

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC6668

Project Name	Mexico Reducing Inequality of Educational Opportunity Project (P149858)
Region	LATIN AMERICA AND CARIBBEAN
Country	Mexico
Sector(s)	Primary education (66%), Pre-primary education (31%), Public administration- Education (3%)
Theme(s)	Education for all (100%)
Lending Instrument	Investment Project Financing
Project ID	P149858
Borrower(s)	United Mexican States
Implementing Agency	Consejo Nacional de Fomento Educativo (CONAFE)
Environmental Category	C-Not Required
Date PID Prepared/ Updated	14-May-2014
Date PID Approved/ Disclosed	06-Jun-2014
Estimated Date of Appraisal Completion	30-May-2014
Estimated Date of Board Approval	07-Oct-2014
Concept Review Decision	Track I - The review did authorize the preparation to continue
Other Decision (as needed)	The Review authorized preparation to continue following Track 1.

I. Introduction and Context

Country Context

Mexico is one of the richest countries of the LAC region, but the GDP growth rate has been slower compared to the regional average. In 2013 the real GDP growth rate was 1.4 percent, as opposed to an average of 2.5 percent in the rest of the region. The disappointing growth performance is attributed to stagnant total factor productivity, due to low competition, poor contract enforcement, excessive regulations, modest level of technological innovation and low level of human capital. - There is a widespread consensus that the low quality of the education is among the main determinants of the low level of productivity.

Poverty has seen a dramatic drop in recent years, but it is still very high in rural areas and differs dramatically across states. The poverty rate has dropped from 36.8 percent in 2000 to 27.6 percent

in 2012. Although social assistance programs, such as Oportunidades, have primarily targeted the rural areas of the country, the poverty rate is still more than double that of urban areas (48.1 percent vs 21.6 percent in 2012). There are also wide disparities among and within states: 74.7 percent of Chiapas is poor while only 23.2 percent of Nuevo Leon's population lives in this condition.

There are large differences in poverty associated with ethnicity and age. Estimates show that although indigenous people account for less than 10 percent of Mexico's total population, they are more affected by poverty than the non-indigenous population, with 72.3 percent of this group considered poor, compared to the national average of 42.6 percent. Moreover, children in Mexico are also disproportionately poor: for children aged 0-17 the poverty rate is of 53.8 percent.

Both income inequality and the income of the bottom 40 percent have not made progresses in line with the rest of the region. Between 2001 and 2012, the GINI index declined from 51.3 to 49.4, while the index for the entire LAC region dropped from 59 to 52.1 in the same time period. There are no substantial differences in income inequality between urban and rural areas. Mexico has also made more limited progress in boosting shared prosperity. Between 2004 and 2012 the annual growth rate of the average income of the bottom 40 percent of the income distribution has grown at 1.30 percent, as opposed to a regional average of 5.01 percent.

The National Development Plan (NDP) for the years 2013-2018 has established 5 top priorities, with the alleviation of widespread poverty and inequality at the front of the Government's agenda. The NDP priorities are: i) peace and security; ii) a more inclusive Mexico; iii) improvement of the quality of education; iv) promotion of prosperity; and v) consolidation of Mexico as an important international actor. To alleviate the still widespread poverty and inequality, the President of Mexico launched the Cruzada Nacional contra el Hambre (CNCH, National Crusade against Hunger) in 2012, an inter-sectoral and inter-governmental strategy to reach Mexico's poorest and most marginalized municipalities. The first stage of the CNCH targeted 400 municipalities and included over 70 federal programs, in an effort to bring together interventions to cover food poverty and the lack of basic social needs, among them, education.

Sectoral and Institutional Context

Mexico has made significant advances in coverage in primary and lower secondary education, but educational attainment lags behind other countries in the region and the OECD. The 2012 PISA scores put Mexico among the last places in Mathematics (413 points compared to the OECD average of 494), Reading (424 points compared to the OECD average of 496) and Science (415 points compared to the OECD average of 501). Net coverage has also increased in preschool, secondary and upper secondary levels at rates of 70, 80 and 52 percent, respectively for the 2011-2012 period, but quality needs to be incorporated into the coverage efforts.

There are dramatic differences in educational attainments within the country. The average number of years of education varies dramatically across states: in Mexico City (DF) and Nuevo Leon, the average number of years of education are 10.5 and 9.8 respectively, as compared to 6.3 in Chiapas. In 2013, 28 percent of the students enrolled in grades 3 to 6 in indigenous schools scored either Good or Excellent on ENLACE (the national student assessment), as opposed to 44 percent for those enrolled in general schools.

