



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 07-Nov-2022 | Report No: PIDC34972

**BASIC INFORMATION****A. Basic Project Data**

Country Paraguay	Project ID P180015	Parent Project ID (if any)	Project Name Joining Efforts for an Education of Excellence in Paraguay (P180015)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Jan 09, 2023	Estimated Board Date Mar 21, 2023	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) Government of Paraguay	Implementing Agency Ministry of Education and Sciences	

Proposed Development Objective(s)

To enhance learning environments in compulsory education and pre-service teacher training institutions, and improve governance in core priority areas

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	180.00
Total Financing	180.00
of which IBRD/IDA	125.30
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	125.30
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Non-World Bank Group Financing

Counterpart Funding	54.70
Borrower/Recipient	54.70



Environmental and Social Risk Classification

Moderate

Concept Review Decision

Track II-The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **Paraguay has been affected by a series of significant exogenous shocks over the last few years.** The combined effects of the COVID-19 pandemic that hit the country in March 2020, adverse climate developments, and the ongoing global uncertainty following the start of the war in Ukraine in February 2022 posed significant challenges to the country's relentless efforts to achieve inclusive growth.¹ The Government of Paraguay (GoP) tried to mitigate these shocks by expanding social protection initiatives and focusing on maintaining the overall positive trends in poverty reduction and shared prosperity improvement.² Still, challenges remain as the economy is expected to contract by 0.3 percent in 2022 due to a severe drought, high inflation rates, and tighter monetary and fiscal conditions.³

2. **These exogenous events disproportionately affected Paraguay's poorest and marginalized populations.** Exacerbated by a severe drought and the global challenges brought about by the war in Ukraine⁴, the average cumulative inflation rate from January through September 2022 was 7.1 percent, three times higher than in the previous year and the fastest increase in almost 15 years. Higher inflation hinders poverty reduction, as it especially impacts those at the lower end of the income distribution. For example, the food index, a subcomponent of inflation, rose 17 percent in the last year alone, over-impacting poor and vulnerable households who spend a larger share of their budget on food. As a result, poverty rates, measured at \$6.85/day, are estimated to increase from 20.8 percent in 2021 to 21.5 percent in 2022.

3. **The effects of these shocks have been compounded by pervasive structural challenges in terms of human capital accumulation and labor market outcomes, especially for women.** Paraguay, an upper-middle income country (UMIC), still displays high levels of illiteracy rates, with 5 percent of its population unable to read or write. Furthermore, there are high levels of schooling deprivation – around 12 percent of the children of compulsory education age are not in school – and extremely high levels of learning poverty – with roughly 8 in 10 Paraguayan 10-year-olds unable to read or understand an age-appropriate text.⁵ There are also persistent gaps between men and women in the labor market reflecting gender differences in the use of human capital, despite improvements for women in labor market outcomes in recent years. According to the latest data from Paraguay's National Household Survey,⁶ women are 30 percent more likely to be unemployed than men (9.8 vs. 7.5 percent, respectively). This gap further widens in rural areas, where women are more than twice as likely to suffer from unemployment (10.1 vs. 4.8 percent). These worrisome trends also replicate when analyzing the quality of employment, where underemployment disproportionately affects women (7.2 vs. 4.1 percent),

¹ After reaching peak poverty and inequality rates in 2002 (57.7 percent and a 0.57 Gini coefficient), the country had been able to significantly reduce both indicators to historical lows by 2019 (23.5 percent and 0.44 Gini). See World Bank, 2022f.

² Despite an increase in both poverty rates and inequality during the first year of the pandemic, as of the date of this document, both metrics had already returned to previously decreasing trends, reaching historical lows of 20.8 percent (poverty rate) and 0.43 (Gini). See World Bank, 2022e.

³ Due to climatic events, the country suffered in 2022 a historically small soybean harvest, highly reduced hydropower exports, and higher logistics costs due to inflation being the highest in the country in 14 years. With inflation running high, monetary conditions have been significantly tightened and the fiscal position deteriorated. See World Bank, 2022c.

⁴ The sudden outbreak of the war in Ukraine in February 2022 impacted Paraguay via a generalized increase in the price of oil, directly impacting the cost of living. However, the war also affected the country through a significant decrease in the exports of meat.

⁵ See World Bank, 2022b.

⁶ See Instituto Nacional de Estadística, 2022.



especially in rural areas (9.3 vs. 5.7). Finally, Paraguay's labor market is marked by a high level of informality, with only about 1 in 3 Paraguayans working in the formal sector, a trend that has hardly changed over the past decade.

Sectoral and Institutional Context

Background and Main Challenges Pre- and Post-Pandemic

4. **Paraguay has struggled to build human capital foundations, especially when it comes to educational outcomes.** According to the latest update of the Human Capital Index (HCI), just before the pandemic Paraguay's HCI was 0.53, meaning that a child born in Paraguay today would be expected to reach 53 percent of his/her productivity due to the current conditions of health and education prevalent in the country.⁷ This value is not only lower than the average for the Latin America and the Caribbean (LAC) region, but is also lower than the average for comparable UMICs.⁸ When the different drivers of the HCI are disaggregated, it is clear that the low performance is driven by lower-than-average education outcomes.⁹ In fact, both in terms of the quantity and quality of schooling, Paraguay fares below its regional and income-equivalent peers by an average of around 5.5 percent.¹⁰

5. **Education sector challenges in Paraguay are significant, represent key obstacles to building strong human capital foundations, and are related to a nascent stage in educational development.** As the Human Capital Review (HCR) for Paraguay shows,¹¹ key milestones in the history of the education sector only took place in the last 30 years. Compulsory primary education – grades 1 through 6 – was only incorporated in the Paraguayan legislation in 1992, when a new Constitution for the country was approved after 35 years of military rule ended in 1989. Six years later, in 1998, Law N°1264 increased the number of compulsory years of education from six to nine, mandating compulsory basic education guaranteed by the state.¹² It was only in 2010 that 13 years of compulsory education – with the addition of kindergarten and 3 years of upper secondary education – were finally assured in the country's legal framework (Law N°4088).

6. **Partly because of these recent developments, Paraguay faces significant bottlenecks in educational attainment, both in terms of the stock and the flow.** As regards the stock, two important statistics portray a snapshot of the challenges: (i) Paraguay has not yet succeeded in eradicating illiteracy, with an estimated 280,000 people (roughly 5.5 percent of the adult population) unable to read or write; and (ii) average educational attainment in Paraguay is roughly 9.5 years, which means that, on average, the adult population in Paraguay has only completed basic education (or the equivalent of complete lower secondary education). The flow, on the other hand, shows significant improvement over time. In the last 3 decades, Paraguay's coverage rates have improved sizably for kindergarten (from 27 percent to 80 percent), lower secondary education (from 39 to 74 percent), and upper secondary education (from 22 to 64 percent). Still, the number of out-of-school (OOS) children and adolescents totals roughly 210,000 (approximately 7 percent of the

⁷ See World Bank, 2022a.

⁸ In both cases, Paraguay is roughly 5 percent below, as average values for LAC and UMICs is 0.56.

⁹ The HCI has five different sub-indicators that combine to determine its final value. Out of these five indicators, three are related to the conditions of health/social protection systems (survival rate through age 5, stunting rates by age 5, and adult survival rate) and two are related to the characteristics of education systems (expected years of schooling and harmonized learning outcomes). See World Bank, 2020.

¹⁰ Paraguay's HCI sub-indicator on the: (i) *quantity of schooling (expected years of schooling)* is 7 percent below the LAC average and 4 percent below the average for UMICs; and (ii) *quality of schooling (harmonized learning outcomes)* is 5 percent below LAC countries and 6 percent below the UMIC average.

