</p>	<p>MINERD, INAIPI, OCI, DIGEPEP</p>

Annex 3: Implementation Arrangements

DOMINICAN REPUBLIC: Support to the National Education Pact Project

Project Institutional and Implementation Arrangements

1. The Project would be implemented by the MINERD, the Ministry in charge of all pre-tertiary public education in the Dominican Republic. The MINERD and its decentralized agencies responsible for the areas identified as priorities would be responsible for implementing all activities, under the coordination of the Office of International Cooperation (OCI). The OCI is the office responsible for coordinating and overseeing all internationally-funded projects in the education sector, as well as overseeing and supporting all institutions involved in their implementation.

Project administration mechanisms

2. The Project would consist of four components. It would be organized around DLIs, as shown in previous sections. Specific targets are presented in Table A2.2. Descriptions of acceptable evidence of achievement of the DLIs, roles for verification and third party monitoring (when applicable) are outlined in Table A2.3: Protocols for Verifying Achievement of DLIs and the Operations Manual.

3. In order to support the Project Coordination Unit (PCU) to fulfill their responsibilities and to increase the quality of MINERD's technical activities in the areas supported by the Project, a Steering Committee would be formed, consisting of the following members: (i) a representative of MINERD's OCI; (ii) a representative of the MINERD's Vice-Ministry of Planning; (iii) a representative of the MINERD's Vice-Ministry of Technical and Pedagogical Services; and (iv) a representative of the Ministry of Finance. This committee will oversee that timely reporting is carried out, documentation of DLI achievement is submitted on time, withdrawal applications are submitted in a timely manner, and coordination with technical and decentralized units and institutes of the MINERD is in place. The Steering Committee's responsibilities would include: (i) providing strategic guidance to MINERD for overall Project implementation; (ii) regularly reviewing Project monitoring and evaluation data to determine progress and proposing adjustments to MINERD to ensure satisfactory achievement of the Project objective; (iii) monitoring MINERD's sufficient budgetary allocation for the carrying out the audit and verification obligations under the Project in a manner satisfactory to the Bank; (iv) overseeing the reporting, documentation and submission of DLI achievement, and the timely submission of withdrawal applications; and (iv) overseeing the coordination of technical and decentralized units of MINERD and respective key stakeholders on key policy issues related to Project implementation. The Bank's education team would support this Committee technically by providing comments on the preparation and evaluation of technical activities prepared by the MINERD, its directorates, and decentralized institutions working in the areas supported by the Project towards the achievement of the PDO (e.g. teacher recruitment and training, student assessment, quality assurance of ECD centers, and decentralized school management). The Bank would thus provide, among other inputs, technical comments on terms of references for activities that would support the Project, on the planning of activities, and on the evaluation of works contracted directly by the MINERD. It

would also share experiences from other countries, promote south-south cooperation, and carry out other activities to enhance the technical quality of the implementation of the MINERD's program in Project areas.

4. MINERD's Directorate of Management and Educational Decentralization oversee all activities related to Transfers to SMCs and their annual improvement and operational plans, according to its operations manual. With regards to the responsibility of achieving the DLIs, the MINERD, as well as its decentralized agencies, would be responsible for the implementation of activities that would lead to DLI achievement. For activities related to improving MINERD capacity to recruit and train teachers, an important number of DLIs would fall under the direct responsibility of ISFODOSU and INAFOCAM (MINERD's decentralized institutes), and several MINERD vice-ministries. With regards to the DLIs linked to improving MINERD's capacity to assess student learning, the MINERD itself, through its office of evaluation, and the Dominican Institute of Research and Evaluation (IDEICE), would be the responsible agencies. MINERD, through INAPI, would oversee all activities related to improving MINERD's capacity to evaluate the quality of service provision of *Quisqueya Empieza Contigo* centers, in close coordination with those entities within MINERD that are working on this, including the initial education division. For activities related to improving MINERD's capacity to enhance the process of decentralized school management, many of the responsibilities for achieving DLIs would fall under the purview of the Vice-ministry of Decentralization and Culture, specifically its decentralization division.

Financial Management, Disbursements and Procurement

Financial Management

5. The Bank performed a financial management (FM) assessment of the MINERD's International Cooperation Office (OCI), which would coordinate and implement this Project. No ring-fencing is required since MINERD/OCI's FM arrangements are considered adequate. The Bank concludes that the MINERD/OCI has the capacity to coordinate and be responsible for the fiduciary aspects of the Project, including processing loan proceeds. Key FM staff is already familiar with Bank guidelines and the entity has previous experience with monitoring DLIs and with donor funded projects.

6. MINERD's Directorate of Management and Educational Decentralization oversees all activities related to Transfers to SMCs' annual improvement and operational plans in accordance with the operations manual. The OCI will coordinate with the Directorate of Management and Educational Decentralization to implement the activities under the Project related to SMCs. An assessment of the decentralization approach of MINERD was also carried out. The Government has conducted comprehensive fiduciary training for SMCs. Internal controls work reasonably well, as MINERD's auditors periodically review their operations to make sure they are performed in accordance with the operations manual for SMCs. SMCs receive Transfers based on the number of students delimited by formal internal regulations issued by the MINERD and are targeted toward supporting SMCs' annual improvement and operational plans. The operations manual of the program is mandatory for SMCs. SMCs meet every two months, and finance committees meet as frequently as needed. All members of SMCs (parents, teachers, and students, and Civil Society Organizations) also actively monitor expenditures. SMCs reporting is carried out quarterly,

including bank reconciliations, and budget surpluses from one fiscal year are carried over to the following year. In order to ensure that schools receive funds in line with their entitlement and that these funds are used for their intended purposes, SMCs are required to follow the operations manual, including reporting expenditures in the three allowed categories: non-personal services (40%), school supplies (40%), and non-financial (20%). Deviations from these percentages in the use of Transfers are approved by the School District Committees if higher than US\$1,000.

7. Despite the strengths of the systems in place, SMCs could benefit from financial management systems that facilitate reporting in a timely and more reliable manner, as operations are performed manually. Furthermore, continuous training and communication with SMCs' members is needed to strengthen the capacity of reporting according to the operations manual and to reduce the effect of turnover in SMCs. Emphasis on communication and training could also help in tackling challenges such as a low segregation of duties among all the requirements for SMCs operations and the identification of candidates for SMCs that have more experience or background in FM. For the purposes of the Project, SMCs would follow their operations manual and other regulations.²³ The Project would enhance decentralization, particularly in the areas of the implementation of Transfers, communications, and procurement practices. Annual audits of the Project would include a sample of schools, identify challenges, and support the Government on resolving them.

