

Document of  
The World Bank

Report No: 73325-MX

RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF THE  
SCHOOL BASED MANAGEMENT PROJECT – PHASE II  
LOAN 7948-MX  
APPROVED BY THE BOARD ON JUNE 17, 2010

TO THE  
UNITED MEXICAN STATES

APRIL 19, 2013

## ABBREVIATIONS AND ACRONYMS

AGEB	Basic Geo-Statistical Area of CONAPO ( <i>Área Geo-Estadística Básica</i> )
CGEPEC	PEC General State Coordination ( <i>Coordinación General Estatal del PEC</i> )
CNPEC	PEC National Coordination ( <i>Coordinación Nacional del Programa Escuelas de Calidad</i> )
CONALITEG	National Free Textbooks Commission ( <i>Comisión Nacional de Libros de Texto Gratuitos</i> )
CONAPO	National Population Council ( <i>Consejo Nacional de Población</i> )
ENLACE	National Evaluation of School Academic Performance ( <i>Evaluación Nacional del Logro Académico de Centros Escolares</i> )
INEE	National Institute for Educational Assessment and Evaluation ( <i>Instituto Nacional para la Evaluación de la Educación</i> )
M&E	Monitoring and Evaluation
MIS	Management Information System ( <i>Sistema de Información de Gestión</i> )
NMIS	National Management Information System ( <i>Sistema Nacional de Información de Gestión</i> )
PAD	Project Appraisal Document
PDO	Project Development Objective
PEC	Program of Quality Schools ( <i>Programa Escuelas de Calidad</i> )
SBM	School-Based Management
SEP	Secretariat of Public Education ( <i>Secretaría de Educación Pública</i> )
SHCP	Secretariat of Finance and Public Credit ( <i>Secretaría de Hacienda y Crédito Público</i> )
SIPEC	Information System for the Quality Schools Program ( <i>Sistema de Información del Programa Escuelas de Calidad</i> )

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## Restructuring

### Restructuring Type: Level II

Last modified on date: 04/19/2013

#### 1. Basic Information

Project ID & Name	P115347: MX (APL2)School Based Management
Country	Mexico
Task Team Leader	Raja Bentaouet Kattan
Sector Manager/Director	Reema Nayar/Keith E. Hansen
Country Director	Gloria M. Grandolini
Original Board Approval Date	06/17/2010
Original Closing Date:	06/30/2013
Current Closing Date	06/30/2013
Proposed Closing Date [if applicable]	06/30/2014
EA Category	C-Not Required
Revised EA Category	C-Not Required-Not Required
EA Completion Date	
Revised EA Completion Date	

#### 2. Revised Financing Plan (US\$m)

Source	Original	Revised
BORR	146.70	146.70
IBRD	220.00	220.00
<b>Total</b>	<b>366.70</b>	<b>366.70</b>

#### 3. Borrower

Organization	Department	Location
United Mexican States	Secretaría de Hacienda y Crédito Público	Mexico

#### 4. Implementing Agency

Organization	Department	Location
Secretaría de Educación Pública (SEP)		Mexico

#### 5. Disbursement Estimates (US\$m)

<b>Actual amount disbursed as of 04/19/2013</b>		<b>187.96</b>
Fiscal Year	Annual	Cumulative
2013	0.00	187.96
2014	32.04	220.00
	<b>Total</b>	<b>220.00</b>

<b>6. Policy Exceptions and Safeguard Policies</b>	
<b>Does the restructured project require any exceptions to Bank policies?</b>	N
<b>Does the restructured project trigger any new safeguard policies? If yes, please select from the checklist below and update ISDS accordingly before submitting the package.</b>	N

<b>7a. Project Development Objectives/Outcomes</b>
<b>Original/Current Project Development Objectives/Outcomes</b>
The long-term development objective (PDO) of this Adaptable Program Lending is to improve the quality of education as measured by coverage, social participation, and educational outcomes. Consistent with its development objective, the PDO for Phase II (the Project) is to strengthen PEC by increasing overall coverage and social participation in Eligible Schools while putting greater emphasis on public marginalized schools and on the Indigenous population, as well as a reorientation of the School Grants to improve public schools' internal efficiency and learning outcomes.

