

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC17715

Project Name	Supporting Education Reform in Targeted Districts (P152096)
Region	LATIN AMERICA AND CARIBBEAN
Country	Ecuador
Sector(s)	General education sector (100%)
Theme(s)	Education for all (50%), Education for the knowledge economy (50%)
Lending Instrument	Investment Project Financing
Project ID	P152096
Borrower(s)	Republic of Ecuador
Implementing Agency	MINISTRY OF EDUCATION
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	02-Feb-2015
Date PID Approved/ Disclosed	06-Feb-2015
Estimated Date of Appraisal Completion	17-Jun-2015
Estimated Date of Board Approval	24-Sep-2015
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Over the past decade, Ecuador experienced a period of political stability during which the Government has invested resources at unprecedented levels in infrastructure and social sector projects in an effort to reduce the country's inequality and promote greater social inclusion. Between 2006 and 2014, poverty (measured by the national poverty line) fell from 37.6 percent to 24.5 percent; extreme poverty (living on less than \$1.25 per day, PPP) fell from 16.9 percent to 8 percent. Income of the poorest 40 percent increased a total of 8.8 percent (compared with the average 5.8 percent increase for Ecuador's national population) over the last 14 years. As a result, Ecuador is now considered to be among the best performers in poverty reduction in Latin America. To tackle those challenges, the Government of Ecuador (GoE) seeks to increase the efficiency and agility of public entities, wherein it prioritizes structural issues of national interest, such as education, health, and social well-being. For the many structural reforms to take root and for Ecuador to consolidate its current achievements, the GoE has set ambitious goals to universalize access and radically improve quality in the education sector. The extensive restructuring of the

Education Sector signals the GoE's commitment to promoting long-term, comprehensive, and sustainable investment in Ecuador's human capital, which will bear future multiplier effects throughout all sectors.

Sectoral and Institutional Context

The government made substantial efforts to improve the education system. Over the last 8 years, the GoE transformed the education system through multiple institutional changes: the Ecuadorian Constitution of 2008, the Fundamental Law of Intercultural Education of 2011 (Ley Orgánica de Educación Intercultural – LOEI), the Ten-year Education Sector Plan 2006-2015 (Plan Decenal de Educación - PDE), and National Development Plan 2013-2017 (“Plan del Buen Vivir”). The pillars of the reform include, among others: (i) the reorganization of the supply of education opportunities, through the concentration of all pre-tertiary academic levels in “hubs”; (ii) improvements in infrastructure and equipment; (iii) the implementation of a national system of evaluation that includes student, teacher, and institutional performance assessments; and (iv) the development of a new system of professional teacher development. The GoE's decisive and strong political commitment is also demonstrated by the increased allocation of resources to support the education sector: expenditures in education rose from 2.6 percent of GDP in 2006 to 5.2 percent in 2012.

The Ley Orgánica de Educación Intercultural led to important changes in the education system's structure. The 2007 Ley Orgánica de Educación Intercultural – (LOEI) reorganized the pre-tertiary education system as follows: (i) four years of early education (0 to 4 years old), divided into two cycles: “Inicial I” (0 to 2 years old) and “Inicial II” (3 and 4 years old); (ii) ten years of general basic education (Educación General Básica, EGB), divided into one year of preschool (5 years old), six years of primary level (6 to 11 years old) and three years of lower secondary (EGB III, from 12 to 14 years old); and (iii) three years of upper secondary (15 to 17 years old), which includes an academic track (e.g. science, math, language) or a technical track. The LOEI establishes 10 years of compulsory education. Furthermore, the system provides for an intercultural bilingual education model (Modelo de Educación Intercultural Bilingüe, MOSEIB), which incorporates cultural and linguistic relevance to the national educational curriculum in targeted areas. Around 76 percent of enrolled students attend public schools. Additionally, the Ministry of Education (MINEDUC) went to broad reform in the management of the system, establishing four levels of management: (i) the National Ministry (planta central); (ii) the nine (9) Zones established to cover all of Ecuador; (iii) the District level (140), and (iv) the Circuit level (1,134).

The efforts to date have produced significant improvements both in coverage and learning outcomes. Over the last few years, Ecuador has seen dramatic improvements in school attendance at all levels between 2007 and 2013: (i) gross enrollment in pre-school (5 year olds) increased from 84.8 to 93.7; (ii) almost universal coverage at primary levels (EGB 2nd to 7th grades); (iii) gross enrollment rate in upper-secondary increased from 76.7 percent to 91.8 percent, similar to the increase in net enrollment from 52 percent to 66 percent. In terms of quality, Ecuador was the country in the Latin America with the highest improvement in TERCE (2013), compared to its performance in SERCE (2006).