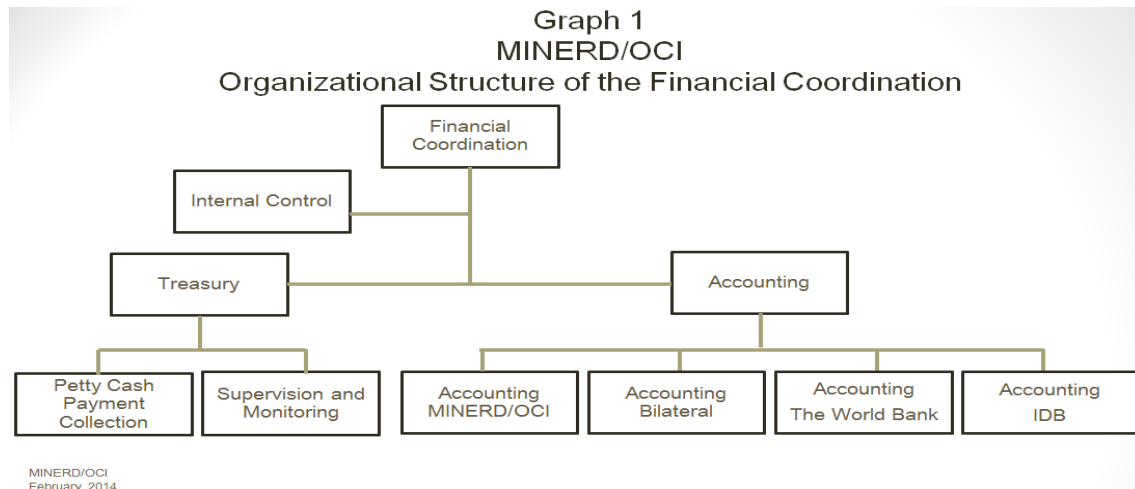
8. The OCI implemented a recently closed US\$42 million Early Childhood Education Project (P054937) and co-implemented Component 3 of the closed US\$25 million Dominican Republic Youth Development Project (P096605).

9. The Project would follow established financial management procedures to be included in the Project Operations Manual. For country specific laws and regulations, the Project would follow those applicable, per MINERD and OCI's FM arrangements, including:

- a) The MINERD/OCI FM Manual, which includes the entity's internal control system;
- b) Dominican Republic Government Financial Management;
- c) Ethics Code for employees;
- d) Public Procurement;
- e) Taxes and duties, paying attention to exemptions applicable to the education sector;
- f) Organizational functions and roles;
- g) MINERD's webpage www.minerd.gob.do includes a transparency tab with relevant information on its financial transactions;
- h) The Dominican Republic Access to Public Information Law, in line with the Bank's policy, including transparently displaying the audit report at MINERD's webpage www.minerd.gob.do, and at the Court of Audits' webpage www.camaradecuentas.gob.do, and
- i) Operations Manual of Transfers to SMCs.

²³ The legal basis for the constitution, legalization, functioning, implementation, accountability, and monitoring of SMCs, and Schools Transfer, can be found in the *Ley General de Educación* 66'97 (from April 9, 1997); the *Ordenanza* No. 02-2008; *Resolución* No. 0668-2011, and the *Orden Departamental* No 695. More information can also be found in the *Manual de Operación de Juntas Escolares* and the *Instructivo para el manejo de fondos transferidos a las Juntas Regionales, de Distrito y Centro Educativo*.

10. The MINERD/OCI receives all budget allocated in the approved Annual Budget Laws. With adequate staffing arrangements, the entity has qualified accountants on its FM functions, all of them graduate accounting professionals, with experience handling FM arrangements for donor funded Projects, and commensurate with the Project scope. If the increased work load requires additional staff, FM staff would be hired following the terms of reference included in the Operations Manual (OM) and the MINERD/OCI. The organizational chart, which is simple and commensurate with the Project's scope, is included below.



11. The entity keeps adequate records of financial transactions. Its accounting and supporting documents are retained in a defined system that allows easy access to authorized users. Such records include an up-to-date cash book, bank statements and bank account reconciliations. The OCI has an integrated automated accounting system in place with internal controls embedded, designed for units implementing external resources.

12. The MINERD/OCI is subject to public audit by the Chamber of Accounts. The annual external audits for the Early Childhood Education Project, performed by external audit firms, yielded unqualified (clean) opinions on the financial statements throughout the life of the Early Childhood Education Project. The audit team did not find any material weaknesses on the internal control environment. There were minor deficiencies highlighted and reported in a separate management letter that were promptly resolved and closed. It is also subject to external scrutiny, monitoring and oversight by a coalition of civil society and private sector organizations, providing independent analysis, and advocacy for education reform.

13. Slow implementation rate, as measured by disbursement, was repeatedly mentioned in implementation support reviews and the Implementation Completion Reports (ICR) of the Early Childhood Education Project. As a risk mitigating measure, the design team has opted for defining disbursement-linked indicators. The MINERD is familiar with these types of projects financed by other cooperating partners, especially by the European Union.

14. The Bank engaged jointly with other cooperating partners at the system level with the MINERD through the Government-led IDEC that promotes participation, transparency, and accountability in the education sector. Assistance to the MINERD in the implementation of

IDEC's recommendations includes strengthening the national integrated FM information system (IFMIS, the Government FM information technology country system) at its decentralized entities. The NEP also identified the need for support to civil society and private sector organizations to participate in the education sector. The *Salomé Ureña* Teacher Training Institute (ISFODOSU) and the National Institute of Teacher Training and Education (INAFOCAM) are implementing the country's IT system. The Project has also identified activities that would support the efforts of the Ministry of Finance to deepen national FM systems in the education sector.

15. The Project costs would be 100% Bank-financed. Disbursement methods are limited to reimbursement for achieving agreed DLIs against eligible expenditures. Project funds would be disbursed to a bank account, as indicated by the Ministry of Finance at the Central Bank of the Dominican Republic. Retroactive financing would be allowed up to a maximum of US\$10 million (20 percent of the Project) under the Project conditional on i) achievement of DLIs and ii) eligible expenditures under the EEP made one year before the Loan Signing Date. The Disbursement Letter would specify the requirements for supporting documentation, minimum value for withdrawal applications, and include the format of the Customized Statement of Expenses (C-SOEs) and the Withdrawal Application Schedule following the DLI Reporting Dates.