<b>7b. Revised Project Development Objectives/Outcomes</b> [if applicable]
N/A

**UNITED MEXICAN STATES**  
**SCHOOL-BASED MANAGEMENT PROJECT – PHASE II**

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**UNITED MEXICAN STATES**  
**SCHOOL-BASED MANAGEMENT PROJECT – PHASE II**

**RESTRUCTURING PAPER**

**A. SUMMARY**

1. The proposed changes and rationale are as follows:

- **Components.** Dropping Component 3 Policy Development and Evaluation of the Project since most activities are not critical to the achievement of the Project Development Objective and have been financed outside of the Project using CNPEC’s own resources. Retaining only the planned impact evaluation and qualitative evaluation originally under subcomponent 3.1 and moving them to Component 2. Component 2 is also being revised to explicitly include: the provision of technical assistance to the States to improve their prioritization of Indigenous schools and schools in marginalized areas and monitor their adherence to the PEC operating rules; the dissemination of the simplified school planning instrument; and the carrying out of a monitoring and evaluation survey to collect data from community members on the strategic school-based management model in PEC schools.
- **Results/indicators.** Adjustment in the Results Matrix to revise a number of PDO indicators in order to ensure the full measurement of the achievement of the PDO, as well as to revise a number of intermediate outcome indicators so as to more precisely measure Project results for Component 1 “School Grants” and Component 2 “Monitoring and Oversight.”
- **Reallocation of the Loan Proceeds.** Reallocation of part of the Project funds from Categories 2 (Operation Costs) and 3 (Consultant Services) to Category 1 (Goods, Works and Consultants’ Services financed under School Grants) in order to increase the number of beneficiary schools.
- **Closing Date/implementation schedule.** Extension of the Closing Date by one year, to June 30, 2014, largely to make up for the delay in signing the Loan Agreement and declaring effectiveness, as well as to extend the period of disbursement of school grants to the 2013-14 school year, and to allow for a second round of the Monitoring and Evaluation (M&E) survey and the carrying out of the impact evaluation, which is expected to be completed in June 2014.

## B. PROJECT STATUS

2. The School-Based Management Project, Phase II (the second phase of an expected three-phase Adaptable Program Loan (APL)), was approved by the Board on June 17, 2010 and declared effective on December 20, 2010. It finances the Government of Mexico's largest school autonomy program, *Programa Escuelas de Calidad* (PEC), which was established in 2001 to introduce school autonomy and improve local participation in education. It has three components: (1) School grants to eligible schools to support the implementation of school improvement plans, (2) Monitoring and oversight, including update of PEC information systems and Project oversight; and (3) Policy development and evaluation, including an impact evaluation.

3. PEC remains the Bank's main conduit into the large basic education system in Mexico, and overall, the Project is advancing satisfactorily and either achieving or surpassing its objectives in terms of both coverage and equity. Currently, 22 percent of public schools are in PEC, meeting the 2012 target, and up from 18 percent in 2009. PEC has increasingly focused on schools in marginalized areas, which now account for 64 percent of all PEC schools, compared with targets of 50 and 55 percent for 2012 and 2013, respectively. Eighteen percent of PEC schools serve the Indigenous population, just short of the 18.3 percent target for 2012. With regards to the social participation objective, the percentage of community members that participate in the design of the PETE was 74.2 percent according to the 2009 survey. Progress against this indicator is being assessed based on the December 2012 M&E survey. In terms of the reorientation of School Grants objective, the proportion of School Grants spent on education quality inputs accounted for 70.7 percent of expenditures in 2011, up from 59.7 percent in 2009. Alongside this, and although an objective only of the planned Phase III of the APL, learning outcomes themselves have improved, with average test scores in Math and Spanish rising consistently in both primary and secondary PEC schools between 2009 and 2011 (with the exception of Spanish test scores among PEC secondary schools, which fell between 2009 and 2010 - possibly due to the incorporation of marginalized and Indigenous schools in which this outcome tends to be lower - but rose again by 2011). Similarly, internal efficiency, another objective of the planned Phase III of the APL has improved slightly, with the average pass rate in PEC schools increasing from 97.48 percent in 2009 to 98.04 percent in 2011 in primary schools, and from 82.65 percent in 2009 to 82.84 percent in 2011 in secondary schools.

4. Project status by Component is as follows:

- a. **Component 1: School Grants.** While Project implementation at the school level is proceeding largely as planned, the main bottleneck has been to the disbursement of transfers to schools to finance the implementation of school improvement plans. Because schools accumulate expenditure receipts throughout the school year, schools are generally not able to submit expense reports proving the total of these expenditures until the end of the school year (August - July). Since the Project had anticipated that schools would submit receipts throughout the year, disbursement has been slower than expected. The PEC National Coordination (*Coordinación Nacional del Programa Escuelas de Calidad* –

CNPEC) has made great efforts to reduce the time taken for schools to present proof of their expenditures, modifying the Operating Rules of Phase XII<sup>1</sup> of the Program to speed up the time of approval. PEC Operating Rules were also changed during Project preparation in 2009 to include a reorientation of School Grants towards education quality inputs, as well as to prioritize schools in localities with an Indigenous population and in highly and very highly marginalized areas, respectively. Nine criteria were established within the Operating Rules which guide the focus on such schools. These were shared with the PEC General State Coordinations (*Coordinaciones Generales Estatales del PEC* – CGEPECs) by the CNPEC along with technical assistance on how to operationalize this focus, as well as a ‘priorities map’ which highlights localities with Indigenous population.