¹¹ See World Bank, 2022f, Chapter 3 (The Paraguayan education system).

¹² Basic education in Paraguay is divided into three cycles of three years each. The first and second cycles of basic education, encompassing grades 1 through 6, are the equivalent of primary education. The last cycle of basic education, comprising grades 7 through 9, is the equivalent of lower secondary education.



total population of compulsory education age)¹³. And this does not consider that the full cycle of early childhood education (ECE) is not yet compulsory by law. In fact, coverage rates for pre-kindergarten ECE years are still low, covering 56 percent of 4-year-olds and only 12 percent of 3-year-olds.

7. **In addition to access challenges, the Paraguayan educational system also faces significant internal efficiency issues.** Repetition rates are high and start early, with an average of 2 percent of students from 1st to 12th grade repeating a grade every year, when averaging values from 1st to 12th grade. This average almost doubles for the first cycle of basic education – grades 1-3rd.¹⁴ Moreover, dropout rates are also high and start early; on average, 1.3 percent of compulsory education school-aged students drop out of school each school year. Dropout rates also double the average for certain grades, most notably in the last year of primary education (6th grade), the first two years of lower secondary education (7th and 8th grades), and the first year of upper secondary education (10th grade). All in all, roughly 4 in 10 students entering first grade are expected to attain full compulsory education by age 18. Absenteeism is also high for both students and teachers.¹⁵

8. **Access and internal efficiency challenges in the Paraguayan education system get compounded by low learning levels.** To date, roughly two-thirds of Paraguayan students lack fundamental literacy and numeracy skills at their given ages. Results of the 2019 Regional Comparative and Explanatory Study (*Estudio Regional Comparativo y Explicativo, ERCE*) showed that roughly 50 percent of 3rd graders did not reach the minimum proficiency level (MPL) in Reading and only about 40 percent of them reached MPL in Math. 6th graders fared worse: roughly 82 percent in Reading, 92 percent in Science, and 94 percent in Math did not reach the respective MPL. In other words, learning foundations in Paraguay are weak, which is why progress in schooling may not be yielding much effect. In fact, although the average expected number of years of schooling (EYS) of an incoming cohort is 11 years, the estimated number of learning-adjusted years of schooling (LAYS) is only 7. This means that roughly one-third of the time spent in school in Paraguay (4 years out of 11) does not seem to add value in terms of learning.

9. **Paraguay's low education outcomes are driven by several factors.** At least, six key factors are identified as the main potential reasons: (i) the poor quality of the teacher workforce; (ii) the poor material and pedagogical conditions under which learning takes place; (iii) the lack of an enabling environment for the use and appropriation of information and communications technology (ICT) for education (henceforth, educational technology or EdTech); (iv) the dearth of evidence-based decision making at the system and school level, directly affecting the quality of management and instruction; (v) the weak governance framework under which several core areas affecting the quality of education operate; and (vi) the low level of financing for education. Each of these areas are elaborated succinctly below:

- (i) The poor quality of the teacher workforce: It is basically driven by three major issues: (i) teaching is still a profession that, on the whole, does not require a tertiary-level degree – e.g. roughly 1 in 4 ECE and primary education teachers and 1 in 2 secondary education teachers only hold a tertiary education degree; (ii) a large

¹³ OOS rates vary significantly by age group, nonetheless, with the largest rates being found currently at the extremes of the distribution of compulsory education. The OOS rates per relevant age group are as follows: (i) 19.8 percent (5-year-olds); (ii) 1.5 percent (6-11 years old); (iii) 4.4 percent (12-14 years old); and (iv) 16.5 percent (15-17 years old). See Ministerio de Educación y Ciencias, 2022.

¹⁴ To date, roughly 4 percent of 1st graders and approximately 3 percent of 2nd and 3rd graders repeat every year in Paraguay. When these effects get compounded, an estimated 10 percent of 6-year-olds in Paraguay does not reach 4th grade on time. See Ministerio de Educación y Ciencias, 2022.

¹⁵ Although there are no systematic statistics to document the size of this phenomenon, statistics from the administration of the PISA-D assessment in Paraguay in 2015 help illustrate the magnitude of this phenomenon. For example, 17 percent of students admitted to having lost three consecutive months of classes at one point during their lifetime in school and 58 percent of confirmed having lost one full day of classes in the last two weeks prior to the administration of the assessment. Reasons for student absenteeism vary, but the most predominant were illness (70 percent) and need to provide family care (50 percent). As for teachers, 94 percent of students confirmed having faced an event of missing classes in the previous two weeks due to teachers not going to school, mostly due to teacher strikes (82 percent), or missing class time due to teachers being late (85 percent). See Ministerio de Educación y Ciencias, 2022.



share of the teacher workforce does not have the correct profile or credentials for teaching at the given level – e.g. 50 percent of the teacher workforce in ECE or upper secondary education, or 90 percent in special education schools; and (iii) access to the teacher workforce lacks a clear merit-based application process – e.g. only 1 in 4 teacher positions in the system have been awarded through the application process known as *concurso de oposición*.¹⁶ These factors, related to pre-service education and teacher recruitment, affect teachers' needed competences to teach the curriculum and their readiness to apply effective pedagogical practices, thereby directly impacting the quality of learning.

- (ii) The poor material and pedagogical conditions under which learning takes place: According to a 2016 World Bank study on educational infrastructure in Paraguay,¹⁷ the country featured among those in LAC with the largest deficits in school infrastructure, both in terms of pedagogical needs (insufficiency and inadequacy of learning environments) and in terms of infrastructural complementary needs (water and sanitation, electricity, connectivity, resilience to climate change events). The study finds that the “poverty of educational infrastructure” in Paraguay has both quantity and quality elements that disproportionately affect specific populations.¹⁸ In a more recent study based on a comprehensive school safety survey carried out in 2017, another study found that that 15% of Paraguayan public schools were at risk of collapse.¹⁹
- (iii) The lack of an enabling environment for the use and appropriation of EdTech: To date, only 18 percent of the public schools in Paraguay is connected to the Internet via fiber-optic cable. These schools cover, nonetheless, 40 percent of students enrolled in compulsory education. Still, the majority of schools – and still 60 percent of students – do not have any digital infrastructure for using ICT in the classrooms. In addition, Internet service to those connected to the Internet is provided through the state-owned company COPACO, whose service is unreliable compared to other service providers (e.g. Millicom, TIGO Paraguay). In line with this lack of connectivity, it does not come as a surprise that most of the schools do not have enough devices, either. Last but not least, MEC, as the leading institution in the sector lacks an asset management policy – wasting up to two-thirds of the total price of any given device provided to students and teachers. Against this background, the EdTech ecosystem is seriously hampered, as no vision of how best to use ICT for education can be articulated, nor is it possible to assess teachers' digital skills to eventually inform teacher training policies.
- (iv) The dearth of evidence-based decision making at the system and school level, directly affecting the quality of management and instruction: The Paraguayan education system is centrally managed and counts on significantly improved education management information systems (EMIS); nevertheless, the bulk of decision-making is not guided by evidence. For example, there are no impact evaluations being held to date in the sector and those that may have happened in the past are not informing core policies or programs to be scaled up. In a similar vein, the management of educational institutions is still weak in Paraguay, with little to no use of diagnostic assessments (formative or summative assessments) to inform policies to improve learning. Although schools have a school leadership structure, they lack a learning strategy based on evidence, which makes for an inefficient use of instruction.

¹⁶ See Teachers College, Columbia University, 2021b.

¹⁷ See Wodon, 2016.

