



1. Project Data

Project ID

P089898

Project Name

GT (CRL1) Education Quality and Sec. Edu

Country

Guatemala

Practice Area(Lead)

Education

L/C/TF Number(s)

IBRD-74300

Closing Date (Original)

31-Dec-2013

Total Project Cost (USD)

100,000,000.00

Bank Approval Date

06-Mar-2007

Closing Date (Actual)

30-Nov-2015

IBRD/IDA (USD)
Grants (USD)

Original Commitment

80,000,000.00

0.00

Revised Commitment

80,000,000.00

0.00

Actual

80,000,000.00

0.00

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2. Project Objectives and Components

a. Objectives

The project development objective was "to improve access to a quality lower secondary education for low income students, especially indigenous communities, through improved primary education completion rates for overage students, strengthened flexible lower secondary education modalities and school management" (Project Appraisal Document [PAD], p. 10; Lending Agreement, p. 5).

Over the course of the operation, there were five restructurings. The objectives were not revised, but key outcome indicators and their targets were revised at the second (January 2010) and final (November 2013) restructurings (ICR p. vii). Consistent with IEG/OPCS harmonized criteria, this review will assess



achievement under the original and both sets of revised outcome targets and weight overall outcome based on disbursement at the time of restructuring. The ICR (p. 23) indicates that 7% of Bank funds were disbursed prior to the second restructuring, 51% between the second and fifth restructuring, and 42% between the fifth restructuring and project closure.

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

Yes

Did the Board approve the revised objectives/key associated outcome targets?

No

c. Will a split evaluation be undertaken?

d. Components

There were three components:

- Primary Education Completion and Quality (appraisal, US\$ 7.7 million; closure, US\$ 8.8 million) was to support the primary and lower secondary levels through: (1) the Ministry of Education's (MINEDUC's) reform of the pre-service teacher training program (i.e. curricular improvement for training and assessment for admission and graduation); and (2) an accelerated overage program (targeted to youth at risk of dropping out of primary education). Five regional training centers (Escuela Normal Modelo) were to be supported, including the teacher trainers in these centers. The overage program was to be implemented in 350 schools.
- Access and Quality of Lower Secondary Education (appraisal, US\$ 51.2 million; closure, US\$ 67.5 million) was to finance: (1) curricular reform of secondary education; (2) expansion of existing lower secondary education modalities such as Telesecundarias (video-teaching) and Alternancias (semi-distance model) through feasibility and cost-effectiveness studies; and (3) scholarships and subsidies for 5,500 low income students to complete three years of lower secondary education. Existing models were expected to be expanded to serve 90,000 students, and an additional 36,000 new places were to be created and financed through a subsidy to support partial per-student incremental costs based on a financing formula.
- School Management in Support of Education Quality (appraisal, US\$ 21.0 million; closure, US\$ 3.5 million) was to finance: (1) school-based management improvements, such as supporting school boards to develop plans and decide how to use school grants (approximately US\$ 680 each) for 1,500 schools (both Integrated Basic Education Centers and cooperative schools providing lower secondary education); and (2) strengthening of the capacity of ten department and district offices to better supervise the pedagogical process in the classroom and to improve school management. School boards were to receive training on planning and fiduciary management. An impact evaluation was to evaluate project interventions (i.e. the Integrated Basic Education Centers that support overage students, and school management's impact on student learning) as well as the cost-effectiveness of the secondary education modalities. These



evaluations were expected to track project implementation and thus were also to serve as the monitoring system for the project.

Project components were significantly revised during the first two project restructurings at the request of newly-elected President Colom. The changes affected the scope and size of the activities. While the Government's long-term vision was unchanged, the new administration prioritized different means to achieve the goals. The quality improvement program was targeted to regular primary schools rather than schools with primary and lower secondary education. The existing pre-service reform was redirected to support drafting a new pre-service teacher training reform and developing in-service training for existing teaching staff, including bilingual modalities. The impact evaluation and feasibility studies were eliminated. The operation focused on scaling up access through two modalities: Telesecundarias and NUFED (Nucleic Family Education for Development, a rural school model where schools are administered, and classes sometimes taught, by parents). Other originally envisaged modalities were eliminated because the Government was not able to absorb the planned number of new teachers. All lower secondary education schools were targeted for education councils, rather than the 1,500 originally planned. Strengthening of the central level (MINEDUC) was also added to improve its capacity to plan and manage.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: While total costs were as expected (US\$ 80 million), spending by component deviated from appraisal estimates considerably. Spending on the second component (Access and Quality of Lower Secondary Education) was about one-third higher than planned, while spending on the third component (School Management in Support of Education Quality) was significantly less than originally planned (17%). The project's five restructurings changed the distribution of funds between components and allowed funds to be used for teacher salaries. This was done in light of the significant fiscal shortfall affecting the country after the global financial crisis in 2008 and resulted in approximately 37% of the loan financing teacher salaries (ICR, p. 7)- in comparison to planning that salaries would amount to 10% (PAD p. 83).