- b. **Component 2: Monitoring and Oversight.** PEC has worked to create a strong financial management and information monitoring system. The CNPEC has been developing an information system for online collaboration which brings together the main modules of PEC’s new National Management Information System<sup>2</sup>. Its launch has been delayed until a server with sufficient capacity to ensure the technical operation of the system is acquired. The Program’s information campaign has been growing over the past 2 years and in 2012 included: 1) EDUCARE magazine; 2) 6 PEC volumes which are being delivered to all schools in PEC;<sup>3</sup> 3) bulletins and informative notes; 4) Webinar platform; and 5) “*Barra de Verano*” television series. Due to the change in administration of the CNPEC in December 2012, the dissemination campaign for the remainder of the 2012-13 school year has been altered to focus on the design and delivery of SBM brochures and the renovation of the PEC website. In addition, the CNPEC continues to organize annual or semi-annual national and regional meetings first

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<sup>1</sup>PEC operates in Phases according to academic years, but includes several months on either side of the academic year for official preparatory and closure activities. PEC Phase I began in 2001. Phase XII is the current Phase of the Program, which officially started in December 2011 (when PEC’s 2012 Operating Rules were published) and will end in December 2013. The delivery of school grants corresponding to PEC Phase XII will be for school year 2012 -2013 (from August 2012 until July 2013).

<sup>2</sup>There are 3 different channels through which schools can report information through an MIS to their PEC General State Coordination (*Coordinación General Estatal del PEC - CGEPEC*): 1) PEC’s own Information System (*Sistema de Información del Programa Escuelas de Calidad - SIPEC*), 2) an -pre-certified MIS (any state management information system for which its methodologies and systems have been verified), and 3) direct report (Pdf, Word, or Excel file) given to PEC Regional Coordinators (officially called “*Origen y Aplicación*” by the CNPEC). The CGEPECs are then responsible for delivering all information collected through these 3 channels to the CNPEC, which then uploads all the information received to its National Management Information System (NMIS). However, the current NMIS is being revised by the new administration and is expected to be subsumed by a new NMIS designed to gather information on all education programs, the construction of which is planned under the new Government’s education reform of Article 3.

<sup>3</sup> The 6 PEC volumes are: Volume I: Strategic School-Based Management Model; Volume II: Simplified PETE – Recommendations for the elaboration of the School Transformation Strategic Plan (PETE – *Plan Estratégico de Transformación Escolar*); Volume III: Management Standards for Basic Education; Volume IV: Orientation/Guidance to Activate Social Participation in Basic Education Schools; Volume V: Management Model for School Supervision; Volume VI: Guide to facilitate the inclusion of impaired students in schools participating in PEC.



started in 2008-2009 to disseminate information on PEC and attended by PEC's federal and state authorities.

- c. **Component 3: Policy Development and Evaluation.** PEC is committed to developing and supporting policy research and evaluation. To this end, external evaluations of PEC are carried out annually by the *Consejo Nacional de Evaluación de la Política de Desarrollo Social* (CONEVAL). Similarly, analyses of student learning achievement assessments using national education standards in the form of the ENLACE test are conducted every academic year for Secretariat of Public Education (*Secretaría de Educación Pública* - SEP) internal purposes. In addition, the CNPEC has carried out studies on improving the coordination of PEC with other SEP programs as well as on improving the equity and efficiency of PEC. While these activities have furthered the objective of policy development and evaluation, they have been financed outside of the Project and are not critical to the Project itself, leading to the decision to drop Component 3. The impact evaluation is pending, with a baseline having been established in 2008 through a study financed by the School-Based Management Project Phase I (P088728, Loan 7347-MX).

## C. PROPOSED CHANGES

### Component 2: Monitoring and Oversight

5. The Component is being revised to clarify in subcomponent 2.2 that the technical assistance provided by CNPEC to the States aims to improve their prioritization of Indigenous schools<sup>4</sup> and schools in marginalized areas<sup>5</sup>, consistent with the Project's Objective; and to monitor their adherence to PEC's Operating Rules. The activities carried out under the umbrella of CNPEC's technical assistance include supervision visits, national and regional meetings, training and workshops, intended to support CGEPECs' understanding of the operating, financial and academic implementation of the Program, including the fulfillment of PEC's Operating Rules, PEC's academic model, and accountability processes. The Component will further be revised to include in subcomponent 2.3 the dissemination of the simplified school planning instrument (known as PETE until school year 2012-13), which is critical to its use in marginalized and Indigenous areas and to encourage greater social participation. The simplified school planning instrument is a manual containing a series of recommendations intended to make the school planning process clearer, easier and more efficient for schools; its dissemination is carried out through its publication as one of the collection of six PEC

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<sup>4</sup> Indigenous schools are defined as Indigenous modality schools and are those categorized by bilingualism/biculturalism: schools in which at least one Indigenous language is taught and elements of Indigenous culture are immersed in the school's activities. The schools are not necessarily attended in majority by students with an Indigenous background (OECD Review of Evaluation and Assessment in Education: Mexico 2012).