¹⁸ In terms of quantity, the study finds that roughly 40 percent of educational institutions in Paraguay were infrastructure poor, with higher prevalence in urban areas (58 percent) and secondary education institutions (48 percent) (see Table 2.3, p.10). The study did not assess, however, ECE institutions, where the dearth is estimated to be even higher than for secondary education. In terms of quality, the study finds largest deficits for schools located in rural areas (geographical location) and areas with the largest share of population with unmet needs (poorest socioeconomic backgrounds). A prior study by the United Nations Children' Fund (UNICEF) complements these metrics, showing that school conditions for indigenous populations are worse than those of their non-indigenous peers. See UNICEF, 2013.

¹⁹ See Paci-Green et al., 2021.



- (v) The weak governance framework under which several core areas affecting the quality of education operate: The legal framework under which the education sector operates has several deficiencies, some of which stem from legal loopholes, some of which are rooted in inefficient arrangements, and some which are not aligned with best practices in education. One example of a legal loophole is the lack of a proper governance framework in the area of school infrastructure works undertaken with funding from the National Fund for Public Investment Financing and Development (*Fondo Nacional para la Inversión Pública y el Desarrollo, FONACIDE*)²⁰. One example of an inefficient arrangement is the current framework for the provision of digital connectivity to schools, which is anchored in the provision of Internet via only one company instead of favoring complementarity across different providers as it happened during the pandemic.²¹ One example of lack of alignment with best international practices is the current regulation for ECE, which caters for institutionalized education for children aged 0-3²². Such governance-related weaknesses impact the functionality of the system and have an effect on the quality of learning environments and pedagogical processes.²³
- (vi) The low level of financing for the sector. Despite having increased in the last decade, Paraguay's public spending on compulsory education is only 3.5 percent of its Gross Domestic Product (GDP), roughly 23 percent below the average for LAC and 5 percent below international standards.²⁴ Low financing levels compound the five other factors, having a direct impact especially on the teachers and learning environments dimensions.

10. **The COVID-19 pandemic led to a crisis within a crisis, exacerbated by the structural problems in the education sector in Paraguay.** Given that the country's school year begins in late February, it was only two weeks after the 2020 school year had started when the sudden outbreak of COVID-19 led to a nationwide decision to close all educational institutions in the country, depriving 1.5 million students of compulsory education age of in-person education for the remainder of that school year and half of the following one. It was only in August 2021 that the Ministry of Education and Sciences (*Ministerio de Educación y Ciencias, MEC*) authorized the full reopening of schools. Attendance remained voluntary for the rest of 2021, when an estimated 30 percent of students still did not attend in-person classes, and it was only in February 2022 that in-presence attendance was required. With a system that was already structurally weak, both in terms of the hard (material conditions) and soft (pedagogical conditions) components of learning, the pandemic in Paraguay led to a crisis within a crisis. The experience with both distance learning – throughout the full 2020 school year and half of the 2021 school year – and hybrid instruction – for the remainder of school year 2021 – was not only less than

²⁰ FONACIDE was a Trust Fund created by Law N°4758 in 2012. Resources would accrue from a compensatory agreement signed with Brazil for the use of hydroelectrical power generated by Paraguay's Itaipú dam. The agreement tripled the compensation normally received from Brazil, ensuring an annual estimated net income for the GoP in the amount of USD 360 million. According to the Law N°6672/21, which was the last revision to FONACIDE's allocation system, 25 percent of FONACIDE's total funding must be allocated to municipalities. However, such funding is earmarked, and municipalities cannot spend less than 50 percent of proceeds to school infrastructure. Yet, there is no by-law operationalizing the methodology or standards under which these investments should be made, hence resulting in deficient results. Two examples of such results are: (i) undertaking civil works without getting the authorization of educational authorities first; and (ii) carrying out civil works without taking into account elements of proper environmental management (e.g. tree pruning without re-implantation) or advisable pedagogical practices (e.g. installing bathrooms for upper secondary education students right next to the ones for ECE).

²¹ For a comprehensive assessment of the state of EdTech in Paraguay, see Teachers College, Columbia University, 2021c.

²² The latest research on the role of education for children aged 0-3 confirm that: (i) the 0-3 age period is one where the bulk of brain development takes place; and (ii) this age group is not suited for a traditional classroom setting. See Bendini and Devercelli (2022). The current ECE regulation in Paraguay foresees a so-called variant of "non-formal education" but still conceived within the scope of traditional classroom settings. With support from the Bank, this regulation is being updated to adapt to international best practices and standards.

²³ Although many areas are identified as critical, the most notable are infrastructure, teachers, educational technology, ECE, and inclusive education. See Teachers College, Columbia University, 2021a.

²⁴ See Ministerio de Educación y Ciencias, 2022, and World Bank, 2018c.



ideal, but presumably of low overall pedagogical quality²⁵. A series of simulations of the potential magnitude of learning losses for Paraguay due to the pandemic are staggering: the country is expected to have experienced roughly a 20 percent increase in learning poverty.²⁶ If not addressed, structural weaknesses would also greatly complicate the recovery from these learning losses. Short-term initiatives are also urgently needed to start the recovery process.

The Country's Response: The Short- and Long-Term Agendas

11. **Aware of the long-standing challenges in the education sector, the GoP set education as one of its top priorities and launched a comprehensive strategy to overhaul the education sector: the National Plan for the Transformation of Education (*Plan Nacional de Transformación Educativa, PNTE*).** The PNTE was launched in 2018 as an institutional project led by MEC to: (i) produce a comprehensive diagnostic of the education system around key thematic areas; (ii) define the core priorities (labeled as “policies”) to significantly transform the sector by 2040; and (iii) undertake a detailed costing of the implementation roadmap focused on these “policies”. These policies were: (i) bilingual education models; (ii) teachers’ professional development; (iii) pedagogical adoption of science and technology in education; (iv) strengthening of technical and vocational education and training (TVET); (v) learning-centered school management; (vi) structural and material conditions for learning; (vii) evaluation and research for educational improvement; (viii) sustainable education financing; and (ix) strengthening of the educational community.²⁷

12. **While working on this long-term agenda, which had been set prior to the pandemic, the GoP still had to tackle the short-term needs stemming from COVID-19.** Efforts were led by MEC as the core institution and FONACIDE as the temporary financier for critical programs for which MEC’s budget was insufficient for either needed top-ups (e.g. school lunch) or new programs (like school/learning kits for students during the pandemic).²⁸ For supporting any of the other COVID-19 response initiatives, MEC’s budget was reallocated as needed. Efforts in the first year of the pandemic (school year 2020) focused on setting up MEC’s digital platform for distance education and starting the work for curricular prioritization. During the second year (school year 2021), priorities focused, during the first semester, on launching curriculum condensation for primary and secondary education, and, during the second semester, on fostering vaccination through active communication campaigns and in-school vaccination services, and on reopening schools with optional attendance by students. Finally, with pandemic effects steadily subsiding, school year 2022 saw the launch of three initiatives: (i) the return to full mandatory in-person learning; (ii) implementing the revised and updated curricular prioritization for primary and secondary students; and (iii) launching diagnostic tools to assess students’ learning losses

²⁵ The High-Frequency Phone Survey (HFPS), an initiative spearheaded by the World Bank during the first two years of the pandemic, confirmed that, in the case of Paraguay, and as of June 2021, the main remote education delivery means for roughly 8.5 in 10 students took place disproportionately on asynchronous ones, most notably via the Whatsapp application (44 percent) and text messages/phone calls (35 percent). Regrettably, no standardized measurements of learning outcomes since the pandemic outbreak in Paraguay have taken place to date, hence the inability to assess whether these remote education solutions were a proper substitute for in-person learning. For an overview of the HFPS, see <https://www.worldbank.org/en/topic/poverty/brief/high-frequency-monitoring-surveys>. Specific data for Round 1 of the HFPS for Paraguay can be found on <https://microdata.worldbank.org/index.php/catalog/4569>.