Important challenges remain both in terms of attendance, equity and quality. Only 23 percent of the children ages 3 and 4 were enrolled in early education in 2013, differing dramatically across geographic areas (insert data here). Starting in 8th grade of basic education through the end of upper secondary, dropouts are still significant and far from the national goal of increasing the net attendance rate for upper secondary education to 75% by 2018. There are still significant differences

both across geographic areas and income levels, that start early in life and persist over the entire school cycle. Shady (2014) shows that among children age 36-71 months the difference in the Test de Vocabulario en Imágenes Peabody (TVIP) between children in the poorest quartile and those in the richest quartile is equal to 1.21 standard deviations (sd) on average, and even larger in rural areas (1.64 sd). In basic education, the first national assessment of 2013, measured by an index from 0 to 1000, shows that while some provinces perform at a level above 800, others achieve less than 500 (as an example Math and Language 4th, 7th of EGB). In upper secondary, the gross enrollment rate in rural areas was 83.3 percent in 2013, compared with 96.5 percent for the same year in urban locations.

Many contributing factors explain persistent inequality in education outcomes, including low coverage of Early Childhood Education, poor quality of existing infrastructure, and low teacher quality. Given the robust body of evidence showing early childhood education (ECE) services act as an equalizer for socioeconomic inequalities – e.g. Heckman and Cuna (2006),—differences in ECE coverage can partially explain the variances in learning outcomes and school growth trajectories present in Ecuador’s public education system. There are also important differences in the quality of infrastructure. Duarte et al. (2011) show that Ecuador—together with Paraguay, Honduras, Nicaragua, and El Salvador—displays the highest within country inequality according to an index that measures the quality of school infrastructure. In line with other countries in the region (Bruns and Luque, 2014), average teacher quality is low. Liquidity constraints of households and lack of information can further explain differences in enrollment in lower and upper secondary completion. According to a sample of 5-17 year-old Ecuadorians not enrolled in school in 2013, 31 percent reported a lack of resources as their main reason for not attending school and 16 percent mentioned a lack of interest; the latter is commonly associated with a lack of information regarding returns to education. Recent literature (see Carneiro et al—2010—for Pakistan) shows that distance, and therefore transportation, can play an important role in schooling decisions, especially among liquidity-constrained students.

Recent reforms can potentially address some equity and inclusion issues. In 2012, the GoE launched the Educational Opportunity Reorganization Model (el Modelo de Reordenamiento de la Oferta Educativa) or “Millennium School” initiative (Unidades Educativas del Milenio, UEM), an ambitious program based on determining “hub” schools that absorb or consolidate existing institutions from preschool to upper secondary (grades 11, 12, and 13). These “integrated schools” can improve the quality of educational opportunities by guaranteeing more efficient allocation of existing resources both physical (e.g computer labs) and in human capital. The long-term objective of the GoE is to reduce the current 18,400 institutions to about 5,000 “hubs” or integrated schools. The mid-term goal until 2017 is to build 800 new UEMs (600 “major” schools, each with the capacity to educate up to 2,200 students, and 200 “minor” schools with a capacity for 1,100 students) and remodel around 750 schools, all with a total estimated cost of US\$8 billion. In order to promote greater inclusion within the system, select “integrated schools” (at least one per district) will absorb students with disabilities in accordance with the Ecuadorian Constitution of 2008, Inclusive Education Project for People with Disabilities and Manuela Espejo Program. The Technical Secretariat for Disabilities will participate in the design of new and renovated schools and carry out an evaluation of a sample of schools to ensure accessibility. Teachers and students throughout the system will receive sensitivity training, and the GoE is in the process of developing kits and educational material that will be distributed to every eligible student.

New criteria for the selection, promotion and training of teachers have been introduced. The GoE

enacted the following reforms to the education system: (i) high standards for admission into the elite group of nationally-recognized teachers (Magisterio Nacional); (ii) better teacher remunerations, partially linked to evaluations; (iii) the development of a better teaching career path from a teacher's initial training through continued training and master-level education programs; and, (iv) an improved training system that builds on the use of new pedagogical and didactic models of discipline and the use of Information and Communications Technologies (ICTs). In order to improve pre-service training, the National Education University (la Universidad Nacional de Educación), which follows the standards of excellence of the Finnish system, has been created.

There is increased emphasis on monitoring and evaluation systems. To combat the dearth of reliable evaluations, MoE created the National Institute of Education Assessment (Instituto Nacional de Evaluación Educativa, INEVAL) as an autonomous office within MINEDUC charged to lead the unbiased collection and analysis of data based on national assessments for students, teachers, and educational institutions. Student evaluation begins with the "Ser Estudiante" assessment, which evaluates skills and learning standards in 4th, 7th and 10th grades, culminating in the "Prueba Ser Bachiller," which evaluates each student's level of subject mastery in 12th grade. INEVAL works alongside MINEDUC to administer and assess both the "Quiero Ser Maestro" and "Ser Maestro" exams for teachers. INEVAL is currently in the process of creating a set of indicators to measure and evaluate results on an institutional level (by school). MINEDUC information and management processes continue to lack integration and can aptly be characterized as unreliable data repositories that house information on institutions, teachers, students, and legal guardians. MINEDUC is currently in the process of developing and determining the structure of a new system-wide approach that includes compartmentalized, yet connected, sub-systems of information. As a first step, the Ministry has begun to develop an "Online Learning Community" (Comunidad Educativa en Línea, CEL) portal where educational management is streamlined through the access and use of system-wide services available to all educational community members.

