

1. Project Data:		Date Posted : 03/17/2008	
PROJ ID : P078993		Appraisal	Actual
Project Name : NCO - Excellence And Innovation In Secondary Education (exito)	Project Costs (US\$M):	96.8	0
Country: El Salvador	Loan/Credit (US\$M):	85	0
Sector Board : ED	Cofinancing (US\$M):		
Sector(s): Secondary education (70%) Central government administration (20%) Tertiary education (5%) Other social services (5%)			
Theme(s): Education for the knowledge economy (33% - P) Education for all (17% - S) Other social development (17% - S) Improving labor markets (17% - S) Decentralization (16% - S)			
L/C Number: L7343			
	Board Approval Date :		11/29/2005
Partners involved :	Closing Date :	12/31/2011	06/15/2007
Evaluator :	Panel Reviewer :	Group Manager :	Group:
Helen Abadzi	George T. K. Pitman	Soniya Carvalho	IEGSG

2. Project Objectives and Components:

a. Objectives:

The development objective was to "increase equitable opportunities for young people to complete their secondary education with high quality general and /or relevant specialized competencies." Indicators to measure the objective included: (a) increasing secondary school (grades 7 to 11/12) enrollment and completion rates, particularly among the most disadvantaged socio-economic groups; (b) raising the percentage of secondary students achieving an intermediate or advanced level score on secondary education exams (grade 9 and grade 11/12 exams); and (c) augmenting the proportion of technical education graduates who continue into tertiary education .

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components (or Key Conditions in the case of DPLs, as appropriate):

(a) **Quality, Relevance and Competitiveness of Secondary Education** (US\$42.7m at appraisal, 0 actual) to finance (i) improved learning in core subjects, (ii) increased relevance of technical education, (iii) extended technology for learning, and (iv) improved school environment for learning;

(b) **Broad-Based Coverage in Secondary Education** (US\$36.7m at appraisal, 0 actual) to promote broad-based coverage in secondary education by supporting three key strategies : (i) the development o f flexible delivery models; (b) the development o f a new demand-side subsidy scheme; and (c) where needed, the expansion and rehabilitation o f public infrastructure;

(c) **Management and Evaluation for Effectiveness** (US\$13.5m at appraisal, 0 actual) to enhance the effectiveness o f all the project's interventions by developing solid evaluation, certification and accreditation systems, and by improving school management and decentralization; and

(d) **Project Administration** (US\$3.9m at appraisal, 0 actual) to support the management and coordination of project implementation and thus to ensure Ministry of Education capacity to achieve the development objectives .

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

The loan was canceled without any disbursements because (along with five other loans) it was not ratified by the National Assembly within 18 months after Board Approval. The Bank's Board approved the loan on December 29, 2005 and the Bank terminated the Loan Agreement as of June 15, 2007.

3. Relevance of Objectives & Design:

Project objectives were very relevant to the country's human resource development strategy, as envisioned in the 2004-2009 National Education Plan and Plan 2021, the government's long-term education plan. The curricular relevance and quality of secondary and technical education are low, and there is a clear need to build stronger linkages with tertiary education and the private sector .

4. Achievement of Objectives (Efficacy):

None of the objectives was achieved

5. Efficiency (not applicable to DPLs):

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	Yes	44.6%	80%
ICR estimate	No		

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

The project was not implemented and had no outcomes .

a. Outcome Rating : Not Rated

7. Rationale for Risk to Development Outcome Rating:

The project was not implemented, and risk to its outcomes per se could not evaluated .

a. Risk to Development Outcome Rating : Non-evaluable

8. Assessment of Bank Performance:

The Bank prepared the project in close collaboration with the government, and quality at entry was satisfactory . During appraisal, the government had sufficient popular support to approve new loans in legislature . The Bank foresaw the polarization that might come with the change of government and listed it as a risk in project documents. Due to the change in government the risk materialized .

a. Ensuring Quality -at-Entry:Satisfactory

b. Quality of Supervision :Not Applicable

c. Overall Bank Performance :Satisfactory

9. Assessment of Borrower Performance:

The Bank worked closely with the borrower during appraisal, but the government lost ground in the congressional election of March 2006. This change in the political environment happened prior to a second review of the education loan in the National Assembly (under El Salvador law, a second review is needed for loan effectiveness), which required a qualified majority (2/3 of total votes) for approval. Political polarization seriously limited Government's capacity to reach consensus, despite negotiations. The main opposition party, with 38% of congress persons, was against international lending and exercised its veto. This affected five Bank loans (including the education project) and other multilateral loans for around US\$485 million.

a. Government Performance :Moderately Satisfactory

b. Implementing Agency Performance :Not Applicable

c. Overall Borrower Performance :Moderately Satisfactory

10. M&E Design, Implementation, & Utilization:

The project documents show that an evaluation design was put in place that had appropriate indicators. If implemented, it could have given baseline and progress data on enrollments and learning outcomes.

a. M&E Quality Rating : Modest

11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):

Despite loan cancellation, the government remained interested in the Bank's technical expertise and requested technical assistance.

12. Ratings:	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Not Rated	Not Rated	
Risk to Development Outcome:	Non-evaluable	Non-evaluable	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Performance :	Moderately Satisfactory	Moderately Satisfactory	
Quality of ICR :		Satisfactory	

NOTES:

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

Political polarization may result in cancellations of loans that have been well prepared and are beneficial to countries and their populations. The Bank can offer its highly regarded technical assistance services in hopes that future lending can benefit from continuing close collaboration.

14. Assessment Recommended? Yes No

15. Comments on Quality of ICR:

The ICR clearly described the issues leading up to project cancellation .

a.Quality of ICR Rating : Satisfactory