²⁶ See World Bank, 2022g.

²⁷ The project involved both an elaboration and a consultation process. The elaboration phase, which was delayed for different reasons including the pandemic, counted on the collaboration of the Bank, academia (Columbia University’s Teachers College and Chile’s Pontificia Universidad Católica), and the national think tank Instituto Desarrollo. The final document, finished in September 2022, proposed a longer platform for reforms and has relabeled the PNTE 2030 to the PNTE 2040. Consultations leading to the final document reached out to stakeholders throughout the country from November 2021 through July 2022. A new 3-month period for consultations on this final document was set from October 12, 2022, through January 12, 2023, after which the final document is expected to be sent to the National Congress for approval. See Ministerio de Educación y Ciencias, 2022.

²⁸ With the outbreak of the pandemic, FONACIDE’s Law’s allocation mechanism was revised by the Parliament in 2020 to make space for critical national programs to respond to COVID.



and design appropriate learning recovery programs. All these efforts were aligned with the regional framework for the learning recovery and acceleration agenda envisaged by the Bank for the LAC region.²⁹

13. With pandemic risks phasing out and post-pandemic recovery efforts steadily ongoing, the GoP re-focused on leveraging financing to the sector from FONACIDE to start bridging some of the most critical financing gaps in the PNTE 2040. Actually, FONACIDE had created a dedicated vehicle to channel financing to the sector: the Fund for the Excellence in Education and Research (*Fondo para la Excelencia en la Educación y la Investigación*, FEEI). The FEEI, originally created in FONACIDE’s Law as a Child Trust Fund receiving 30 percent of total proceeds from the parent Trust Fund, was conceived as a new decentralized entity and became the de facto main financier for investment project financing for the education sector in Paraguay for the 2013-2022 period.³⁰ Like FONACIDE, the FEEI also had specific pillars (or thematic areas) for investment, hence mobilizing annual funding for education in support of these thematic areas since.³¹

Complemented with financing from both multilateral and bilateral donors, financing for the education sector totaled roughly USD 750 million, 56 percent of which was apportioned by the GoP from national funding through the FEEI (see Figure 1). The areas receiving the largest share were research and development (22 percent) and learning environments (20 percent). Other areas with important investments were those of curricular development, scholarships, ECE and teacher training.

14. All in all, this injection of resources in the last decade has been instrumental in helping provide significant financing from outside MEC’s regular budget but had only solved part of the problem. In fact, the PNTE 2040 identified sizeable financing gaps even after accounting for resources committed to the sector to date. The PNTE 2040 identified, for each of the nine policies, the ideal annual budget that would be needed by 2040. The total absolute financing gap resulting from the comparison between the 2022 education budget and PNTE 2040’s ideal budget is almost USD 2 billion; however, every policy presents different absolute gaps. By far, financing gaps from policy 6 (structural and material conditions for learning), which comprise needed infrastructure, equipment, and educational material to ensure educational institutions have adequate pedagogical conditions for learning, and policy 2 (teachers’ professional development), which comprise all the elements for ensuring more appropriate conditions for the teacher profession (e.g. through a more attractive compensation package or higher credentials to become a teacher) are the largest, making up for 99 percent of the total financing gap. Still, there are relative smaller financing gaps in 5 other policy areas (Figure 2).

Figure 1. Total financing to the education sector in the last 10 years, by thematic area

Pillars or thematic areas	Total commitments (USD million)*	Share of total commitments (%)	Disbursement rate (%)
Research and development	166.4	22	51
Learning environments	147.9	20	60
ICT / Educational Technology	91.4	12	79
Curricular development	89.1	12	14
Scholarships	87.0	12	51
Early childhood education and care	72.7	10	59
Teacher training	66.5	9	37
Educational evaluation and planning	18.0	2	89
Institutional strengthening	11.7	2	7
Total commitments	750.7	100	52

* Includes 4 projects in the pipeline for 2022 for a total amount of USD 50 million.

¹ FEEI's contribution to total financing was 56 percent to date (\$421.9 million).

² Table does not include an extra USD 8.5 million allocated to MEC's project implementation unit through a specific project not related to any educational pillar.

²⁹ See World Bank, 2022g.

³⁰ In the initial estimations, this meant an approximate annual flow of resources into the FEEI in the order of USD 108 million. Eventually, these projections were a bit overestimated and the net flow into the FEEI never reached the USD 90-million mark. With the outbreak of the pandemic in 2020, allocation to FEEI decreased and is now at 25 percent.

³¹ FEEI’s thematic pillars are: (i) educational technology; (ii) teacher training; (iii) early childhood education and care; (iv) infrastructure and equipment; (v) school networks; (vi) scholarships; (vii) research and development; and (viii) educational evaluation.



15. This Project would support some of the key policies identified in the PNTE 2040, prioritizing under-funded priorities, while also providing financing to tackle some of the other issues identified as core bottlenecks to improve the quality of education outcomes in Paraguay. Financing from the Project would help achieve four important goals. First, it would provide financing for 5 of the 9 policies identified in the PNTE 2040, ensuring a significant alignment with critical reforms envisaged for improving education outcomes in the next two decades. Second, it would help close financing gaps in all these policies but most notably closing: (i) absolute gaps in policy 6 (structural and material conditions for learning), where as much as 13 percent of the total gap of USD 1.3 billion – USD 170 million - would be closed to help improve learning environments; and (ii) relative gaps in policy 3 (pedagogical adoption of science and technology in education), where as much as 40 percent of the total gap of USD 10 million would be closed to aim at developing an ICT-enabled environment for learning (Figure 3). Third, the Project would tackle all six key challenges mentioned in paragraph 9. Fourth, in supporting a significant enhancement of learning conditions, the Project would also be expected to contribute to increase both access – e.g. through the expansion of ECE coverage - and educational attainment – through a reduction in internal efficiency indicators affecting the average number of years of education in the system.

Figure 2: PNTE 2040: Absolute financing gaps with and without Project, by policy (in USD million)

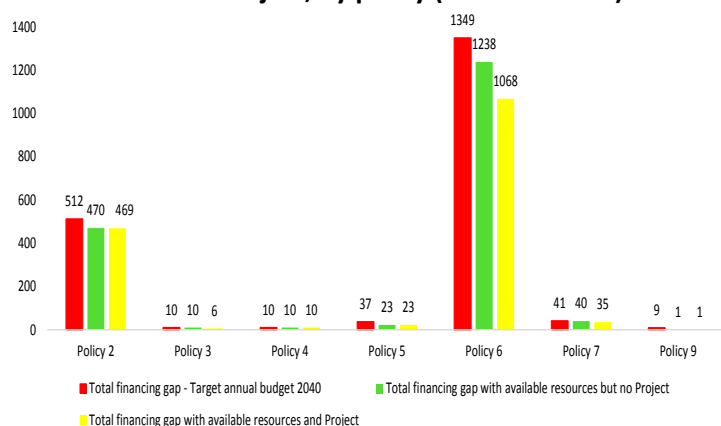
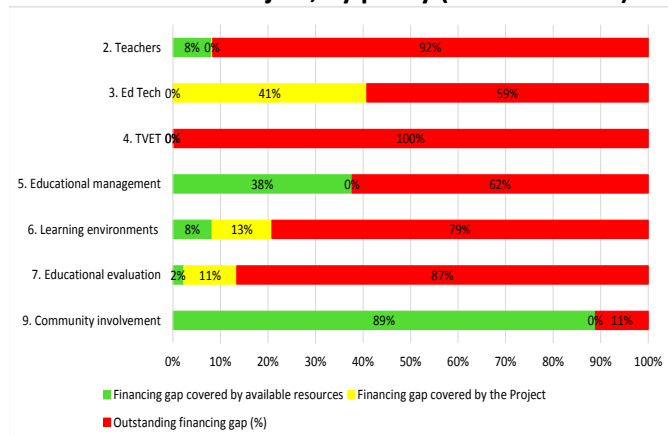


Figure 3: PNTE 2040: Financing gap coverage with and without Project, by policy (in USD million)



Source: Own elaboration based on information from PNTE 2040.