Financing: Costs were financed exclusively by an IBRD loan.

Borrower Contribution: The Borrower was expected to provide US\$ 20 million in financing for this operation. Actual spending is unknown (ICR, p. 29). However, the Government paid for teacher salaries, which exceeded the planned amount.

Dates: The project was expected to close on December 31, 2013 and actually closed on November 30, 2015. The project undertook five restructurings (June 2009, January 2010, June 2011, April 2012, and November 2013) that made several changes to outcome indicators/targets and extended the project closing date. The first two restructurings occurred (as a two-phased approach over seven months between June 2009 and January 2010) when a new Administration was elected. During the period between the first two restructurings, there was no disbursement of funds. The second restructuring (January 2010) amended key outcome indicators and targets. The third and fourth restructurings



provided additional flexibility in how the financing was used by shifting more to teachers' salaries and scholarships for low-income students, given continued fiscal shortfalls and other exogenous shocks such as Hurricane Agath and a two-month teacher strike. The final restructuring (November 2013) again amended key outcome indicators and targets, and extended the project closing date by 23 months to allow for completion of activities.

3. Relevance of Objectives & Design

a. Relevance of Objectives

Relevance of objectives under the original targets is rated Substantial.

At appraisal, poverty and inequality of educational attainment in Guatemala were disproportionately concentrated in rural areas and among indigenous peoples. For example, at the lower secondary education level (grades 7-9), 74% of non-indigenous students but only 26% of indigenous students were enrolled. Progress had been made in terms of near universal access to primary education (grades 1-6), but there was inefficiency in the sector as only 22% of enrolled cohorts graduated on time. Inefficiencies stemmed from late entry, high repetition in lower grades, and high dropout rates (after 3rd grade). Many students were overage and therefore at risk of dropping out before reaching the lower secondary level. Additional issues included access at the lower secondary level and quality at all levels.

The Government's education-focused goals included universal education at the pre-primary, primary, and lower secondary levels, strengthening student standards and improving education quality, improving participation in the teaching profession, and improving the participation of citizens in decision-making in schools (ICR, p. 3). The project's objectives were substantially aligned with the goals stemming from the country's 1996 Peace Accords and its Poverty Reduction Strategy (2004-2007).

The objectives were also aligned with the Bank's Country Strategy at the time of preparation (FY 2005-2008) and continued to be substantially relevant to the Strategy at project closure (FY13-16), focusing on improving the effectiveness of social expenditures and their results. Thus, the project development objective remained substantially relevant over the course of the operation.

Relevance of objectives under both sets of revised outcome targets is also rated Substantial. The project development objective was unchanged, and only key outcome targets were revised. The above narrative and ratings therefore apply throughout the operation.

Rating
Substantial

Revised Rating
Substantial

b. Relevance of Design



Relevance of design under the original targets is rated Modest.

There was a logical relationship between the access objective and planned activities, but there was insufficient focus on conditions to ensure a quality learning environment, which was implicit in the quality aspect of the objective. Project design addressed access to lower secondary education by improving retention and completion of primary education via programs to address overage students; however, it did not support other measures dealing with retention and drop-out issues such as mother tongue instruction or early remediation instruction. The project also addressed access by providing partial subsidies to existing modalities such as video or semi-distance learning to create additional spots for students, and by supporting demand-side interventions such as scholarships for low-income students. Given the large inequities in access to lower secondary education, project design targeted efforts towards rural schools and indigenous students. School management support-- such as training for school councils, giving these councils legal status, and providing them with grants-- indirectly addressed access and quality objectives through parental participation to motivate children to remain in school and hold schools accountable for learning. Efforts to ensure provision of quality lower secondary education focused on supporting regional school officials' ability to supervise schools and improving pre-service teacher training, but no attention was given to in-service teachers or other quality improvement interventions that would directly facilitate higher-quality learning.