<sup>5</sup> Schools in marginalized areas are those located in highly and very highly marginalized localities or Basic Geo-Statistical Areas (AGEBs – *Áreas Geo-Estadísticas Básicas*) according to an index provided in 2005 by the National Population Council (CONAPO – *Consejo Nacional de Población*).

volumes. The M&E survey to collect data on social participation for the Results Matrix is also being explicitly included in Component 2 with the 2013 survey to be financed under the Project. In addition, the impact evaluation and qualitative evaluation of PEC, which are the only activities under Component 3 Policy Development and Evaluation that are critical to the Project, are being moved to this Component.

### Component 3: Policy Development and Evaluation

6. After moving the impact evaluation and the qualitative evaluation under subcomponent 3.1 to Component 2, Component 3 is being dropped from the Project as part of Restructuring since it is not critical to the achievement of the PDO and all the remaining activities are not critical to the achievement of the PDO and/or have been financed outside of the Project using CNPEC’s own resources.

### Results/indicators

7. The Results Matrix is being adjusted to revise a number of PDO indicators in order to ensure the full measurement of the achievement of the PDO, as well as to revise a number of intermediate outcome indicators so as to more precisely measure Project results for Component 1 “School Grants” and Component 2 “Monitoring and Oversight” (see Annex 1 for the revised Results Matrix).

8. Three of the five original Project Development Outcome indicators for this second Phase of the APL are being revised, one dropped due to repetition, and one additional PDO indicator created. The total number of PDO indicators continues to be five. In addition to revisions to the baseline values for PDO Indicators One and Three in light of final data, targets for 2013 have been created for all PDO Indicators, to reflect the longer implementation period. See Table 1 for details on the changes and their rationale.

**Table 1: PDO Indicators**

Revised Indicators	Original Indicators (PAD)	Comments
<p><b>PDO Indicator One (Overall coverage):</b> Percentage of basic and special education schools participating in PEC.</p>	<p>Number of schools participating in PEC as percentage of the total number of basic education schools.</p>	<p>This indicator has been revised in order to clarify its meaning, and to include an explicit reference to special education schools, which have always been included in the denominator as they are covered by PEC. The total number of basic and special education schools was 200,480 at the baseline in 2009 and has evolved as follows: 202,171 in 2010, 204,225 in 2011, and an expected 204,898 in 2012. The 2009 baseline value for this indicator, which was originally estimated with preliminary data on the number of basic and special education schools participating in PEC, has been revised up from 18% to 20.3% in light of final data. The end target has been revised up from 22% to 23% in line with the change in the baseline,</p>

		as well as due to the longer implementation period.
	Total number of basic education schools participating in PEC.	This indicator has been dropped as it is repetitive with PDO indicator 1.
<b>PDO Indicator Two (Social participation):</b> Percentage of school community members who participate in the design of the PETE.	Commitment to the goals and activities of the PETE as expressed by parental participation in PETE design or adjustment (as percentage of total parents).	This indicator has been revised since baseline data reflects the participation of community members, not parents. The end target has been revised down from 80% to 75% since as more Indigenous schools are introduced social participation decreases, and intermediate targets were revised accordingly.
<b>PDO Indicator Three (Coverage in marginalized schools):</b> Percentage of PEC schools in highly marginalized and marginalized areas.	No change.	Continued indicator with each school classified as being in a marginalized or highly marginalized area, which corresponds to CONAPO's definition of 'very high' and 'high' grades of marginalization and uses the following 2005 thresholds for these grades already available at the time the baseline was measured: high marginalization: - 0.696 – 0.612 and very high marginalization: 0.613 – 3.223. <sup>6</sup> The 2009 baseline value for this indicator, which was originally estimated with preliminary data on the number of basic and special education schools participating in PEC, has been revised down from 40% to 38.4% in light of final data. The end target has been revised up from 50% to 55% due to the longer implementation period.
<b>PDO Indicator Four (Coverage in Indigenous schools):</b> Percentage of Indigenous modality schools participating in PEC.	Percentage of PEC schools with Indigenous students.	This indicator has been revised to better reflect the Project's impact on PEC's reach to the Indigenous population. Under the original indicator, a PEC school was counted if it had only one Indigenous student. Indicator targets have been revised accordingly.
<b>PDO Indicator Five (Reorientation of school grants):</b> Percentage of school grants spent on education quality inputs.		This is a new indicator introduced to measure the "Reorientation of school grants". Under this indicator, the total spending of School Grants composed of 'education quality', 'education infrastructure', and 'other' inputs, where 'education quality' includes 4 types of expenditures: 1) furniture and technical