C. Relationship to CPF

16. The Project would be fully aligned with the ongoing Country Partnership Framework (CPF) FY18-FY23³² and its recent mid-term revision.³³ In particular, the Project would support Focus Area 3 “Boost human capital,” specifically Objective 9 “Contribute to the design and implementation of key national education strategies to enhance human capital in support of Paraguay’s twin goals” and Indicator 9.1 “Paraguay approves a new educational strategy for the 2021-2030 decade, building on substantial inputs from Bank technical assistance (TA) in areas identified as core pillars of the reform.” The Project would finance a significant portion of the implementation roadmap for the new PNTE 2040,³⁴ helping provide critical resources needed to support the core national education for the next two decades in specific areas (policies) prioritized in the final document.³⁵

³² See World Bank, 2018a.

³³ See World Bank, 2022d.

³⁴ As explained in footnote 28 above, the original PNTE 2030 has been relabeled as PNTE 2040 in the final document to cater for a longer-term strategy for the education sector.

³⁵ As also referred above, the Bank played a critical role at inception, contributing with a couple of key reports that were prepared by the Bank under a Reimbursable Advisory Services Agreement with the GoP during the FY18-FY19 period, helping shape further standalone and in-depth reports



C. Proposed Development Objective(s)

17. **The Project Development Objective (PDO) would encompass two goals.** The proposed PDO formulation would be “to enhance learning environments in compulsory education and pre-service teacher training institutions, and improve governance in core priority areas”.

Key Results

18. **The PDO would be measured by three PDO indicators (PDOIs).** PDOI 3 would include three sub-indicators.
- i. PDOI 1: Number of compulsory education students with enhanced learning environments
 - ii. PDOI 2: Number of pre-service teacher training students enrolled in Experimental Centers for Specialized Teacher Training (*Centros Experimentales de Formación Especializada Docente, CEFEDs*)
 - iii. PDOI 3: Governance of the education sector around key priority areas significantly improved
 - o PDOI 3.1: New governance framework for learning environment standards issued and operational
 - o PDOI 3.2: New governance framework for CEFEDs approved by MEC and operational
 - o PDOI 3.3: New governance framework for the INEE approved by MEC and operational

D. Concept Description

1. Description

19. **The proposed Project would support GoP’s efforts to significantly improve the quality of the education system in the long run, aligning with the goals set through 2040 in the PNTE.** Specifically, the Project would aim at: (i) enhancing learning environments for both compulsory education students and aspiring teachers; and (ii) creating the conditions for an overall better management of the education sector. The proposed Project would be financed through a combined investment financing program of US\$180 million, comprising a USD 125.3 million loan from the International Bank for Reconstruction and Development (IBRD) and USD 54.7 million in counterpart funding through financing apportioned by the FEEL. It would include two core components: (i) enhancing learning environments for quality education (Component 1); and (ii) institutional strengthening for improved sector governance (Component 2).

Component 1: Enhancing learning environments for quality education (Estimated amount: USD 166.5 million)

20. **Component 1 would support the GoP to improve learning environments in Paraguay through a comprehensive suite of structural interventions for selected beneficiary institutions.** This is framed within an overarching policy that aims to revamp the material conditions under which: (i) compulsory education takes place in Paraguay; and (ii) teacher training institutions prepare future (and existing) teachers for high-quality teaching and the development of needed competences in students. Along this line, two types of learning environments would benefit from these interventions: (i) targeted educational institutions providing compulsory education (*locales escolares a potenciar, UCEIs*); and (ii) selected Teacher Training Institutions (IFDs). The “intervention package” to be provided to learning environments in these institutions would comprise: (i) civil works; (ii) learning materials; (iii) educational equipment and furniture; (iv) digital

around seven thematic areas (financing, legal framework, teachers’ professional development, educational technology, education management, curriculum, and research and evaluation). See World Bank, 2018b and World Bank, 2018d.



devices; and (v) ICT-based connectivity. In line with the two types of beneficiary institutions, Component 1 would be split into two sub-components. Subcomponent 1.1 would revolve around interventions to be made in UCEIs, a selected number of educational institutions offering different levels of compulsory education – e.g., early childhood education (ECE), basic education and/or upper secondary education – within the same given school premises or site. Subcomponent 1.2 would be geared towards supporting a package of interventions to convert a selected number of tertiary-education degree-granting IFDs in university-education degree-granting CEFEDs.

21. **The choice of beneficiary institutions for each subcomponent follows a specific method of selection and a specific policy goal.** UCEIs comprise a subset of 4,650 educational institutions out of the total 7,315 currently existing nationwide (roughly two-thirds of the total). IFDs involve a subset of 6 IFDs that would be reconverted to CEFEDs of the 30 total IFDs nationwide. The Project would only benefit a subset of about 1,500 UCEIs and 3 IFDs. UCEIs would be selected according to criteria that would ensure that at least one UCEI is selected per each existing municipality in Paraguay (261) and that impact in terms of total current (and prospective) enrollment is maximized (see Annex 1). The selection of IFDs to be converted into CEFEDs stems from a core diagnostic analysis undertaken by the MEC in 2019 and the subset chosen for intervention would privilege the group of IFDs for which architectural designs for CEFEDs already exist – or are in the process of being prepared – with counterpart funding from the FEEL.

22. **The infrastructure interventions foreseen under the Project are expected to address the ever-increasing problem of climate change in Paraguay.** An upcoming report by the Bank on climate change in Paraguay³⁶ confirms that: (i) in the last 50 years, natural hazard events in the country impacted some 4 million people at an estimated cost of over USD 60 million in direct damages; (ii) over the next century, the frequency and intensity of such events are projected to increase, e.g. with average monthly temperatures forecasted to rise by 2°C in 25 years and by 4°C by the end of the century. Against this background, adapting the educational institutional infrastructure would be of fundamental importance to increase resilience to climate shocks. As a result, all infrastructure-related interventions under the Project would be guided, in general, by the Bank's overarching Green, Resilient and Inclusive (GRID) framework³⁷, and in particular, by the Roadmap for Safer and Resilient Schools (RSRS) tool encompassed within the scope of the Global Program for Safer Schools (GPSS)³⁸. As a result, it would include both climate change-related adaptation and mitigation measures (e.g. using climate risk screening criteria in the selection process, whenever available) in the design of works and the equipment to be purchased. In addition, all UCEIs and CEFEDs undergoing major infrastructural interventions would include sites that can be used as shelters in case of emergencies and civil works designs would include disaster risk management plans. Furthermore, interventions in school buildings would help to contribute to decarbonization by adopting energy-efficient actions (e.g., conducting energy audits, installing solar panels, etc.). Lastly, digital connectivity would also be: (i) built to withstand severe climate change events and to reduce schooling interruptions due to climate events (e.g. underground fiber-optic cabling); and (ii) used to forewarn about impending climatic events posing threats to the geographical area where school premises lie.