16. The scope of the Bank FM implementation support missions would be comprehensive, including a customized training on Project-specific FM considerations during the start-up phase, and full on-site supervision plus desk reviews thereafter. In addition, the Project and its EEP would be audited annually by an acceptable audit firm, in accordance with terms of reference acceptable to the Bank. The Terms of Reference of the audit, including a special purpose opinion in respect to amounts disbursed as School Transfers, would be included in the Operations Manual. The financial audit report should be submitted by April 30th of each year, presenting a non-qualified (clean) opinion on the eligible expenditures. After the first disbursement, the Bank may only process new disbursements once the annual audit is submitted showing that the amounts disbursed by the MINERD were part of the EEP and made under the Project to the satisfaction of the Bank. In case that the audit is qualified (i.e., with significant issues), MINERD would need to provide an action plan acceptable to the Bank to address the deficiencies and implement it before the payment of DLIs corresponding to the following calendar year.

Disbursements

17. The Project would follow a results-based financing approach, with loan funding contributing to the implementation of the National Education Pact Program and achievement of specific results that would trigger disbursements. Therefore, disbursements would be based on DLIs and against presentation of the eligible expenditures paid under the Eligible Expenditure Programs (EEPs). Disbursements would occur once a year and would be documented based on a Customized Statement of Expenditures Report prepared by OCI. The reports would identify the EEPs incurred under the budget lines supported by the Bank and would be presented for the periods established in the withdrawal schedule defined in the Disbursement Letter. The budget lines associated to the EEPs would be informed in the Operations Manual and indicated in the Customized SOE used for reporting. The Project would ensure that the budget codes informed conform to the Borrower's Budget Classification Manual valid for the period. The Bank agrees that such codes may change under the Borrower's subsequent annual budget, provided that there is no change in the line items (EEPs) financed by the Bank. At this time the relevant fields in the

C-SOE and sections in the Operational Manual will be updated accordingly.

18. Disbursements would occur on November of, or as soon as practicable thereafter in, each year during Project implementation upon submission of a withdrawal request acceptable by the Bank and according to the procedures detailed in the Disbursement Letter. The withdrawal request to be received would be equal to the amounts corresponding to DLIs achieved once (i) they have been verified and accepted by the Bank according to the Protocols of Verification (See Table A2.3.) and (ii) the Borrower has submitted documentation for eligible expenditures (unaudited) during such year (January-October) and preceding prior year (November - December). After the first disbursement, the Bank shall not authorize further withdrawals if the Borrower has failed to furnish to the Bank, within the period specified in the Loan Agreement, the annual financial report and Independent Verification Audit, applicable to DLIs 16 and 20, to the satisfaction of the Bank. The audit firm must be acceptable and the audit must be done in accordance with terms of reference acceptable to the Bank. Terms of Reference for the audit would be included in the Operations Manual of the Project.

19. **Effect of Non-achievement of DLIs:** If the Bank is not satisfied that any DLI has been achieved by the date by which the respective DLI is set to be achieved, the Bank may at any time, and by notice to the Borrower, decide, in its sole discretion to:

- (a) *In respect of Scalable DLIs (DLIs 4, 8, 12, 16, 20):* i) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to the said Scalable DLI which, in the opinion of the Bank, corresponds to the degree of achievement of said Scalable DLI calculated as set forth in the Verification Protocols; ii) authorize that the unwithdrawn amount by which the corresponding disbursement for a partially achieved Scalable DLI had been reduced, be carried forward to the immediately subsequent withdrawal, pending further achievement of the respective Scalable DLI; and/or iii) cancel all or a portion of the proceeds of the Loan then allocated to said Scalable DLI.
- (b) *In respect of any DLI which is not a Scalable DLI:* i) withhold the unwithdrawn proceeds of the Loan then allocated to said DLI until the Bank is satisfied that said DLI has been fully achieved; or ii) reallocate all or a portion of the proceeds of the Loan then allocated to said DLI to any other DLI and/or cancel all or a portion of the proceeds of the Loan then allocated to said DLI.

20. **Early achievement of DLIs:** The Bank may accept withdrawal requests submitted in respect of any DLI, except Scalable DLIs, achieved prior to the date by which such DLI is set to be achieved provided there are enough expenditures incurred (taking into account the amounts disbursed for the DLIs achieved in the current year).

21. If, at any time, the Bank determines that any portion of the amounts withdrawn by the Borrower under Category (1) was made: (i) for ineligible expenditures; or (ii) not in compliance with the provisions of part B.2 of this Section, the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower. The Bank shall cancel such refunded amount.

22. Disbursements would be made from the loan account to a bank account maintained by the

Ministry of Finance at the Central Bank of the Dominican Republic as a Reimbursement for eligible expenditures. In accordance with Bank procedures, Bank financing would be for eligible expenditures under the budget lines and includes a provision for “Transfer to SMCs.” In this case, expenditures will be reported at the moment the transfers take place from the MINERD to the SMCs (*Juntas de Centro*). The transfers are supported by Law 66-97 (*Ley Orgánica de Educación de la República Dominicana*) and specific procedures issued to the schools (Manual for Transfers to SMCs) on the appropriate use and reporting of funds. The Project Operations Manual (MOP) will state all specifications of the transfers which will support the eligibility of such transfers.²⁴

23. The achievement of DLIs would be deemed acceptable to the Bank by the Bank’s technical team according to the Protocols for Verification of DLIs (see Table A2.3). The achievement of some DLIs will require an Independent Verification (IV) Report certifying the achievement of such DLIs; details of which DLIs require an IV are in Table A2.3. The Terms of Reference for the IV would require no objection from the Bank. These aspects would be included in detail in the Operations Manual. For scalable DLIs, the IV would establish the degree of achieved under the protocols of verification (Table A2.3).