Relevance of design under the first set of revised targets is rated Substantial.

Design shifted at the first and second restructurings, when a new administration began to prioritize both access issues (additional financing of teacher salaries as a means to support expansion of the Telesecundarias and NUFED modalities of lower secondary education) and quality issues (the existing pre-service reform, including curricula and training centers, was redirected to support drafting a new pre-service teacher training reform and developing in-service training for existing teaching staff, including bilingual modalities). Other modalities originally envisaged were eliminated because the Government was not able to absorb the required number of new teachers. The overage program was targeted to regular primary schools rather than schools with primary and lower secondary education. The impact evaluation and feasibility studies were eliminated. Overall, the revised design at the first/second restructurings provided more appropriate focus on provision of a quality learning environment to the target population through in-service teacher training and provision of bilingual instruction.

Relevance of design under the second set of revised targets is also rated Substantial.

Changes made during the final restructuring were appropriate for the objective, amending primarily only the scope of activities. Given the global financial crisis and its impact on fiscal shortfalls, the revisions provided flexibility for the Government to prioritize the immediate needs of teacher salaries and scholarships for low-income students, and to move away from support for school-based management. Strengthening of the Central level (MINEDUC) was also added to improve its capacity to plan and manage, which is tangentially related to the objective. Inputs such as textbooks and reading books were provided. The scope of the scholarship program was expanded.

Some of the revisions to the project's design, at both of the points key outcome targets were revised, were aimed at improving conditions to ensure a quality learning environment (i.e. teacher training, textbooks,



literacy program, bilingual instruction), resulting in Substantial ratings for design relevance.

Rating
Modest

Revised Rating
Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Improve access to lower secondary education for low income students, especially indigenous communities (ACCESS)

Rationale

An exogenous climate shock (tropical cyclone Agatha in May 2010) had unknown consequences on school attendance. The ICR (p. 10) noted that many households enlisted children to help in the economic reconstruction of crops, which likely decreased enrollment.

Outputs:

Two flexible modalities (Telesecundaria and NUFED) resulted in school enrollment for approximately 140,000 students at all levels from low income communities who otherwise would not have attended school (ICR, p. 20), with NUFED schools in particular targeting student populations who otherwise were unlikely to have completed secondary education. Almost 55,000 additional students enrolled in lower secondary education via the flexible modalities, predominantly Telesecundaria (ICR, p. ix). The number of Telesecundaria schools tripled over the life of the project, with project support for teacher salaries and education materials. This lower secondary enrollment achievement did not meet the original target (103,500 students for this modality and others) but achieved the first revised target (52,000) (this indicator was dropped at the second revision).

37,847 scholarships (of approximately \$350 per student) were financed by the project. These were provided in targeted municipalities and conditioned on compliance with attendance. The ICR's analysis estimates that the scholarships assisted 2,465 students to graduate from lower secondary education. Recipients of scholarships were more likely than non-recipients to be promoted to the next grade level (90% in comparison to 80%) and to graduate (72% in comparison to 51%) (ICR, p. 38). A clear targeting approach (i.e. local poverty rates and selection by teachers and committees) was used for the scholarship program beginning in 2012.

22,100 students graduated from an Accelerated Primary Education Program (ICR, p. xiii). This program operated in more than 250 classrooms and resulted in 2,433 fewer students repeating grades (ICR, p. 30).



The completion report provides minimal description of capacity development provided to the central Ministry of Education (and its five directorates) and regional offices. It notes that one directorate developed a database to track student-level information, while another unit developed training materials, but it does not discuss the impact of this strengthening (ICR, pp. 32-33).

Outcomes:

Over the project's lifetime, the national lower secondary (grades 7-9) gross enrollment rate increased from 61% (2007) to 69% (2015). This exceeded the original target (65%) but not the first revised target (71.5%); the national-level indicator was dropped at the second revision of targets. The completion report notes that population growth was high over the project period, and therefore enrollment expansion would have had to increase by 4.5% to keep pace with targets; in fact, expansion averaged 4.0% annually over the project's lifetime (ICR, p. 17). In municipalities targeted by the project, the lower secondary gross enrollment rate increased from 42% to 51%, not meeting the original target of 58%, essentially reaching the first revised target of 52%, and not meeting the second revised target of 56%.