<sup>6</sup>CONAPO's marginalization index is constructed as a composite indicator of the following eight socioeconomic indicators: 1) percentage of population aged 15 or more that is illiterate; 2) percentage of population aged 15 years or more without complete primary education; 3) percentage of private homes without drainage or toilet; 4) percentage of private homes without power; 5) percentage of private homes without running water inside the house; 6) percentage of private homes with some level of overcrowding; 7) percentage of private homes with dirt floors; 8) percentage of private homes without a refrigerator. When ranked in order of the marginalization index, those localities in the highest two – of five – subintervals are defined by CONAPO as having 'very high' and 'high' grades of marginalization, with the localities in the remaining subintervals representing 'medium', 'low', and 'very low', grades of marginalization, in decreasing order of marginalization index.

		equipment, 2) teaching materials, 3) school materials, and 4) training. The category 'Other' includes transportation costs to training locations or to bring materials/new equipment to schools, internet bills, and bank commission fees.
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9. The Results Matrix has also been changed in order to preview an additional future PDO indicator, “pass rate”, which will measure internal efficiency during Phase III of the Program. It is defined as the number of students that pass a given school year as a percentage of the total number of students enrolled at the beginning of the same school year. It captures the school’s capacity to ensure enrolled students do not dropout, and pass that school year. The indicator is constructed using data from Mexico’s education census (*Estadística 911*), collected by the SEP on a twice yearly basis: at the beginning and end of each school year. As indicated in the PAD, the Government committed to begin tracking both the internal efficiency and learning outcomes of the Program during Phase II of the APL in anticipation of improving results in these areas by Phase III. In light of this, the measurement of these two indicators to date is presented in Table 2 below.

**Table 2: Phase III PDO Indicators**

Phase III PDO Indicator	Baseline	Actual values	
	2009	2010	2011
<b>PDO Indicator (Learning outcomes):</b> (a) Average ENLACE test score in Math in PEC primary schools	504.24	513.91	531.69
<b>PDO Indicator (Learning outcomes):</b> (b) Average ENLACE test score in Spanish in PEC primary schools	494.62	513.4	524.7
<b>PDO Indicator (Learning outcomes):</b> (c) Average ENLACE test score in Math in PEC secondary schools	494.62	507.37	515.18
<b>PDO Indicator (Learning outcomes):</b> (d) Average ENLACE test score in Spanish in PEC secondary schools	487.43	471.35	474.28
<b>PDO Indicator (Internal efficiency):</b> (a) Average pass rate in PEC primary schools*	97.48%	98.67%	98.04%
<b>PDO Indicator (Internal efficiency):</b> (b) Average pass rate in PEC secondary schools	82.65%	82.54%	82.84%

\* Average pass rate in PEC primary schools includes only grades 4-6 since students in grades 1-3 are automatically promoted starting in the 2012-13 school year.

10. Two of the original seven Intermediate Results Indicators have been revised, one dropped due to repetition with a PDO indicator, and three added in order to ensure that all key activities critical to the achievement of the PDO are measured. The total number of Intermediate Results Indicators with the restructuring is nine. See Table 3 for details on the changes and rationale. In addition to the specific revisions to certain Indicator targets described in the ‘Comments’ section for each indicator below, targets for 2013 have been created for all Intermediate Results Indicators to reflect the longer implementation period.

**Table 3: Intermediate Outcome Indicators**

<b>Revised Indicators</b>	<b>Original Indicators (PAD)</b>	<b>Comments</b>
<b>Intermediate Result Indicator One:</b> Percentage of community members that are familiar with the PETE.	Percentage of community members that know the PETE.	The wording of this indicator has been revised in order to clarify its meaning. The end target has been revised up from 82% to 84% due to the longer implementation period.
<b>Intermediate Result Indicator Two:</b> Percentage of community members that observe that parents are informed about student performance.	No change.	Continued indicator. The end target has not changed because no further increases are expected in the additional year of implementation.
<b>Intermediate Result Indicator Three:</b> Percentage of community members that observe participatory decision making between parents, teachers and principal about school affairs.	No change.	Continued indicator. The end target has been revised down from 93% to 91% because as PEC incorporates new marginalized and Indigenous schools into the Program, these schools typically require more time to increase social participation.
<b>Intermediate Result Indicator Four:</b> Percentage of community members that observe teachers encouraging and supporting student performance.	No change.	Continued indicator. The end target has been revised down from 93% to 91% since the CNPEC realized that the level of participatory decision making is predominantly influenced by the plan elaborated by the each school's Council of Social Participation ( <i>Consejo Escolar de Participación Social – CEP</i> ) in accordance with the National Council of Social Participation in Education ( <i>Consejo Nacional de Participación Social en Educación – CONAPASE</i> ), and not only by PEC.
<b>Intermediate Result Indicator Five:</b> Percentage of community members that observe teachers encouraging the active participation of students.	No change.	Continued indicator. The end target has been revised up from 77% to 78% due to the longer implementation period.
<b>Intermediate Result Indicator Six:</b> Total hours of technical assistance provided by the CNPEC to the CGEPECs per year.		This is a new indicator introduced as a measure of technical assistance given to States in the form of training them to follow PEC Operating Rules which prioritize Indigenous schools and schools in marginalized areas, and monitoring their adherence to these rules.