24. The proposed budget lines for the eligible expenditures are geared towards expenditures that will ensure MINERD’s conditions to achieve the target DLIs and the PDO. In particular, the eligible expenditures include those incurred by SMCs’ direct Transfers from MINERD (*Juntas de Centro*) and used for supporting SMCs achieve their improvement development and annual plans (the categories in which SMCs are allowed to use Transfers are: non-personal services, supplies, and non-financial assets). In addition, to support the correct functioning of MINERD’s decentralized institutions for the achievement of the DLIs, eligible expenditures would also include those related to non-procurable items identified in the budgets of decentralized institutions: (a) *ISFODOSU*: salaries for teacher and staff, and transportation (including fuel and lubricants) expenditures that are critical to teacher training and the evaluation and monitoring of the programs offered; (b) *INAFOCAM*: salaries of staff, which includes staff in charge of carrying out the overall evaluation and monitoring and the design of programs of in-service teacher training; (c) *IDEICE*: salaries of staff, which includes salaries of those staff conducting research and evaluation in the education system; (d) *INABIE* and *INEFI*: salary of staff coordinating activities directly related to increasing primary students’ well-being and the coordination, supervision, monitoring and evaluation of physical education and school sports as integral part of education.

25. Given the relevance of these activities for achieving the objectives of the Project, and the sizeable nature of the EEP that MINERD makes in these activities (approximately US\$50 million per year), they are appropriate expenditures to be reimbursed by the Bank.

26. The flow of funds is as follows: (i) The Ministry of Finance will provide MINERD/OCI data for the bank account corresponding to the national budget; (ii) MINERD transfers resources to its decentralized entities through their normal budget process and then use them for eligible expenditures under the EEP at their institutions; (iii) MINERD’s Directorate of Management and Decentralizations follows SMCs’ Operation Manual to carry out Transfers to SMCs for improvement and operational plans; (iv) MINERD/OCI will submit withdrawal application to the Bank; and (v) The Bank will process it.

²⁴ Ibid.

Table A3.3 Indicative Implementation Steps during the Course of a School and Fiscal Year

Time	Indicative Implementation Steps	
(estimate)	MINERD/GoDR	Bank
First Semester	Participating entities launch implementation of activities agreed to achieve DLIs	
End of semester	Participating entities evaluate progress towards DLIs and report findings to OCI	
By 15 August	Steering Committee meets to define activities of TA in support of DLI and assigns budget for them and for the reporting, monitoring, supervision, and annual audits of the Project	
By 30th August	MINERD submits proposed budget for following FY to Ministry of Finance, with clarity on amounts to be disbursed by the Bank in subsequent FY.	Bank reviews proposed budget to check consistency with planned MTEF and to ensure Project areas are adequately financed.
By 30 September	OCI consolidates reports and submits annual progress report on achievement of DLIs to the Bank for technical review.	
Second week of October		Bank conducts assessment mission to verify achievement of DLIs
First week of November		Bank communicates findings of assessment mission to MINERD
Second week of November	MINERD submits Withdrawal application, with C-SOE detailing eligible expenditures (unaudited), covering the period from November to October	
November - December		Bank disburses corresponding amounts to the Ministry of Finance account of choice.
January to March.	External auditor carries out financial audit, including a special purpose audit of eligible expenditures covering the previous calendar year.	
By June		Bank communicates findings of acceptability of audit report and special purpose audit

Time	Indicative Implementation Steps	
(estimate)	MINERD/GoDR	Bank
March and October	Biannual Progress Reports sent to the Bank and Steering Committee oversee the implementation of the Project	

Procurement

27. Procurable items financed under the EEP would be conducted in accordance with the Bank’s “Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants, January 2011, Revised July 2014,” in addition to the provisions stipulated in the Loan Agreement.

28. Procurement of Works: Minor works to be financed by the Project under transfers to SMCs will follow procedures consistent with Shopping and Direct Contracting.

29. Procurement of Goods and Non-consulting Services (NCS). Goods and Non-Consulting Services procured under this Project would be procured using Shopping (Request for Quotations) documents satisfactory to the Bank. Direct Contracting may be used in the circumstances defined in paragraph 3.7 of the Procurement Guidelines.

30. Special Procurement Provisions: The Project would include the use of DLIs for its implementation. The Bank’s Procurement Guidelines would be applicable to eligible expenditures. During appraisal the Bank reviewed the procurement procedures conducted by SMCs for implementation of the Transfers and concluded that the procedures were clearly detailed and followed the provisions of the National Procurement Law No. 340-06. In general, the procedures are consistent with the Shopping procurement method, defined in paragraph 3.7 of the Procurement Guidelines. Small purchases, estimated to cost below US\$500, may be procured by Direct Contracting. SMCs prepare Annual Operational Plans for the amounts received by these Transfers, ensure compliance with the procedures agreed with MINERD, and document all the processes before they can receive a new transfer.

Procurement Assessment

31. Assessment at Country Level. The latest Country Procurement Assessment Report (CPAR) for the Dominican Republic was published in April 2005. Since then, the country passed Law 340-06 for Public Procurement of Goods, Works, Services and Concessions, approved in August 2006, which was later modified by Law 449-06. This law is the first to comprehensively include all aspects of procurement of goods, works, services, the selection of consultants, and concessions in the country, while also attempting to increase competition and transparency by allowing direct contracting only for limited circumstances specifically detailed in the law. Another important milestone in the procurement reform was the passing of Decree No. 490-07 that provided the enabling regulations for the new procurement law and the launching of the procurement portal “comprasdominicana.” However, implementation of Law 340-06 was limited and there was a need for considerably more transparency and efficiency in the system. The administration that took office on August 16, 2012 placed procurement reform in the center of the transparency agenda.

Since then, important improvements have taken place with the passing of Decree 543-12, which repeals and replaces Decree 490-07. The Bank is supporting the *Dirección General de Contrataciones Públicas* together with other donors in procurement reform; nevertheless, there are still important challenges ahead in order to improve the quality of public expenditures in the country.

32. Assessment at Project Level. MINERD, through OCI, would be responsible for Project coordination and execution. The OCI would support the efforts of MINERD to oversee procurement activities conducted by SMCs. OCI has previously implemented Bank operations satisfactorily, although with some challenges in procurement. An assessment of the procurement capacity of the OCI was completed in June 2014 using the Procurement Risk Assessment and Management System (P-RAMS). Their capacity was found acceptable to carry out procurement processes under the Project. However, Procurement risk is considered Substantial.