Nationally, the completion rate for ninth grade students increased from 50% to 55%, which exceeded the original target (53%) and first revised target (53%); the national-level indicator was dropped at the second revision of targets. In municipalities targeted by the project, the ninth-grade completion rate increased from 31% to 41%, meeting the original and first revised target (both 40%) but not the second revised target (47%). The completion report (p. 18) indicates that progression was higher in Telesecundarias than in traditional schools (p. 18). The project financed one-third of the cost of the two flexible modalities, which was likely to have led to an expansion of 91,060 students graduating from Telesecundaria and an additional 15,053 students graduating from NUFED schools.

Nationally, the primary education completion rate increased from 76% to 84%, which met the original (72%) and revised first targets (84%); the national-level indicator was dropped at the second revision of targets. In municipalities targeted by the project, the primary completion rate increased from 78% to 87%; this indicator was added at the first revision of targets, and achievement exceeded the first revised target (82%) and met the second revised target (87%). The proportion of overage students completing primary education decreased over the course of the project, from 52% to 45%. The completion report also notes that the Accelerated program reduced repetition rates. It is unclear to what extent the changes in primary completion rate are attributable to project interventions (ICR, p. 20), as primary education was not a focus of the project except through overage programs (which was a small driver of the national completion rate) and teacher in-service training, which had an unknown impact.

The original targets for lower secondary enrollment and completion were largely met or exceeded, and therefore achievement of the objective under the original targets is rated Substantial.

Rating
Substantial



Objective 2

Objective

Improve access to a QUALITY lower secondary education for low income students, especially indigenous communities (QUALITY)

Rationale

Outputs:

Training was provided to 1,489 parent councils (or school governments) in how to monitor, manage, and lead their schools, nearly meeting the original and first revised target of 1,500 school councils, and exceeding the second revised target of 1,350. Tools and report cards were developed, but according to the ICR (p. 20), this did not lead to the desired outcome of devolving substantial school decision-making to the local level. School grants were provided to 158 councils (much fewer than the 1,489 trained), as the new administration did not give councils the opportunity to apply for funds, instead redirecting resources to the central Ministry office. Once it became clear that funding would not be provided, school councils stopped trying to legally form (ICR, p. 24).

13,661 pre-primary and primary teachers received training in student-centered learning techniques. This was not an original target, but achievement exceeded the first target (2,126) and second revised target (13,237). An evaluation found that teachers were satisfied with the training, but there was no systematic assessment of its effectiveness. The completion report notes that teachers thought they would receive credits to apply to a tertiary degree, which would increase their salaries, but this did not take place. It is also unclear how training of pre-primary and primary teachers was intended to achieve the objective of improving the quality of lower secondary education.

Flexible modalities were equipped with computers and instructional and multi-cultural materials (such as books for teachers and students) in every classroom in the two supported modalities. Furniture was provided for 1,700 Telesecundaria classrooms and 600 NUFED classrooms. The Borrower reports that the curriculum for Telesecundarias was reviewed and aligned with the National Curriculum in areas such as biology, physics, chemistry, social studies, foreign language, communication, and math. More than 5,000 documents and manuals were distributed, including 26,500 learning guides (ICR, pp. 51-52).

Acquisition of 400 reading books was supported under the National Reading Program launched in 2013. No data is provided in the completion report indicating where the books were sent or the number of classrooms benefitting from them.

Outcomes:

The retention rate of students who persisted from 7th to 9th grade in 2015 was 71% in Telesecundarias and 68% in NUFEDs. Retention can be considered a proxy indicator for improved quality, considering that appropriate instruction can be a factor in encouraging retention. No baseline information is provided.



The ICR (p. 18) indicates that learning outcomes in the two non-traditional modalities were lower than in traditional schools, with declining performance across the board (see Table 1). The percentage of students passing in Math and Reading has declined in each type of modality. The ICR (pp. 18-19) notes the challenge inherent in improving quality and learning while at the same time expanding access, especially if the influx of new students has lower academic abilities. The ICR suggests that the project was able to minimize the decline in quality as measured by pass rates, but it does not explain how this was achieved, considering decreasing trends in quality and increasing enrollments prior to the project.