<p><b>Intermediate Result Indicator Seven:</b> Percentage of financed PEC schools that report financial information on time to PEC’s National Management Information System.</p>	<p>Percent of states that report on time the information of the Program through a certified MIS.</p>	<p>This indicator has been revised to be in terms of the percentage of schools because under the previous methodology, if one school did not report information on time it affected the measure for the entire state. Moreover, it has been adjusted for clarification purposes to focus on reporting financial information to PEC’s National Management Information System. In practice, progress toward the target is being monitored through direct reporting by schools (PDF, Word, or Excel file) given to PEC Regional Coordinators (officially called “<i>Origen y Aplicación</i>” by the CNPEC). PEC General State Coordinations (<i>Coordinación General Estatal del PEC - CGEPEC</i>) are then responsible for delivering all information collected to the CNPEC, which then uploads all the information received to its National Management Information System (NMIS) within 15 days after the due date that PEC’s Operating Rules establish for the CGEPECs each year (for 2013 the due date is November 30th, 2013). There are 2 other channels through which schools have reported information: 1) PEC’s own Information System (<i>Sistema de Información del Programa Escuelas de Calidad - SIPEC</i>), and 2) state management information systems. However, all channels are expected to be subsumed by a new NMIS designed to gather information on all education programs, the construction of which is planned by the new Government.</p>
<p><b>Intermediate Result Indicator Eight:</b> Dissemination of the simplified school planning instrument.</p>		<p>This is a new indicator introduced to track the completion of this activity which is key to the achievement of the PDO, since the dissemination of the simplified school planning instrument (known as PETE until school year 2012-13) is critical to reaching marginalized and Indigenous areas and to encouraging greater social participation (see paragraphs 18 and 21 of the PAD).</p>
<p><b>Intermediate Result Indicator Nine:</b> Dissemination of PEC’s objectives, activities and results.</p>		<p>This is a new indicator which will document the implementation of specific dissemination activities. The Program’s information campaign has been growing over the past 2 years and in 2012 included: 1) EDUCARE magazine, 2) 6 PEC volumes which are being delivered to all schools in PEC, 3) bulletins and informative notes, 4) Webinar platform, and 5) “<i>Barra de Verano</i>” television series. The dissemination campaign for the remainder of the 2012-13 school year has</p>

		been altered to focus on the design and delivery of SBM brochures and the renovation of the PEC website. In addition, the CNPEC continues to organize annual or semi-annual national and regional meetings first started in 2008-2009 to disseminate information on PEC and attended by PEC's federal and state authorities.
	Number of PEC schools located in areas of medium, high, and very high marginalization levels (Total).	This indicator has been dropped due to repetition with PDO Indicator Three. The number of PEC schools in areas of medium, high, and very high levels of marginalization in 2011 was 9,286, 14,668, and 5,346, respectively, making a total of 29,300 schools in marginalized areas in this year.

**Financing**

11. Reallocation. The categories of items financed by the Project have been revised. Part of the Project funds under Categories 2 (Operation Costs) and 3 (Consultant Services) will be reallocated to Category 1 (Goods, Works and Consultants' Services financed under School Grants) in order to increase the number of beneficiary schools, as well as because Component 3 (Policy Development and Evaluation) which Category 3 currently finances, is being dropped from the Project. The Government is using counterpart funds instead of loan funds to finance some operating costs, which enable a reduction in Category 2. Specifically, US\$2,299,769 is being transferred from Category 2 to Category 1, and US\$3,930,000 is being transferred from Category 3 to Category 1. The revised allocation of proceeds is shown in Table 4 below.

**Table 4: Revised Allocation of Proceeds**

Category	Amount of the Loan Allocated (expressed in USD)		Percentage of Expenditures to be financed
	Original	Revised	
(1) Goods, Works and Consultants' Services financed under School Grants	211,720,000	217,949,769	90%
(2) Operating Costs	3,300,000	1,000,231	100%
(3) Consultant Services	4,430,000	500,000	100%
(4) Front-end Fee	550,000	550,000	Amount payable pursuant to Section 2.03 of the Loan Agreement in accordance with Section 2.07 (b) of the General Conditions
(5) Premia for Interest Rate Caps and Interest rate Collars (amounts due under section 2.07 (c) of the Loan Agreement)	0	0	
<b>TOTAL AMOUNT</b>	<b>220,000,000</b>	<b>220,000,000</b>	

**Closing date**

12. The implementation period would be increased by one year, to June 30, 2014 (from June 30, 2013) to enable the completion of activities (including support to school improvement plans and an impact evaluation, as well as allowing a second round of data collection to take place in September 2013) and achievement of targets which are already underway. It would also allow the full disbursement of Bank financing, by providing the CGEPECs with enough time to present proof of the deposit of funds to the schools to the CNPEC. This is a condition for the disbursement of funds, which has hitherto been the Project's main bottleneck.