33. OCI implemented the Early Childhood Education Project, which closed in August 2011. Although generally this Project closed with Moderately Satisfactory ratings, the procurement rating at Project closing was moderately unsatisfactory. As stated in the Project's last Implementation Status and Results Report (ISR), although the Bank provided training to new Procurement Committee members and offered close involvement and supervision of procurement aspects of the Project, there was ongoing turnover of committee members, significant delays with internal approval processes leading to delays in awarding and signing contracts, and a general lack of willingness to effect the changes necessary to make the procurement process more efficient.

34. Nevertheless, there were no cases of misprocurement declared by the Bank in the implementation of the Early Childhood Development Project, and it is therefore expected that MINERD would follow the Bank's procurement guidelines in the implementation of the proposed Project.

35. The Bank conducted an assessment of the budget lines to be included under the EEP, namely INFODOSU and INAFOCAM. Further, SMCs were also assessed to understand how procurement processes were conducted.

36. The TORs of the audit to be financed by MINERD would include the contracts financed by transfers under SMCs on a sample basis.

Environmental and Social (including safeguards)

37. The Project is classified as category C. It would not include construction or rehabilitation of infrastructure, therefore the OP/BP 4.01 on Environmental Assessment is not triggered.

38. **Social Safeguards.** The Project would not support construction or other activities that would lead to involuntary resettlement or land acquisition, therefore, the OP/BP 4.12 on Involuntary Resettlement is not triggered.

39. There are no indigenous peoples in the Dominican Republic that meet the characteristics as specified in the OP/BP 4.10 Indigenous Peoples. Student assessments currently in place could

hurt the outcomes of disadvantaged groups, leading to lower completion rates or higher level or stigmatization. To mitigate this risk and ensure that all students benefit from the Comprehensive Evaluation System (Component 2), the student assessment for the first cycle of primary would be used entirely for diagnostic purposes, not for determining progression. Additionally, it would be important to ensure that the decentralization and school-based management process that MINERD is carrying out under Component 4 of the Project includes schools with significant vulnerable populations.

40. **Gender.** As part of the Project, the Bank would support the Government (under Component 1) in making teacher training sensitive to the differences in brain development of boys and girls and the impact this may have, for example, on motivation. While it might not be feasible to implement gender-targeted instruction in large classrooms with students of both genders, teachers' better understanding of brain development could give them creative ideas to engage both genders in their teaching styles. The Bank would also support the Government in developing the teacher curriculum in ISFODOSU to make teachers aware during their training of the powerful role models they are for young people and their role in transforming gender stereotypes through their attitudes, words, actions, and own biases. Under Component 2, the Bank would support the Government to ensure that the evaluation/assessment system provides information by gender, to better inform policy interventions. The Bank would also work with partners to help the MINERD revise their training and communication materials to make them gender informed and to avoid the distribution of materials that perpetuate gender stereotypes.

41. **Beneficiary feedback mechanisms.** The Project would include mechanisms to incorporate beneficiary feedback at several levels. The Project would support the redesign and improvement of SMC surveys, which would then be used to incorporate feedback from teachers, parents, and community members. This would be reflected in the Results Framework. The Project would also promote feedback from students through the application of the new diagnostic census-based student assessment, which would include surveys on student perceptions.

Monitoring & Evaluation

42. The Project Coordination Unit would be responsible for monitoring and evaluation, with input from each of the units implementing the Project. It would send biannual Progress Reports to the Bank, including on progress toward targets in the Results Framework and Monitoring (see Annex 1).

Annex 4: Economic Analysis

DOMINICAN REPUBLIC: Support to the National Education Pact Project

1. The net effect of the program at the individual's level is calculated as the additional benefit that a representative child obtains as a result of the program. This effect is estimated from a present discounted value (PDV) calculation. This approach estimates the stream of benefits and costs of schooling over a lifetime in the labor market with and without the program.

2. Data for this analysis are obtained mainly from the 2011 *Encuesta Nacional de Fuerza de Trabajo*, a household survey of the labor force conducted by the National Statistical Office (ONE). This representative survey accounts for the population of the Dominican Republic of all ages. For changes in key variables occurring in the recent past, we employ additional data of the same 2005 survey.

Estimation of expected economic benefits

3. The private benefits (returns to schooling) are measured following the standard literature on cost-benefit analysis for investments in education and by calculating the earnings over the course of the working life. Age-earnings profiles are built based on the education levels of the Dominican Republic, namely i) less than primary school completion (0-7 grades completed); ii) at least primary school completion (8-11 grades completed); and iii) secondary school completion (12 grade completed and above).

4. These age-earnings profiles are constructed separately for four population groups which differ significantly in their education and labor market experiences, namely i) men in urban areas; ii) men in rural areas; iii) women in urban areas and; iv) women in rural areas. These are enriched by incorporating 1) the probability of employment in three types of employment (wage employment, self-employment, and unpaid employment); 2) shifts in the income distribution given the likely changes in productivity and type of employment over time; 3) changes in the probability of staying alive over the individual's working life, and 4) the increasing urbanization of the population over time.

5. Formally, the PDV of the benefits of schooling that a representative child derives over the ages of 18-64 (according to the working-age international standard and the expected time to begin receiving the returns to schooling) is given by:

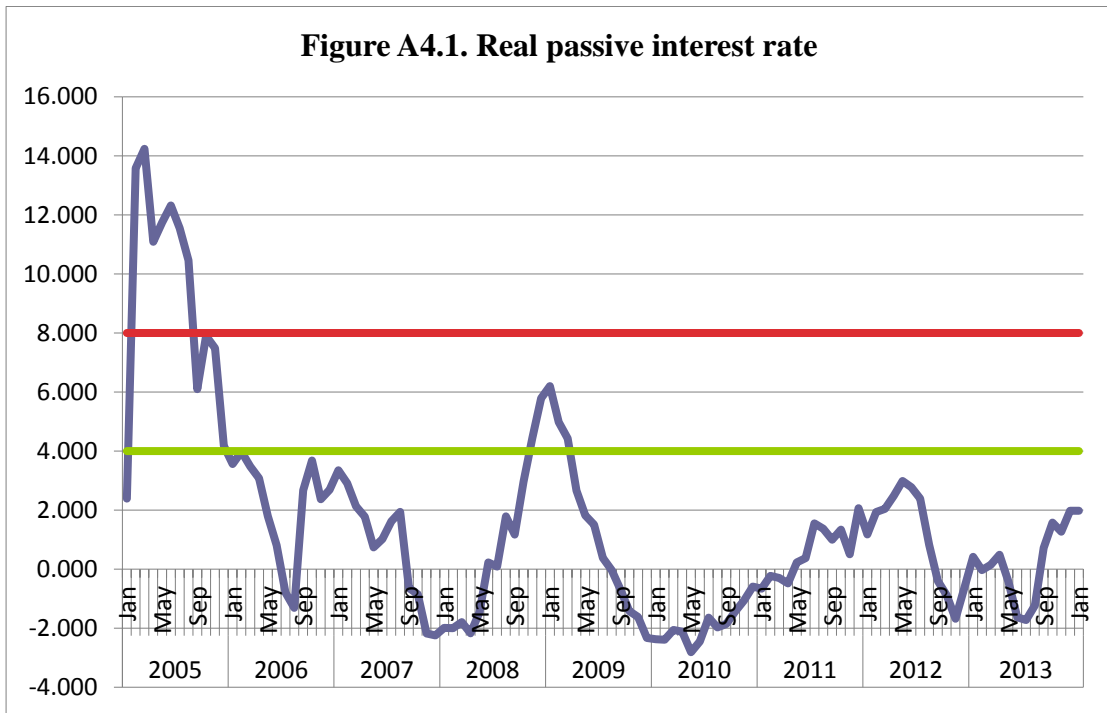
$$PDV = \sum_{a=18}^{64} \left[\sum_{p=1}^4 \alpha_{pa} \left[\sum_{l=1}^3 \pi_{pl} \left[\sum_{k=1}^3 \left[\frac{1+g_k}{1+r} \right]^{a-5} s_{pa} \theta_{pkla} y_{pkla} \right] \right] \right]$$

where:

- α_{pa} is the probability of a child age a belonging to a population group p . These probabilities are non-stationary as the population become more urbanized over time. Thought not explicitly incorporated in equation (1), α_{pa} is estimated as a function of base α_p , which is estimated from 2011 data. The forecasted probability is based on the

annualized rate of urbanization over the 2005-2011 period. Here, we assume a rate of urbanization that is constant and equal to the rate of urbanization over this period.

- π_{pl} is the probability of a child from population group p attaining completion level l by age 18, the age at which the child is expected to end the schooling stage to start receiving the expected returns in the labor market.
- r denotes the rate at which the expected economic benefits are discounted. It is set at 4%, which is a conservative value taking into account the interest rate (adjusted for inflation) of the last couple of years (see figure 1).



Source: *Banco Central de la República Dominicana*.

- s_{pa} denotes the probability that a child aged a , from the population group p , is alive at age a . This probability stems from our own calculations and are based on data from *Estimaciones y proyecciones de población 1950-2002* [Population forecasts and projections 1950-2002] and on a methodology given by the United Nations (2002) (see Table A4.1). The probability of a child aged 5 surviving to the age of 18 is assumed to be one. Given the unavailability of relevant data, it is assumed that the probability for rural and urban areas is identical.
- θ_{pkla} denotes the probability of an individual aged a , from population group p , and with completion level l , has k type of employment. These profiles can change over time along with the structure of the labor market. Table A4.1 suggests a shift in the distribution of employment towards self-employment over the 2005-2011 period.

However, this latter structural change is not accounted for in the probability calculations.

- y_{pkla} denotes the average real annual earnings received by an individual aged a , from population group p , with education level l , and employment type k . Given that this data are missing for unpaid workers, we artificially build this age and education level earnings profiles by decreasing the corresponding profiles of self-employed workers by 75 percent.
- g_k denotes the annualized growth rate of real annual earnings in k type of employment. This rate is estimated over the 2005-2011 period and is assumed to be identical for all population groups and education levels. The predicted growth rate for self-employed workers is also applied to the estimated earnings of unpaid workers (outlined in the previous point).

Table A4.1: Life statistics for Dominican Republic, 2002

Age group	Adult-Age specific death rate		Age x	Probability of dying at age x		Probability of living at age x		Probability of living from age 15 to age x	
	Men (1)	Women (2)		Men (4)	Women (5)	Men (6)	Women (7)	Men (8)	Women (9)
15-19	0.0016	0.0007	15	0.008	0.004	0.992	0.996	1.000	1.000
20-24	0.0031	0.0011	20	0.015	0.005	0.985	0.995	0.992	0.996
25-29	0.0037	0.0016	25	0.018	0.008	0.982	0.992	0.977	0.991
30-34	0.0044	0.0021	30	0.022	0.010	0.978	0.990	0.959	0.983
35-39	0.0046	0.0024	35	0.023	0.012	0.977	0.988	0.938	0.973
40-44	0.0056	0.0032	40	0.027	0.016	0.973	0.984	0.917	0.961
45-49	0.0072	0.0044	45	0.035	0.022	0.965	0.978	0.892	0.946
50-54	0.0092	0.0061	50	0.045	0.030	0.955	0.970	0.860	0.925
55-59	0.0135	0.0087	55	0.065	0.042	0.935	0.958	0.822	0.898
60-64	0.0192	0.0136	60	0.092	0.066	0.908	0.934	0.768	0.859

Source: Columns (1)-(7) are taken from “*Estimaciones y proyecciones de población 1950-2002*” (2007), that are based on 2002 censal data. Columns (8) and (9) are own calculations following the methodology provided in United Nations (2002).

Estimation of expected economic costs

6. Estimating the expected economic costs basically entails predicting the direct and indirect cost of schooling at each education-completion level. These costs include i) the household’s school-related expenses; ii) the Government’s spending on the education of each child; and iii) the opportunity cost of schooling, i.e. the child’s forgone earnings.