Relationship to CAS

The proposed operation is consistent with the objectives set forth in the Bank's Interim Strategy Note (ISN) for FY2013 and FY2014 discussed at the Board in April 2013. The proposed Project is completely aligned with three strategic priorities underlined in the ISN: (i) sustainable and inclusive economic growth; (ii) increased access quality social services; (iii) institutional strengthening of the public sector to improve services. Along those lines, constant improvement of human capital through quality education for all is crucial. The ISN recognizes the improvement in education outcomes in latest years and highlights the key remaining challenges, which the GoE strategy and the proposed Project address in a comprehensive and complementary manner. Finally, in targeted districts selected for Project interventions (Component 1), most direct beneficiaries belong to the poorest 40 percent of the population, in line with the Bank's twin goals.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed Project Development Objective (PDO) is to improve enrollment in early education (Inicial II) and reduce dropout rate in lower and upper secondary education in the targeted districts.

Key Results (From PCN)

- Enrollment in early education ("Inicial II", 3-4 years old) in the targeted districts;
- Drop-out rates at 8th, 9th, 10th grades of basic education (lower secondary);
- Drop-out rates at grades 11, 12 and 13 of bachillerato (upper secondary).

III. Preliminary Description

Concept Description

Proposed Instrument: The proposed loan instrument would be a Specific Investment Loan in the amount of US\$ 167 million. Preliminary discussions have led to a Project structure consisting of two components.

Component 1. Provision of inputs in the targeted districts of Zone 5 (Bank: US\$ 163 million). This Component would support the full implementation of the MINEDUC Education Strategy/Program: reorganizing the school supply (educational opportunities), upgrading the infrastructure and facilities, teacher training, the implementation of CEL, special education and programs for children with disabilities.

Sub-Component 1.1. Reorganizing School Supply and Expanding School Infrastructure (US\$ 150 million). This sub-component would finance the construction, equipment, and materials for around 32 schools in the targeted districts. The interventions would include 8 new “major” schools (Unidades Educativas del Milenio Mayores) and 26 renovated schools (“Repotenciaciones”). Most of the sites have been already identified, per the aforementioned criteria. Once built, the 32 schools would absorb around 45 percent of total enrollment of the 4 targeted districts.

Sub-Component 1.2. Strengthening Professional Development for Teachers (US\$ 7 million). This sub-component would support: (i) universal in-service teacher training in the targeted districts (around 8,000). This training would consist in 330 hours of in presence and virtual instruction to be provided by selected accredited higher education institutions; (ii) the provision of pedagogic materials, guides; (iii) the financing of (TBD) scholarships for teachers belonging to the targeted districts to study in a master’s degree program provided by select accredited institutions.

Sub-Component 1.3. Implementing the Academic Management System - CEL - (US\$5.5 million). This sub-component would finance the full implementation of CEL in the targeted districts, including the provision of personal computers, internet connectivity, and training to all teachers.

Sub-Component 1.4. Supporting Students with disabilities and Special Education (US\$ 1 million). This sub-component would support: (i) the renovation and/or construction of four Model Schools, fully adapted for students with disabilities (related to physical disabilities, e.g. vision, hearing, among others), in the targeted districts; (ii) the full implementation of one school specifically for students with disabilities; and (iii) the provision of a kit for all students with disabilities in the targeted districts.

Component 2. Strengthening Planning, Management and Evaluation Capacity at MINEDUC (Bank US\$3,5 million; GoE: US\$ 3 million).

Sub-Component 2.1. Management and Information Systems (US\$ 2 million). This sub-component would finance the completion of the development and implementation of a fully integrated Education Management Information System (EMIS), including modules for : (i) EducarEcuador; CEL; (ii) student record, allocation and management; (iii) teachers management; (iv) institutions (infrastructure, etc.); (v) curriculum management; (vi) school supply management.

Sub-component 2.2. Management, Monitoring and Specific Studies / Impact Evaluation (IBRD US \$5.5 million and MINEDUC \$4 million, total of US\$ 9.5 million). This sub-component would support: (i) the financing of the Project Implementation Team at MINEDUC (staff to be fully

financed by counterpart funds); (ii) specific studies and/or impact evaluation such as: the impact of the new management model (in particular at the school level), factors associated with dropout in upper secondary, and results related to improvements in school environment. This second activity would be led by INEVAL.

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:	170.00	Total Bank Financing:	167.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			3.00
International Bank for Reconstruction and Development			167.00
Total			170.00

VI. Contact point

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