**Implementation schedule**

13. The implementation schedule will change as follows as a result of the closing date extension:

- a. **Financing of school improvement plans through School Grants** – Project Restructuring will enable financing of School Grants under the Project during the school year 2013-14 rather than only through the school year 2012-13 as originally planned.



- b. **Annual Monitoring and Evaluation (M&E) Surveys** – The annual M&E surveys to collect data for the Results Matrix are to continue but according to a new schedule. The planned annual M&E survey to collect data for the measurement of Project indicators was not carried out in 2011 since it could not be included in that year’s budget. The extension of the Project closing date will allow for two rounds of data collection. The first survey was carried out in December 2012, with results to be available in early 2013, and the second survey will be carried out in September 2013, with results available in December 2013.
- c. **Impact Evaluation** – This is divided into two parts: 1) an evaluation of educational achievement which is expected to be delivered in April 2013; and 2) an evaluation of PEC’s school-based management model which is expected to be delivered in June 2014.
- d. **Dissemination activities** – With the closing date extension some dissemination activities will take place during school year 2013-2014. The specific schedule of dissemination activities for each school year is only determined on a yearly basis in February before the start of each school year.

**ANNEX 1: Results Framework and Monitoring**  
**UNITED MEXICAN STATES: SCHOOL-BASED MANAGEMENT PROJECT**

**Project Development Objective (PDO):** The long-term development objective (PDO) of this Adaptable Program Lending is to improve the quality of education as measured by coverage, social participation, and educational outcomes. Consistent with its development objective, the PDO for Phase II (the Project) is to strengthen PEC by increasing overall coverage and social participation in Eligible Schools while putting greater emphasis on public marginalized schools and on the Indigenous population, as well as a reorientation of the School Grants to improve public schools' internal efficiency and learning outcomes.

	Core	D= Dropped C= Continue N= New R=Revised	Unit of Measure	Baseline 2009	Cumulative Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection
					2009-10 Actual	2010-11 Actual	2011-12	2012-13			
<b>PDO LEVEL RESULTS INDICATORS</b>											
Total number of basic and special education schools participating in PEC.	<input type="checkbox"/>	<b>D</b>	#	40,790	40,557	45,510	50,000		Annual	PEC databases	PEC (Coordinación de Información y Análisis)
<b>PDO Indicator One (Coverage):</b> Percentage of basic and special education schools participating in PEC.	<input type="checkbox"/>	<b>R</b>	%	20.3%	20.0%	22.3%	22%	23%	Annual	PEC databases	PEC (Coordinación de Información y Análisis)
<b>PDO Indicator Two (Social participation):</b> Percentage of school community members who participate in the design of the PETE.	<input type="checkbox"/>	<b>R</b>	%	74.2%	NA	NA	74.8%	75%	Annual	Survey and/or visits to verify information	PEC - Survey
<b>PDO Indicator Three (Coverage in marginalized schools):</b> Percentage of PEC schools in highly marginalized and marginalized areas.	<input type="checkbox"/>	<b>C</b>	%	38.4%	65.3%	64.4%	50%	55%	Annual	PEC databases	PEC (Coordinación de Información y Análisis)

	Core	D= Dropped C= Continue N= New R=Revised	Unit of Measure	Baseline 2009	Cumulative Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection
					2009-10 Actual	2010-11 Actual	2011-12	2012-13			
<b>PDO Indicator Four (Coverage in Indigenous schools):</b> Percentage of Indigenous modality schools participating in PEC.	<input type="checkbox"/>	R	%	15.4%	16.7%	18.5%	18.3%	19.3%	Annual	PEC databases	PEC ( <i>Coordinación de Información y Análisis</i> )
<b>PDO Indicator Five (Reorientation of school grants):</b> Percentage of school grants spent on education quality inputs.	<input type="checkbox"/>	N	%	59.7%	65.1%	70.7%	64.86%	66.86%	Annual	PEC databases	PEC ( <i>Coordinación Estratégica de Gestión Operativa</i> )
<b>PDO Indicator Six (Learning outcomes):</b> Average test scores in Math and Spanish for students in participating PEC schools by type of school (primary and secondary).	<input type="checkbox"/>	C	#	Data pertaining to this indicator would be evaluated during Phase III				Annual	PEC databases, ENLACE test scores	PEC ( <i>Coordinación de Información y Análisis</i> )	
<b>PDO Indicator Seven (Internal efficiency):</b> Average pass rate in PEC schools (primary and secondary).	<input type="checkbox"/>	N	%	Data pertaining to this indicator would be evaluated during Phase III				Annual	Education census ( <i>Estadística 911</i> )	PEC ( <i>Coordinación de Información y Análisis</i> )	
<b>INTERMEDIATE RESULTS</b>											
<b>Intermediate Result (Component One): School Grants</b>											
<b>Intermediate Result Indicator One:</b> Percentage of community members that are familiar with the PETE.	<input type="checkbox"/>	R	%	76.8%	NA	NA	82%	84%	Annual	Survey and/or visits to verify information	PEC –M&E Survey
<b>Intermediate Result Indicator Two:</b> Percentage of community members that	<input type="checkbox"/>	C	%	99%	NA	NA	99%	99%	Annual	Survey and/or visits to verify information	PEC –M&E Survey