7. The PDV of the expected economic costs that a representative child aged 5 incurs from going to school during the ages of 5 to 18 is given by:

$$PDV_{EC} = \sum_{p=1}^4 \alpha_p \pi_1 \left[\sum_{a=5}^{13} \frac{1}{(1+r)^{a-5}} (e^{pri} + e^{pub}) + \sum_{k=1}^3 (1+g)^{a-5} \theta_{pka} y_{pka} \right] +$$

$$\sum_{p=1}^4 \alpha_p \pi_2 \left[\sum_{a=14}^{17} \frac{1}{(1+r)^{a-5}} (e^{pri} + e^{pub}) + \sum_{k=1}^3 (1+g)^{a-5} \theta_{pka} y_{pka} \right]$$

Where:

- The first and second terms are the expected costs of primary and secondary school completion, respectively. Based on the organization of the educational system in the Dominican Republic, the expected length of primary school completion is 8 years (basic education), and it is 4 years for secondary level completion. We assume that the costs of education for those who have not completed primary education is zero, given that the majority of those aged 18 and above without complete basic education have zero years of education.
- α_p Denotes the probability of a child aged 0 to 17 is from population group p . We do not incorporate urbanization because is assumed that migration from rural to urban areas (and vice-versa) does not affect the child's formation.
- π_1, π_2 are the probabilities that a child aged 18, of population group p completes primary and secondary school respectively.
- e^{pri}, e^{pub} denote the average real annual expenditure per student of the household (private) and the Government (public) for a child aged a . Expenditure per student is assumed to be identical for all population groups p given the data availability. Per student expenditure in 2011 is taken from Government sources.
- θ_{pka} denotes the probability that a child aged a from population group p works in k type of employment. These probabilities are calculated for children 10+, given the available data.
- y_{pka} denotes the average real annual earnings of a child aged a from population group p working in k type of employment. As earnings for unpaid workers are unavailable, these earnings are calculated by decreasing 50 percent the age-earnings profile of self-employed child workers.
- g_k denotes the annualized growth rate of real annual earnings in k type of employment. The rate is estimated over the 2005-2011 period and is assumed to be identical to all population groups and education levels. The predicted growth rate for self-employment is applied to the constructed earnings of unpaid employment.

The expected impact of the Project

8. As investment in human capital is at the heart of the 2010-2013 National Development Strategy, the Project would support the Government in implementing key priority policies that would improve the management of its education system. These policies would be specifically oriented to (a) improving teacher policies; (b) developing a comprehensive evaluation system; (c) strengthening the quality assurance mechanisms of Early Childhood Development services; and (d) enhancing the institutional capacity of the MINERD.

9. These policies are expected to have a direct impact on the quality of education that in the medium to long term would improve labor market outcomes at the individual level. We expect to

see this impact through two channels in the life-earnings profiles: i) School completion levels: The school completion levels would determine the lifetime earnings and the type of work in which individuals are employed. To see this, the program must change the average probability of completing each education level, and ii) Earnings growth rates: By approximating the labor productivity with the labor earnings, there is a direct method to evaluate the effect of education quality on productivity. There is an expectation that each additional level of schooling produces an increase in labor productivity, so that the change in earnings captures this effect.

10. Table A4.2 shows the forecasted school completion with and without the program. To guide our forecast to future school completion rates, we study the change in the distribution over 2005 to 2011. As Table A4.4 shows, the distribution of school completion levels has changed positively, as all population groups exhibit an increase in secondary school completion and a decrease in the proportion of children who only complete primary school. However, the rate of change differs among the population groups; males in rural areas present the lowest change.

11. For the purpose of forecasting, we focus on the change in the probability of at least completing secondary school. To set the forecasted probability in the absence of the program, we assume that the annual growth of this probability remains the same future years as it has been during the last years for the following population groups: i) men in rural areas and ii) women in urban areas. These two population groups have too large of an expected increase in probability, that in these cases we reduce the predicted growth rate to a third of the change over the 2005-2011 period.

12. We take this forecasted annualized growth to calculate the probability that a child currently aged 5 completes secondary school when the child reaches the age of 17. The full distribution of school completion at age 17 to 18 years is thus constructed by taking the residual probability and dividing it between the two remaining education levels in proportion to the relative participation they had in 2011 (column 7 in Table A4.2).

13. To adjust the predicted education level under the program, we estimate that the program will increase the annual growth rate of the probability of completing secondary school by 1 percent point. Then the full completion profile is constructed as described before (see columns 8 and 9 in Table A4.2).

14. The second effect that we can expect from the program is related to the growth in labor productivity produced by the increase in the quality of education, across each school level. To approximate this effect we will adjust the labor earnings growth rates as mentioned. Table A4.3 shows the average annual labor earnings in 2005 and 2011 for each population group and for two type of employments (wage and self-employment). Over this period there has been a reduction in the average labor earnings for almost all the population groups. Only the wages of employed urban workers has increased over this period.

15. To estimate the earnings growth without the program, we assume that the annual growth rate of earnings for this two population-employment groups will be in the future like it was in the recent past. For the other population groups, however, we do not expect to continue seeing this

downward trend in labor earnings. Instead of this negative trend, we set the labor earnings annual growth rate as 0.1 percent points.

16. The forecasted labor earnings growth rate with the program is constructed by adding 0.015 percent points to the forecasted annual growth rate in the absence of the program (see column 7 in Table A4.3).

17. We calculate costs with and without the program using the predicted population group-specific completion probabilities presented in Table A4.2. The increased completion in secondary school is expected as a result of both incremental spending in education, as well as of expected effectiveness and efficiency of all expenditure in public education. The activities covered by the program, as briefly mentioned above, are expected to add DOP\$5,000 (2011 DOP) to the private and public expenditure per student. This additional cost is included in the PDV of the expected economic costs of the program.

Calculation of the individual economic gains

18. The individual economic gains induced by the existence of the program are obtained by estimating the discounted values of the increased costs and the benefits according to the assumptions outlined before. These changes are presented in Table A4.4. The program is expected to yield a PDV of 68,639 Republican dollars per child in increased benefits (in 2011 \$RD).

19. Table A4.4 also present results of the sensitivity analysis, where we vary some parameters of the model to verify how gains change. The scenarios considered are: i) reducing the expected adult labor earnings growth rate gains of the program from 0.015 to 0.01 percent points; ii) halving the expected program effect on secondary school completion (see Table A4.2 for the original); and iii) combining i) and ii). As expected, under these three scenarios the expected economic gains of the Project are smaller than the base scenario, but still positive.