Table 1 Lower Secondary Exam Pass Rate (%) by Subject, Year, and School Program

Type	Reading 2006	Reading 2009	Reading 2013	Math 2006	Math 2009	Math 2013
Regular	32	23	14	24	19	18
Telesecundaria	11	8	5	15	14	10
NUFED	7	5	3	15	10	7

Rating
Modest

5. Efficiency

The economic analysis undertaken at the appraisal stage benefited from extensive sector work previously conducted by the Bank and other agencies. The cost-benefit analysis took into account both increased coverage and qualitative interventions. The computation produced an internal rate of return of 31%, based on a 10% discount rate and appropriate assumptions.

The ICR updates the economic analysis and estimates a rate of return of 21%. This estimate revises the discount rate and extends the time to implement the project. This rate is based on the future income benefits expected for individuals with a complete secondary education using average earning data from 2014.

Additional analyses suggest value for money from the project-supported interventions. For example, the accelerated primary program reduced inefficiencies due to grade repetition. The completion rate was slightly higher for overage students in school with accelerated primary classrooms (ICR, p. 22). The two lower secondary flexible modalities supported students who may not otherwise have graduated. The estimated rates of return for these two interventions were 48% and 42% (net present value of US\$ 868 million). Scholarship students were 40% more likely to graduate than comparable non-scholarship students.

Qualitative efficiencies enhanced the cost-effectiveness of implementation. Targeting of scholarship



recipients was carried out through an efficient mix of quantitative stratification (local poverty rates) and human interaction (local teachers and committees selected individual candidates). Procurement and financial management were relatively smooth (see Section 11b), with initial problems resolved through rapid corrective measures. Two research departments in the MINEDUC improved their monitoring and evaluation skills through the production of multiple reports and analysis, likely enhancing efficiency of project implementation. There were also minor shortcomings in efficiency stemming from personnel turnover, a lag between increased access and adequate supplying of schools, and a missed opportunity due to the late timing of the mid-term review (ICR, p. 10).

On balance, the operation had Substantial efficiency.

Efficiency Rating

Substantial

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

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	31.00	100.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	21.00	100.00 <input type="checkbox"/> Not Applicable

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

6. Outcome

Outcome under the original targets: Relevance of objectives is rated Substantial, while relevance of design is rated Modest. The objective to improve access was Substantially achieved, while the objective to improve quality was Modestly achieved. Efficiency is rated Substantial. These ratings are indicative of moderate shortcomings, and therefore an outcome rating under the original targets of Moderately Satisfactory.

Outcome under the first revised targets: Relevance of objectives and design are rated Substantial. The objective to improve access was Substantially achieved, while the objective to improve quality was Modestly achieved. Efficiency is rated Substantial. These ratings are indicative of moderate shortcomings, and therefore an outcome rating under the first revised targets of Moderately Satisfactory.

Outcome under the second revised targets: Relevance of objectives and design are rated Substantial. Achievement of the objectives to improve access and quality is rated Modest in both cases. Efficiency was rated Substantial. These ratings are indicative of significant shortcomings, and therefore an outcome rating under the second revised targets of Moderately Unsatisfactory.



Following IEG/OPCS harmonized guidelines, the project's overall Outcome is determined by weighting the outcomes under each set of outcome targets according to the percentage of Bank funds that were disbursed under those targets.

Outcome (original targets) = Moderately Satisfactory (4) x .07 = 0.28

Outcome (first set of revised targets) = Moderately Satisfactory (4) x .51 = 2.04

Outcome (second set of revised targets) = Moderately Unsatisfactory (3) x .42 = 1.26

Total: 3.58, which rounds to 4, or Moderately Satisfactory.

Outcome is therefore rated Moderately Satisfactory, indicative of moderate shortcomings in the project's preparation and implementation.

a. Outcome Rating

Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

There is no planned follow-up operation. However, the Bank remains engaged with the Government through the upcoming systematic country diagnostics and Country Partnership Strategy, and so there may be opportunity for the Bank to support sustained achievements in the future.

The current President has prioritized education as one of the three pillars in the Government's strategic plan, and the Government has fully absorbed the cost for the two flexible modalities for lower secondary education into the Ministry of Education's budget. However, the effectiveness of these programs was not fully examined during the course of the operation due to the cancellation of planned impact evaluations. It is too early to know whether in-service teacher training or scholarships will be continue to be financed by the Government. There have been significant delays in paying for the teacher training program, with Government funding delayed by one year for the last cohort. School councils have not been revitalized, with the program still not receiving Government funding. Given these factors, the risk to the development outcome is rated Substantial.

a. Risk to Development Outcome Rating

Substantial

8. Assessment of Bank Performance



a. Quality-at-Entry

Preparation drew upon analytical work of the Bank and other agencies. The analysis conducted at preparation was particularly useful in relation to fiscal sustainability, targeting strategy, and quantitative indicators. The Bank staff draw upon key lessons learned in other countries and prior operations in Guatemala. A thorough analysis of education inefficiencies and the particular needs of the indigenous population was conducted at preparation, as well as studies of environmental impacts and budgetary impact. The Bank's fiduciary team assessed the Ministry of Education's fiduciary capacity and provided technical assistance to attend to identified risks, concluding that the Ministry had appropriate capacity to manage the operation.