	Core	D= Dropped C= Continue N= New R=Revised	Unit of Measure	Baseline 2009	Cumulative Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection
					2009-10 Actual	2010-11 Actual	2011-12	2012-13			
observe that parents are informed about student performance.											
<b>Intermediate Result Indicator Three:</b> Percentage of community members that observe participatory decision making between parents, teachers and principal about school affairs.	<input type="checkbox"/>	C	%	90.2%	NA	NA	90.8%	91%	Annual	Survey and/or visits to verify information	PEC –M&E Survey
<b>Intermediate Result Indicator Four:</b> Percentage of community members that observe teachers encouraging and supporting student performance.	<input type="checkbox"/>	C	%	72.1%	NA	NA	77%	78%	Annual	Survey and/or visits to verify information	PEC –M&E Survey
<b>Intermediate Result Indicator Five:</b> Percentage of community members that observe teachers encouraging the active participation of students.	<input type="checkbox"/>	C	%	66.9%	NA	NA	72%	74%	Annual	Survey and/or visits to verify information	PEC –M&E Survey
Number of PEC schools located in areas of medium, high, and very high marginalization levels (Total).	<input type="checkbox"/>	D	#	15,068	26,491	29,300	22,500		Annual	PEC databases	PEC (Coordinación de Información y Análisis)
Medium	<input type="checkbox"/>	D	#	5,153	8,086	9,286	7,500		Annual	PEC databases	PEC (Coordinación de Información y Análisis)
High	<input type="checkbox"/>	D	#	4,635	8,086	9,286	7,500		Annual	PEC databases	PEC (Coordinación de Información y Análisis)

	Core	D= Dropped C= Continue N= New R=Revised	Unit of Measure	Baseline 2009	Cumulative Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection
					2009-10 Actual	2010-11 Actual	2011-12	2012-13			
Very high	<input type="checkbox"/>	D	#	5,280	5,072	5,346	7,500		Annual	PEC databases	PEC (Coordinación de Información y Análisis)
<b>Intermediate Result (Component Two): Monitoring and Oversight</b>											
<b>Intermediate Result Indicator Six:</b> Total hours of technical assistance provided by the CNPEC to the CGEPECs per year.	<input type="checkbox"/>	N	#	732*	NA	732	851	970	Annual	PEC Semester Progress Reports	PEC (Coordinación de Gestión Financiera)
<b>Intermediate Result Indicator Seven:</b> Percentage of financed PEC schools that report financial information on time to PEC's National Management Information System.	<input type="checkbox"/>	R	%	88.4%	NA	NA	92.9%	94.4%	Annual	PEC databases; PEC's NMIS	PEC (Coordinación de Información y Análisis, y Coordinaciones Regionales de PEC)
<b>Intermediate Result Indicator Eight:</b> Dissemination of the simplified school planning instrument.	<input type="checkbox"/>	N	Text	Unsimplified school planning instrument	Design complete	Training complete	Dissemination	Dissemination	Annual	CNPEC	PEC (Coordinación de Información y Análisis)

	Core	D= Dropped C= Continue N= New R=Revised	Unit of Measure	Baseline 2009	Cumulative Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection
					2009-10 Actual	2010-11 Actual	2011-12	2012-13			
<p><b>Intermediate Result</b> <b>Indicator Nine:</b> Dissemination of PEC's objectives, activities and results</p>	□	N	Text		Publication of EDUCARE magazine; Design and launch of PEC volumes, bulletins and informative notes	Publication of EDUCARE magazine; Design and launch of PEC volumes, bulletins and informative notes; launch of Webinar platform; Launch of series 'Barra de verano' on the Edusat Newtork and Canal 22.	Continued implementation of communications strategy	Continued implementation of communications strategy	Annual	Annual work plan	PEC (Difusión)

\*The baseline for Intermediate Result Indicator Six (Total hours of technical assistance provided by the CNPEC to the CGEPECs per year) is for 2011.