Table A4.2: Predicted school completion probability profiles for children aged 17 to 18 years, with and without the program

Population group	Completion level (x)	Probability of completing level x in 2005	Probability of completing level x in 2011	% Change 2005-2011	Annualized % change, 2005-2011	Forecasted annualized % growth rate without the program	Forecasted probability of completing level x without the program	Forecasted annualized % growth rate with the program	Forecasted probability of completing level x with the program
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Male, urban	Less than primary	29.35	19.07	-0.35	-0.06		17.05		16.10
	At least primary	54.90	57.93	0.06	0.01		51.80		48.91
	At least secondary	15.75	23.00	0.46	0.08	0.03	31.15	0.04	34.99
Male, rural	Less than primary	37.04	33.27	-0.10	-0.02		32.84		32.32
	At least primary	53.46	56.71	0.06	0.01		55.98		55.09
	At least secondary	9.50	10.03	0.06	0.01	0.01	11.19	0.02	12.59
Female, urban	Less than primary	15.27	11.12	-0.27	-0.05		10.27		9.52
	At least primary	59.04	57.27	-0.03	0.00		52.90		49.04
	At least secondary	25.69	31.61	0.23	0.04	0.01	36.83	0.02	41.44
Female, rural	Less than primary	28.61	10.03	-0.65	-0.11		8.31		7.71
	At least primary	56.70	65.69	0.16	0.03		54.43		50.48
	At least secondary	14.69	24.29	0.65	0.11	0.04	37.26	0.05	41.81

Source: *Encuesta Nacional de Fuerza de trabajo 2011* (ONE) and our own calculations.

Table A4.3. Predicted labor earning growth rates

Population group	Type of employment	Annual labor earning in 2005	Annual labor earning in 2011	Growth 2005-2011	Annual growth 2005-2011	Forecasted annualized labor income growth	Forecasted annualized labor income growth with the program
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Male, urban	Wage employed	204631.89	214296.77	0.0472	0.0079	0.0079	0.0094
	Self employed	218466.39	212475.82	-0.0274	-0.0046	0.0010	0.0025
Male, rural	Wage employed	163223.59	154217.10	-0.0552	-0.0092	0.0010	0.0025
	Self employed	153679.19	147697.11	-0.0389	-0.0065	0.0010	0.0025
Female, urban	Wage employed	169373.61	173815.18	0.0262	0.0044	0.0044	0.0059
	Self employed	146909.44	128950.91	-0.1222	-0.0204	0.0010	0.0025
Female, rural	Wage employed	125925.93	125340.74	-0.0046	-0.0008	0.0010	0.0025
	Self employed	125501.44	123271.05	-0.0178	-0.0030	0.0010	0.0025
Total	Wage employed	178516.78	180932.15	0.0135	0.0023	0.0010	0.0025
	Self employed	178122.72	170406.95	-0.0433	-0.0072	0.0010	0.0025

Notes: Mean earnings are calculated in 2011 RD\$ for population aged 18-64 years. Source: *Encuesta Nacional de Fuerza de trabajo 2011* (ONE) and own calculations.

Table A4.4: PDV estimates of the expected individual economic gains from the program

Case	PDV of expected incremental economic benefits (in 2011 \$RD)	PDV of expected incremental economic costs (in 2011 \$RD)	PDV of expected incremental net economic benefits (in 2011 \$RD)
Base	163310	94671	68639
reduced adult labor earnings growth rates	126709	94671	32038
reduced program effect on the probability of completion secondary school.	133276	93186	40090
reduced adult labor earnings growth rates + probability of secondary school completion	97210	93186	4024

Annex 5: Implementation Support Plan

DOMINICAN REPUBLIC: Support to the National Education Pact Project

Strategy and Approach for Implementation Support

1. This Implementation Support Plan has been developed on the basis of the specificities of the Project and its risk profile. It aims at making implementation support to the Government both flexible and efficient.
2. The strategy for implementation support in this Project places strong emphasis on close support and good communication between the Bank and the Project Coordination Unit. The Bank has developed communication channels, informal links, and trust with MINERD, and its decentralized institutions, which are expected to facilitate Bank supervision.

Implementation Support Plan

3. The Bank would provide strong implementation support to the Project's components, as well as guidance regarding technical, fiduciary, and social issues. Formal implementation support and field visits would be carried out semi-annually, and would focus on:
 - a. **Technical inputs.** The Bank would count on the inputs from one or two international experts on teacher policies, whose support would focus on activities related to DLIs under the Project. The Bank team would also support this the Steering Committee and the OCI by providing comments on the preparation and evaluation of technical activities prepared by the MINERD, its directorates, and decentralized institutions working in the areas supported by the Project towards the achievement of the PDO (e.g. teacher recruitment and training, student assessment, quality assurance of ECD centers, and decentralized school management). Thus Bank would provide - among other inputs - technical comments on terms of references for activities that will support the Project, on the planning of activities, and on the evaluation of works contracted directly by the MINERD. It would also share experiences from other countries, promote south-south cooperation, and carry out other activities to enhance the technical quality of the implementation of the MINERD's program in Project areas.
 - b. **Fiduciary requirements and inputs.** Training would be provided by the Bank's FM specialist during Project implementation, as needed. This would allow building FM capacity in MINERD, particularly regarding Bank procedures. Supervision of FM arrangements would be carried out semi-annually as part of the Project supervision plan and support would be provided on a timely basis to respond to Project needs. Procurement supervision would be carried out annually, or as required.
 - c. **Country Relations.** The Task Team Leaders would coordinate within the Bank to ensure Project implementation is consistent with Bank requirements, as specified in the legal documents. As stated above, constant channels for information exchange would be maintained with senior officials, taking advantage of trust and communication capacity.

Table A5.1 - Main Focus in Terms of Support to Implementation

<i>Time</i>	<i>Focus</i>	<i>Skills Needed</i>	<i>Resource Estimate</i>	<i>Partner Role</i>
<i>First 12 months</i>	Monitoring of implementation progress and results	Task Team Leaders; Education Consultant	US\$80,000	N/A
	Supervision and training in fiduciary matters	Financial Management Specialist; Procurement Specialist		
<i>12-60 months</i>	Monitoring of compliance with fiduciary guidelines	Financial Management Specialist; Procurement Specialist	US\$80,000/year	N/A
	Monitoring of implementation progress and results	Task Team Leaders; Education Consultant		

Table A5.2 – Bank Staff Skills Mix Required for the Project’s Implementation Support

<i>Skills Needed</i>	<i>Number of Staff Weeks</i>	<i>Number of Trips</i>
Task Team Leaders	15 SW annually	Twice a year
Education Consultants	6 SW annually	Twice a year
Financial Management Specialist	2 SW annually	Twice a year
Procurement Specialist	2 SW annually	Once a year