Despite the extended time frame to prepare the operation, however, some key aspects of the project were not fully developed. There was insufficient analysis and planning of the expansion for new rural lower secondary students via other modalities, and of the Government's fiscal capacity to absorb these costs. Preparation took over two years, and a new Presidential administration came to office as the project was beginning; this resulted in multiple restructurings to align with the direction of the new administration. While risks were identified, some of them were not appropriately understood or were underestimated. For example, there was inadequate understanding of parental incentives to participate in school councils. Political risks were inadequately considered. The Results Framework was overly complex (see Section 10).

Quality-at-Entry Rating Moderately Unsatisfactory

b. Quality of supervision

The Bank team was responsive to Government priorities (at the start of the operation with the first administration, and then working with the new administration). It demonstrated flexibility through five project restructurings to address the shifting priorities of the new administration. Over the course of implementation, twenty supervision missions occurred, helping to resolve issues that were delaying implementation. The Bank focused consistently on financial and procurement management and on the Indigenous Peoples Plan.

However, there were significant shortcomings. There was frequent turnover of task team leaders (TTLs, six times), resulting in repeatedly having to rebuild relationships with the Borrower. All of the transitions between TTLs were not smooth, with some experiencing insufficient overlap with their predecessors and steep learning curves. As the Borrower points out, Bank management could have planned better for the transitions with joint missions between incoming and outgoing task team leaders (ICR, p. 28). In addition, the fourth project restructuring took on the shifting priorities of a new education minister, and delayed conducting of the mid-term review represented a missed opportunity to focus this discussion earlier (ICR, p. 11). While the focus of the project changed at that point, its objectives were not revised. Significant changes occurred to the Results Framework as late as the final restructuring, indicating that monitoring and evaluation issues were not resolved in a timely manner.



Quality of Supervision Rating

Moderately Unsatisfactory

Overall Bank Performance Rating

Moderately Unsatisfactory

9. Assessment of Borrower Performance

a. Government Performance

Government reporting of its own financial support for the project is not available, but teacher salaries financed by the Government (ICR, p. 25) exceeded planned contributions. Consistent with the Peace Accords, the Government implemented the Indigenous Peoples Plan and integrated these issues into project implementation. However, there were shortcomings in the enabling environment. There was a delay in getting Congressional approval for the loan due to upcoming national elections. Once the new administration was elected, the new Congress subsequently approved the loan within a month. There were four different Presidents over the course of the project, impacting implementation and project focus. There were also six changes in Ministers of Education, with significant continuity challenges (ICR, p. 26). Information and records were not always passed on internally in the MINEDUC, and implementation arrangements and performance in some directorates were inadequate. There were delays in paying for the teacher training program, though the reason for these delays is not provided in the ICR.

Government Performance Rating

Moderately Unsatisfactory

b. Implementing Agency Performance

A Project Implementation Unit (PIU) embedded within the MINEDUC was the implementing agency. Different directorates in the Ministry had responsibility for overseeing implementation of various activities. Fiduciary and safeguard performance were rated as Moderately Satisfactory or Satisfactory throughout the life of the operation, and implementation was smooth (see Section 11b). Project monitoring was adequate, and reports were sent to the Bank on time, including required semi-annual implementation progress reports. Implementation delays were largely the result of the changes in Government, outside the control of the PIU, which managed the transitions effectively despite challenges.

There was a two-month teachers strike. During this time, teachers occupied the Ministry's headquarters and prevented staff from entering their offices. The ICR does not detail how the strike impacted implementation or monitoring of the operation.