There are many contributing factors that explain this inequality in education outcomes, including early life conditions, and the quality of service provision. Parental investments in rural areas of

Mexico are constrained by limited resources, insufficient information and low expectations on the returns to investments. As a result, parents in indigenous communities are less likely to engage in activities that can contribute to the cognitive and non-cognitive development of their children. There is well established evidence that early child investment programs can have very large returns and contribute to reduce inequality of opportunities between children from different economic backgrounds. Nevertheless, the quality of services that do reach children in rural areas of Mexico are on average worse than services elsewhere.

Constraints in access and low quality of supply can further explain the inequality in educational outcomes in Mexico. According to the Comisión para el Desarrollo de los Pueblos Indígenas (2008), 80 percent of the indigenous population earns an income below the minimum salary. Limited financial resources and geographic distance explain some of the differences in the dropout rate in lower secondary education between students in urban and indigenous schools. However, differences in the quality of supply can also explain the differential outcomes. About half of the teachers in indigenous schools have a level of education equal or lower to upper secondary. In Chiapas 69 percent of the primary schools are multigrado, as opposed to 8.4 percent in Mexico City.

Since its inception, the Consejo Nacional de Fomento Educativo (CONAFE) has been delivering education services to children living in the most remote areas of the country. When it was founded in 1971, the great majority of the Mexican population was living in rural and often very remote areas of the country. The shortage of teachers and the difficult access left the traditional school model ill-suited to provide services to these areas¹. CONAFE introduced a community-based model where young graduates - mostly from high school - spend on average 2 years teaching primary and lower secondary school. In exchange, these teachers, called instructores comunitarios, receive a scholarship to continue their studies after their posting. They are generally assigned to communities very far from their birth place, and parents from the community cover their basic necessities, including providing room and board. In addition to managing these community schools, CONAFE also supports traditional schools administered by the state-level education authorities (henceforth state schools). The support provided by CONAFE, commonly known as acciones compensatorias (compensatory actions) typically consists of school materials, small scale infrastructure projects, and school grants.

CONAFE interventions are highly targeted to communities of high and very high levels of marginalization, with a special focus on indigenous and ethnic minorities. The community-based models comply with the constitutional mandate of providing education to communities of high and very level of marginalization. CONAFE was among the first institutions to introduce Early Childhood Development in Mexico, with a model that reaches more than 460,000 children at national level. The community-based model features trained women from the community (promotoras) that teach parents about healthy child development and good parenting practices, including interaction activities with their children in order to promote the different domains of child development. This and the other interventions described above are adapted to the needs of the local communities.

Community schools in the 400 municipalities of CNCH perform worse than the national average. In the school year 2009-2010, the retention rate recorded at the national level at the lower secondary level in community schools was 84 percent, as opposed to 94 percent in state schools. In the same school year, in the 400 municipalities of CNCH, the retention rate for community schools was 81 percent, while state schools were more comparable with the national average.

The gap in attainments between community and state schools has increased over time, and it will further increase if the quality of teaching does not improve in CONAFE schools. In 2006, 15 percent of primary education students attending state schools scored an Good or Excellent on ENLACE in Spanish, as opposed to just 5 percent in community schools. In 2012, the percentage has not changed in community schools, but it reached 44 percent in state schools. Due to their status, the instructores comunitarios will not benefit from the teacher professionalization. Moreover, the increased availability of other scholarships make the option of serving as a CONAFE teacher less appealing, as witnessed by their high turnover rate. These two factors, coupled with the systematic under-investment in community schools, are likely to lead to an increased gap in teacher quality between community and state schools.

The financing gap is exacerbating the learning gap. In 2012, 48 percent of CONAFE's budget was devoted to compensatory actions. More than 5 million students attending traditional state schools were targeted by compensatory programs, with an average transfer of US\$26 per student per year. This represents very little compared to the average expenditure per student in state schools in primary education (on average US\$1150 per year) and in secondary (US\$1800). On the other hand, 339,000 students were attending community schools in basic education, with an average expenditure per student of US\$650 per year.

There is an increased need for institutional coordination between CONAFE and other actors. In order to boost quality, all potential duplications need to be avoided. First, as Oportunidades is planning to start its own ECD program and since there is significant overlap between the target populations of Oportunidades and CONAFE, the two programs should coordinate their actions and, eventually work towards a unique ECD strategy. Second, since the targeting mechanisms likely to be used by the new and redesigned SEP programs (e.g Programas de Escuelas de Excelencia and Programa de escuelas de Tiempo Completo) is likely to lead to the inclusion of many state schools that currently receive compensatory actions from CONAFE, this may be a good time to reconsider the scope and purpose of CONAFE's compensatory actions.