23. **Subcomponent 1.1: Revamping structural conditions for compulsory education (Estimated amount: USD 156 million).** This subcomponent would enhance the structural and material conditions for learning in a select number of UCEIs. UCEIs make up for two-thirds of all compulsory education institutions (CEIs) in Paraguay and have been selected by MEC within the scope of a microplanning exercise for interventions. Only UCEIs that do not have any other educational institution within a 5km diameter would be selected, representing 80 percent of UCEIs in the country. Since these schools do not have any other schools nearby, they would not be subject to any measures currently envisaged within the scope of the school network consolidation process being undertaken by MEC. Two sets of UCEIs would be selected for

³⁶ See World Bank, forthcoming.

³⁷ See World Bank, 2021b.

³⁸ For details on the GPSS, visit <https://gpss.worldbank.org/>.



intervention: (i) one sub-set of UCEIs requiring minor civil works; and (ii) another sub-set of UCEIs requiring major civil works. Only for this latter group would a full intervention package (FIP) apply. The FIP would involve school furniture, learning equipment and materials, digital devices, and Internet connectivity. Lastly, this subcomponent would include a digital gap-closing activity applicable to about 25 percent of CEIs. Further details are provided below.

- i. **Major civil works (Estimated amount: US\$92.5 million).** This activity aims to support the GoP in ensuring that: (a) all UCEIs provide a full cycle of compulsory education, from ECE to upper secondary education; (b) any beneficiary UCEI ends up merging all existing separate educational institutions/levels (CEIs) within a single school premise³⁹; and (c) any beneficiary UCEI duly addresses inclusive education principles, catering to the infrastructural and learning needs of students from indigenous populations and students with special needs. In line with this goal, this activity would finance, for incomplete-cycle UCEIs, the new construction/retrofitting of classrooms,⁴⁰ gender-separate and age-appropriate bathrooms, laboratories, libraries, administrative offices, kitchens and dining halls, and rooms for recreation and physical education. Whenever needed, learning environments with deficits (or lack) of drinking water, appropriate security and safety elements, electricity, resilience to climate change elements, etc. would integrate the specific infrastructure solution within the given intervention.⁴¹
- ii. **Minor civil works (Estimated amount: US\$20 million):** This activity would finance a series of transfers to complete-cycle UCEIs to undertake minor repairs and/or refurbishment of: (i) walls; (ii) floors; (iii) bathrooms; (iv) electric systems; (v) gutters; and (vi) ceilings. Each school premise would receive an average amount of US\$20,000 that would be transferred directly to school principals.⁴² This decentralized mechanism is justified based on several considerations: (i) it is part of MEC's institutional architecture⁴³; (ii) traditional bidding processes are not necessarily adequate for minor interventions and repairs in schools that are scattered across the country⁴⁴; (iii) it reduces transactional costs compared to large-scale tenders⁴⁵; (iv) it strengthens community involvement⁴⁶; and (v) it supports the local economy.⁴⁷

³⁹ An UCEI would merge several different CEIs, as long as they provide compulsory education. For example, a given school site/premise could host up to 5 different CEIs: (i) kindergarten; (ii) basic education (9 grades); (iii) upper secondary education; (iv) adult compulsory education; and (v) education for students with special needs.

⁴⁰ The decision between new construction and retrofitting of different elements of learning environments would be determined after an analysis of the selected sites where UCEIs would be located during the implementation stage. The GoP has established standards (see MEC Decree 6589/1994 and MEC Resolution 3985/1999) for the infrastructure required in schools and the project activities under this subcomponent would be subject to these regulations.

⁴¹ In addition, to cater to a variety of existing types of UCEIs in Paraguay, funding for this activity would be evenly sorted into three UCEI groups: (i) UCEIs in urban areas (USD 30 million); (ii) UCEIs in rural areas (USD 30 million); and (iii) UCEIs that would serve indigenous populations and students with special needs, including the Centers for Inclusive Education Support (CIEs) (USD 30 million). A CIE is an educational institution that provides specific support to students with special needs through a dedicated set of supervisors that train teachers for the integration of students with special needs into mainstream or regular schools. The latter group would get an extra 10 percent allocation (the remaining USD 2.5 million) to account for higher-than-average unit costs for learning environments.

⁴² Law N°4088, approved in 2010, and a series of subsequent resolutions and by-laws, enables MEC to directly transfer funds to school principals to an account from GoP's National Development Bank (*Banco Nacional de Fomento*, BNF).

⁴³ Direct transfers to schools are a well-established mechanism that MEC has used for over 10 years. The Project would build on this successful policy and exploit the existing institutional capacity to oversee the use of funds and the implementation of these minor reforms prior to, during, and after taking place, guaranteeing the transparency of the process.

⁴⁴ These activities are not appealing for large construction companies, which tends to translate into delays in awarding contracts. Additionally, large companies tend to overprice their bids on public tenders, which ends up resulting in an overall larger envelope for school maintenance for MEC. The proposed system, on the other hand, would allow to fast-track funding to school premises and increase the cost-efficiency compared to regular bidding processes.

⁴⁵ Direct transfers help reduce the logistical and processing costs of the bidding process.

⁴⁶ Through the Educational Institutions' Management Teams (*Equipos de Gestión de Instituciones Educativas*, EGIEs) and Parent Teacher Associations (*Asociaciones de Cooperaciones Escolares*, ACEs), all of which fosters community ownership and the long-term sustainability of the interventions.

⁴⁷ It mobilizes the local economy by generating employment opportunities and boosting business for small and medium enterprises.



- iii. **School furniture and learning equipment (Estimated amount: USD 10 million):** This activity would finance the acquisition of furniture and equipment for quality learning, such as: (i) tables; (ii) chairs; (iii) blackboards; (iv) shelves; and (v) technical equipment tailored to the specific learning environment (e.g., learning equipment for TVET).
- iv. **Materials (Estimated amount: USD 7 million):** This activity would provide quality learning-appropriate materials for the development of (i) level-appropriate classrooms (e.g., ECE); (ii) thematic classrooms/laboratories (e.g., for natural science); and (iii) high-quality teaching and the development of needed subject-matter competences and fundamental – numeracy and literacy – skills.
- v. **Digital devices and Internet connectivity (Estimated amount: USD 26 million):** This activity would seek to increase access to digital devices and Internet connectivity in the education system across the country to close the digital gap. The activity would provide funding to support MEC's efforts to level the playing field by: (i) providing all schools in the country with digital devices; and (ii) supplying the infrastructural architecture to guarantee a functional Internet connectivity. Before rolling out the provision of digital devices, the World Bank's EdTech team will work jointly with MEC staff to review and analyze the digital device models that are under implementation to assess their efficiency and establish the most efficient way to close the digital gap. In doing so, the core focus would be to balance the conditions of schools and design a progressive strategy to advance to more sophisticated models. In terms of Internet connectivity, this activity would finance: (i) the increase in the Internet bandwidth of schools that already have an active system in place; (ii) the expansion of broadband access through satellite, fiber optics, or other available and functional Internet connection types to an estimated 25 percent of existing CEIs; and (iii) the costs of school-appropriate Internet service⁴⁸ under a gradually decreasing scale, from 100 percent coverage in the first year to 0 percent in the last year of implementation.⁴⁹

24. **Subcomponent 1.2: Supporting the conversion process of selected pre-service Teacher Training Institutes (IFDs) into Experimental Centers for Specialized Teacher Training (CEFEDs) (Estimated amount: USD 11 million):** This Subcomponent would support the overhaul of a select number of IFDs that would transition towards becoming CEFEDs. CEFEDs would be university-level degree-granting institutions and are part of MEC's plan to gradually create a new national university for specialized teacher training in the country.⁵⁰ This change would provide prospective and in-service teachers with state-of-the-art learning conditions and training on specific thematic areas, levels of education, or transversal issues to support higher teacher quality. Education provided in CEFED would be based on scientific methodologies that place innovation and experimentation at the core of the teachers' training process. These centers would be built on a select number of IFD premises and integrated, within the scope of disruptive organizational and architectural design, into their existing infrastructure. The curricular part of the investment is already at MEC's disposal – and under implementation – through a combined investment of USD 56 million from the FEEI and the European Union through three different investment financing projects. Project funding would complement these existing initiatives by specifically supporting a

⁴⁸ This would be achieved through a small study of broadband needs per school, as determined by improved digital infrastructure (after the intervention, either FEEI-funded or Project-funded); current and prospective enrollment (to account for demographic transition and urbanization rates); and pedagogical needs for quality learning (to duly reflect the needs of the specific levels and types of education included in the given UCEI or CEI).