Implementing Agency Performance Rating

Moderately Satisfactory

Overall Borrower Performance Rating



Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The monitoring and evaluation framework was overly complex (with approximately 50 indicators) and reliant upon planned impact evaluations to measure achievement. The impact evaluations were designed to test the effectiveness of project-supported interventions. When the impact evaluation plan was cancelled by the Government, the results framework had to be completely re-worked. Moreover, the original results framework set ambitious targets, considering the need to address quality while expanding access. The Government had not previously tracked these types of indicators. Previous data from the Ministry was of questionable quality, making the Results Framework complex relative to existing capacity. Many of the indicators lacked baseline data.

b. M&E Implementation

The Results Framework changed five times (with each project restructuring). The second and fifth restructurings produced the most significant changes to the Results Framework. The second restructuring re-aligned indicators to the priorities of the new administration, while the last one simplified indicators and lowered targets in accordance with implementation progress.

The Ministry of Education's research arm completed several studies related to high-performing lower secondary schools, education modalities, teachers' professional development, teacher credentials, assessment of teachers, and the overage student program, as well as collecting baseline data. The Ministry's Strategic Planning Department received funding from the operation for capacity-building, and it produced the cost-benefit analysis for the completion report.

During implementation, targets were revised repeatedly, in some cases upward and others downwards, and for some indicators in divergent directions (initially down then up), over the course of implementation. The completion report does not explain why the targets were moved in multiple directions. In addition, there were multiple indicators for which the Government could not have reasonably collected data; these were eliminated at the various restructurings.

c. M&E Utilization

The evaluations completed by the Ministry's research arm helped improve understanding of the implemented programs. While the completion report does not describe how these findings were utilized by the Government, it draws upon findings from those evaluations.



M&E Quality Rating

Modest

11. Other Issues

a. Safeguards

The project was rated Environmental Assessment Category C. The only safeguard triggered by the operation was Indigenous Peoples (OP/BP 4.10), and an Indigenous Peoples Plan was prepared. The project emphasized multicultural and bilingual education. Content from the Indigenous Peoples Plan was mainstreamed into implementation and resulted in greater focused attention to this subpopulation, and is reported to have produced positive spillover effects and long-term benefit (ICR, Annex 12, pp. 69-70).

b. Fiduciary Compliance

Compliance with financial management was adequate, based on procurement reviews. While one audit was qualified, the Implementing Agency rectified the action by implementing stronger internal controls to address the situation. Performance in fiduciary management improved rapidly. There were occasional delays in procurement, but these did not negatively impact performance.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Risk to Development Outcome	Substantial	Substantial	---
Bank Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---



Quality of ICR

Substantial

Note

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

IEG restates the lessons presented in the ICR (pp. 26-27) as follows:

- Well-designed safeguard systems can create lasting institutional change. The Indigenous Peoples Plan served a broader purpose within the Government. It helped the Government develop its own plan for Indigenous Peoples and helped bring stakeholders into the Ministry's decision-making process, increasing mainstream attention to Indigenous Peoples in project-supported activities.
- Internal consistency is important in restructuring. The PDO, results framework, and interventions must align with one other. In this case, when project financing was shifted to pay for teacher salaries, the focus of the operation changed, yet the restructuring did not align all these aspects. The results framework was not adequately revised, resulting in repeated changes in indicators throughout the five restructurings.
- Small, highly targeted programs can prove to be very good investments. Later in the operation, the Government developed a dual approach to targeting scholarship recipients, taking into account both the local poverty rate and the decisions of local committees to select beneficiaries. Scholarship recipients had a 40 percent higher likelihood of graduating than non-recipients, and the savings accrued from lower repetition rates and higher completion rates offset the cost of the scholarships.
- Scaling up should proceed only when based on systematic analysis of data. In this operation, two flexible modalities were increased in the absence of research indicating whether they were worthy investments. When the impact evaluation plan was eliminated, other systematic analyses of enrollment and learning data could have been more effectively utilized, but they were not.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR provides a concise description of the project, its activities, and the factors affecting implementation. It contains candid analysis of shortcomings in design, preparation, and Bank and Borrower performance. While the project's formal Results Framework included no measures of learning or indicators to demonstrate



education quality, the ICR provides passing rates in reading and math and draws upon findings from the Ministry's evaluations to augment project indicators and provide a complete assessment of results that could be plausibly attributed to the project. The annexes provide additional useful details to assess performance of the operation and achievement of objectives. In some instances, there is inconsistency in the data reported in the ICR's Data Sheet, annexes, and main text. This ICR Review also draws on the Borrower's well-done completion report.

a. Quality of ICR Rating
Substantial