Mexico acknowledges the impact that delivering quality education services has in the country's overall growth and development. Therefore, both the Education Reform and the National Development Plan for 2013-2018 were developed with Quality Education as one of the central objectives. The Education Reform (ER) focuses on three changes i) the creation of the National Teacher Service, ii) the autonomy of the National Institute for Education Evaluation (INEE) and iii) the creation of a system for the management and operation of education. These changes are linked to the main objectives for Quality Education in the NDP: strengthen teacher professionalization, modernize infrastructure, and promote ICT in the teaching process; guarantee an inclusive education system; increase access to culture and sports as a means of integral citizen development; and promote ICT and innovation. The proposed interventions to be supported through this operation fit squarely within these reform priorities. A high quality ECD intervention represents the basis of an inclusive education system. The Asesores Pedagogicos Itinerantes (APIs) intervention will contribute to the professionalization of teachers operating in remote areas, who would otherwise have little chances to improve their skills.

Relationship to CAS

The Compensatory Education Project is aligned to the Country Partnership Strategy for 2014-2019, particularly to the theme of Increasing Social Prosperity. Through this highly targeted operation

focusing on the poorest and most marginalized municipalities in Mexico, this operation will work to boost the plight of the bottom 40 percent living in remote rural areas. The project will also contribute to the achievements of two objectives in the NDP (2013-2018): Inclusive Mexico and Mexico with Quality Education. Specifically, the proposed Project has aims toward the higher level objective of increasing the overall quality of education, by improving the school readiness of those entering poor community schools, and by raising the quality of instruction in those schools.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The development objective of the Compensatory Education Project is to improve access to ECD services at the national level and increase the retention rates in basic education schools in the 400 municipalities targeted by the Cruzada Nacional contra el Hambre. This objective would be achieved through the scaling-up of interventions at the early childhood and basic education levels. These interventions aim at strengthening the involvement and the collaboration of parents, community and teachers in the delivery of education services.

Key Results (From PCN)

The Project's objective would be measured using the following project development indicators:

- Number of children 0-4 years old who attend at least 80% of the sessions of the ECD intervention at national level.
- The retention rates at secondary education level in the community schools in the 400 municipalities targeted by the Cruzada Nacional contra el Hambre

III. Preliminary Description

Concept Description

The Project would seek to scale up three of the four interventions that were already included under the Mexico Compensatory Education Project: Early Childhood Development (ECD), API and Fortalecimiento Comunitario para la Educación (FORTALECE). The Project would continue following a multi-layer approach that recognizes the importance of multiple actors in improving student outcomes throughout the different education stages. The ECD intervention would promote the parent/child interaction as the main driver of the cognitive and non-cognitive development of children in the 0-4 age group. The API intervention acknowledges that students, parents, and teachers play a key role in the learning production function of students in basic education and will seek to strengthen the abilities of all of them. Finally, the FORTALECE intervention would try to improve school outcomes of children in preschool and basic education by strengthening the role of community and increasing the accountability of the school authorities in the community schools.

Component 1: Supporting Early Childhood Development (US\$120.0 million). This Component would finance training of parents, relatives and caregivers of children aged 0-4 to improve their competencies and practices in caring for children and contribute to the children's comprehensive development and school readiness. Activities under this component include, inter alia:

- (a) provision of technical assistance and training to ECD promoters, module supervisors, and zone coordinators to train parents, relatives and caregivers of children aged 0-4;
- (b) provision of out-of-school training to parents, relatives and caregivers of children aged 0-4; and

- (c) provision of technical assistance to design training materials for the training of parents, relatives and caregivers of children aged 0-4.

Component 2: The Asesores Pedagogicos Itinerantes (APIs) Intervention (US\$25.0 million). This component would finance activities to improve student outcomes in community and Secretaría de Educación Básica (Secretariat of Basic Education – SEB) administered basic education schools in the 400 municipalities of the Cruzada Nacional contra el Hambre. Activities include:

- (a) the provision of services of mobile pedagogical support to under-performing students, teachers, and parents of students in under-performing schools through tutors;
- (b) provision of technical assistance to design materials for tutors to provide the mobile pedagogical support
- (c) provision of technical assistance for the training of the APIs

Component 3: Technical Cooperation, Monitoring and Evaluation (US\$5.0 million). This component would finance activities to strengthen the design and implementation of the three interventions. Activities include:

- (a) Qualitative and process evaluations of the FORTALECE program
- (b) Consultancies to improve the implementation and the design of the FORTALECE program
- (c) Data collection to evaluate the impact of the API Intervention
- (d) Consultancies to improve the information and monitoring system

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
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	

V. Financing (in USD Million)

Total Project Cost:	150.00	Total Bank Financing:	150.00
Financing Gap:	0.00		
Financing Source			Amount

Borrower	0.00
International Bank for Reconstruction and Development	150.00
Total	150.00

VI. Contact point

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