⁴⁹ The gradually decreasing scale for Internet service cost coverage would ensure supporting the GoP with the expected increase in the Internet service bill during the period of a major upgrade for all schools. The scheme would ensure that, while the Project would cover 100% of the full cost in year 1, the GoP would cover 100% of the full cost in year 5.

⁵⁰ This new national university for teacher training would be created once a set of 6 CEFEDs are fully operational. These 6 CEFEDs would in turn become the specialized schools/faculties within the new structure of the so-called "Pedagogical University". In the LAC region, Colombia, El Salvador, Honduras and Mexico are examples of countries with a somewhat similar arrangement.



comprehensive infrastructure intervention. Upon completion of the intervention, the reconversion process would kick-off with the given IFD being renamed as CEFED and getting university-level status.

25. **MEC would initiate this transition with the creation of six CEFEDs off six existing IFDs.** These CEFEDs would be strategically distributed across the country and specialized on: (i) the transversal area of intercultural education, located in Villa Hayes, Department of Presidente Hayes; (ii) ECE, located in Paraguari, Department of Paraguari; and (iii) the four core subject matter areas, namely Literacy in Coronel Oviedo, Department of Caaguazú; Numeracy in Coronel Bogado, Department of Itapúa; Natural Sciences in San Estanislao, Department of San Pedro; and Social Sciences in Horqueta, Department of Concepción. Given the availability of preliminary technical architectural designs for three of these CEFEDs – namely, Intercultural Education, ECE, and Natural Sciences – from an ongoing project funded by the FEEL, the Project would finance integral infrastructural interventions only for those CEFEDs. However, since a full costing exercise for the integral interventions in the three CEFEDs has not been finalized to date, available funding under this subcomponent (USD 11 million) would prioritize investments in the following order of prioritization: first, to complete the Intercultural Education CEFED; second, to build the ECE CEFED; and third, to construct the Natural Sciences CEFED.

Component 2: Institutional strengthening for improved sector governance (Estimated amount: US\$10 million).

26. **Component 2 would support the development of high-quality governance frameworks on four key thematic areas identified by MEC as priorities, in line with the implementation roadmap of the PNTE 2040.** These four areas would be: (i) learning environment and infrastructure standards for UCEIs; (ii) competency frameworks for educational technology and innovation; (iii) teachers' professional development and the role of CEFEDs; and (iv) fostering an evidence-based culture through educational evaluation and research. These improvements would help ensure that new investments in UCEIs and prospective CEFEDs are adequately leveraged to maximize their impact on teaching and learning, while supporting evidence-based decision-making.

27. **Subcomponent 2.1: Learning environment and infrastructure standards for UCEIs (Estimated amount: USD 0.5 million):** This subcomponent would support standards for learning environments and infrastructure design and management to make them more conducive to learning. It would finance technical assistance to prepare: (i) a detailed Operational Manual with learning standards comprising both infrastructural and pedagogical conditions for UCEIs; (ii) a new framework for school infrastructure management; and (iii) a handbook for preventive maintenance of school premises.

28. **Subcomponent 2.2: Building an ICT-based enabling environment for learning (Estimated amount: USD 4 million):** This sub-component would provide TA support for creating an EdTech governance framework for the education sector framed around three pillars: (i) a competency framework for education technology and innovation, a core element needed to articulate a clear vision for the pedagogical adoption of EdTech solutions and innovations for learning (e.g. adaptive learning programs) and for teacher training programs (e.g. digital skills assessment to inform personalized training programs for teachers nationwide); (ii) a definition of EdTech assets' lifetime management and responsible disposable policy, to maximize the use of existing assets and the ones to be provided under the Project; and (iii) a study to define and establish an outsourced user and technical support service for MEC, schools technology and teachers. The final design for this subcomponent would be fully fleshed out over the course of the EdTech Policy Academy led by the Bank's EdTech Global Solution Group, which is currently underway and expected to be finished in a few weeks.

29. **Subcomponent 2.3: Building a new teaching profession in Paraguay anchored in the creation of CEFEDs (Estimated amount: USD 1 million):** This subcomponent would help set up a new governance framework for the teaching profession in Paraguay to improve the effectiveness of teacher training, the relevance of teachers' profiles and teacher



recruitment and career progression. It would support three core activities. First, the development of a proposal for CEFED's governance model, focusing on its regulatory, operational, and organizational framework, ahead of the creation of the three CEFEDs to be supported under the Project. Second, a comprehensive demand analysis for the three CEFEDs not supported under the Project in the three selected geographic areas: the Literacy CEFED in Coronel Oviedo (Caaguazú); the Numeracy CEFED in Coronel Bogado (Itapúa); and the Social Sciences CEFED in Horqueta (Concepción). This study would entail an evaluation of the profile of potential demand for specialized teacher training services, offered both for pre-service and in-service teacher training, to confirm the best institutional and governance arrangements for each of the specializations. Lastly, funding would also be available for the development of a proposal for a new governance framework for the teaching profession in Paraguay through 2040, based on the diagnostic studies prepared under the PNTE 2040.

30. Subcomponent 2.4: Fostering an evidence-based culture through evaluation and research (Estimated amount: USD 4.5 million): This subcomponent would finance activities to support the consolidation of the evaluation culture and boost applied educational research in Paraguay to provide critical evidence for decision-making, which would be important both to recover from learning losses in the short term and improve learning on the longer term. Two activities would be financed under this sub-component: (i) TA support to learning and institutional assessments (estimated amount: USD 4 million): This activity would finance capacity building and technical support to the National Institute for Educational Evaluation (*Instituto Nacional de Evaluación Educativa*, INEE) for undertaking a series of upcoming learning assessments⁵¹; and for piloting a new tool for the assessment of the quality of educational institutions' leadership; and (ii) Impact evaluation (estimated amount: USD 0.5 million): The Project would include financing to boost MEC's capacity for planning, undertaking, and using impact evaluations. Activities would include capacity building, technical assistance, and the direct financing of an impact evaluation, most likely of one of the Project's interventions.⁵²

Component 3: Contingent Emergency Response (Estimated amount: USD 0 million)

31. This component would have no initial allocation and would be available as a contingency fund for disaster risk management efforts. It would allow the GoP to gain rapid access to financing still available under the Project to respond to any climate-based crisis or emergency through a quick reallocation of uncommitted loan resources.⁵³ As part of a comprehensive risk management strategy, the Component would provide support for immediate rehabilitation and reconstruction needs in the event of any such event. The implementing agency and the mechanisms that would trigger the Component, e.g., upon declaration of a state of emergency by national authorities, would be detailed in the Contingent Emergency Response Manual.

Component 4: Project Management (Estimated amount: USD 3.5 million).

32. The activities under this component would provide comprehensive support to MEC's Program and Project Implementation Unit (*Unidad Ejecutora de Programas y Proyectos*, UEPP) for Project management. The UEPP would be the Project Management Unit (PMU). Financing under this component would: (i) ensure the administrative transparency of project implementation; (ii) enable the UEPP to cover operational costs related to this Project; and (iii) facilitate capacity

⁵¹ MEC is expected to: (i) undertake the next round of the national standardized student assessment - the National System for the Evaluation of the Educational Process (*Sistema Nacional de Evaluación del Proceso Educativo*, SNEPE) - in 2025; (ii) ensure Paraguay's participation in the next rounds of ERCE and OECD's Programme for International Student Assessment (PISA) – also slated for 2025.

⁵² The specific intervention to evaluate and its design would be defined during preparation, but MEC has identified three areas of interest: (i) an EdTech initiative (e.g., an adaptive learning program to support the learning recovery and acceleration agenda); (ii) a learning environments-enhancing intervention (e.g., using targeted UCEIs and non-targeted UCEIs); and/or (iii) a combination of interventions under the Project's different subcomponents.

⁵³Emergency, as defined in OP 8.00, "Rapid Response to Crises and Emergencies," is an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact associated with natural or man-made crises or disasters.



building opportunities to the PMU in key implementation areas such as school infrastructure and the environmental and social (E&S) standards.

1. Overall Risk and Explanation

33. **The overall risk rating for the Project is Substantial.** This rating is driven by the five categories rated as Substantial that are described below.

34. **The Political and Governance risk is assessed as Substantial, in line with the impending electoral cycle.** Paraguay is approaching an electoral period, with the political party primaries scheduled for December 2022 and the presidential and legislative elections for April 2023. The lead-up to these events has brought instability to the political environment and the education sector has been at the center of the debate, with the frontrunning candidates contesting their suggested roadmaps for improving education policies⁵⁴. The inherent risk is that project preparation may be subject to politicization in the media and thus face delays. In any case, to help mitigate this risk, the Bank is working to develop a stakeholders' map to identify potential supporters, contenders, and actors with a neutral position on the Project's objectives. Following this mapping exercise, the Project would initiate a socialization process to generate consensus about its relevance and foreseen benefits.

35. **Sector Strategies and Policies risk is assessed as Substantial due to the Project's direct support to the PNTE 2040 roadmap.** The PNTE 2040 is a new document resulting from three years of work and consultations. The document is clear on the roadmap and core policies envisaged in the strategy for the sector for the next two decades. The risk, nonetheless, is that, after the final consultation period ending in January 2023, these policies are rejected or asked to be revisited. To mitigate this risk, the Project incorporates financing for policies with the largest financing gaps, and around which the level of debate is expected to be lower. One example is learning environments, where there is a broad consensus that educational infrastructure in the country suffers from substantial deficits and needs urgent attention.

36. **Institutional Capacity for Implementation and Sustainability is assessed as Substantial.** Component 1 would support the GoP to improve learning environments through a comprehensive suite of structural interventions. Approximately 500 school premises would be subject to major civil works, while 1,000 school premises would benefit from refurbishments and minor repairs. The risks associated with these initiatives are related to the complexity of overseeing the implementation of construction work of this magnitude, monitoring the efficient use of resources, compliance with the environmental and social frameworks, and auditing the quality of each of the interventions. To mitigate this risk pre-investment plans would be conducted for each of these interventions to produce clear management guidelines for every site. Additionally, the Bank would provide capacity building to the PMU to set up proper control mechanisms.

37. **The Fiduciary risk is assessed as Substantial, further to individual Substantial risk ratings for Procurement and Financial Management (FM).** Procurement and FM arrangements to support project implementation still have to be defined and assessed by the Bank (including procurement arrangements, flow of funds, accounting and financial reporting, budgeting, external auditing arrangements). Although MEC's UEPP has experience managing externally funded projects, it does not have any recent experience supporting World Bank-financed operations.⁵⁵ The Fiduciary Risk rating would be reviewed and updated during project preparation, based on new developments, such as the preparation of the

⁵⁴ One important aspect to bear in mind is that the improvement of learning conditions nationwide – which is the core area of support of the Project – is less subject to controversy as there is a fairly broad consensus in the society that the state of educational infrastructure of public schools in the country is, on average, very poor.

⁵⁵ The last Bank-financed education project managed by MEC was the Paraguay Education Reform Project (P073526), which closed on December 30, 2009. The project was financed through IBRD Loan 7190-PY for USD 24 million and Grant TF 54361-PY for USD 0.9 million.



procurement project strategy for development (PPSD) indicating the procurement arrangements that would be implemented, and the impact of any mitigation measures that may be undertaken (e.g., capacity building of fiduciary teams; preparation of the Project's Operational Manual, which would describe the main fiduciary procedures and controls, etc.). The main FM risk mitigating measures would include: (i) an annual financial audit to the Project's financial statements conducted under terms of reference acceptable to the Bank; (ii) the preparation of an operational manual that would describe in detail the main fiduciary procedures and controls; and (iii) capacity building of fiduciary teams; among others. Procurement risk mitigating measures would include: (i) training the UEPP team on Procurement Regulations during the first months of project implementation; (ii) assisting the UEPP during project implementation through regularly formal and informal discussion of procurement issues, and in particular for more complex activities; (iii) formal supervision missions to follow up on any procurement issues; and (iv) supervision missions to carry out the post review of procurement contracts.

38. The Stakeholders risk is assessed as Substantial due to a series of recent events in connection with the PNTE 2040. The MEC has been leading the development of the PNTE since 2018, and the final document lays out a roadmap to the year 2040 that seeks to address the challenges of the educational system by identifying financing gaps and prioritizing policy actions. In the current political economy, the PNTE 2040 has been widely criticized by certain religious leaders and some self-declared pro-family and pro-life organizations who argue that the PNTE2040 is influenced by international organizations that seek to indoctrinate children on sexual education/orientation and gender identity. Pressured by demonstrations in the Asuncion in October 2022, the GoP has decided to postpone the submission of the PNTE 2040 for Congressional approval until January 2023 to ensure a full 3-month period is given for final comments on the final document. The inherent risk is that this highly polarized atmosphere could affect the Project, delaying its eventual approval and implementation. As a mitigation strategy, the Project would hire a communications specialist to support the MEC in ensuring that the objectives of the Project are well communicated to generate traction with different groups of the civil society.

Economic Analysis

1. Briefly describe the development impact in terms of expected benefits and costs

39. The Project is expected to generate substantial social, economic, and institutional impacts in the short and long term. The anticipated short-term social benefits are: (i) increased school attendance and gains in academic outcomes through investments in safe and adequate school infrastructure (Component 1);⁵⁶ and (ii) direct transfers to schools would favor active community engagement and ownership, leading to the sustainability of the interventions in school premises (Component 1). In addition, the Project would contribute to building a more equitable society by supporting traditionally marginalized groups such as children with disabilities and indigenous populations through adequate learning materials and classroom facilities and inclusive pedagogies with assistive technologies (Component 1). Furthermore, the Project would also leverage the power of ICTs to support MEC's post-COVID education recovery agenda and help unlock the potential for human capital development by advancing the reform of the teaching profession (Components 1 and 2). The expected long-term social benefits would be higher wages and employability; positive intergenerational externalities in health and educational outcomes; and reduced learning gaps for disadvantaged students.⁵⁷

40. Nationwide investments in infrastructure would generate economic returns by promoting short-term job creation and catalyzing business opportunities for local Small and Medium Enterprises. In the long run, higher productivity and employability of future generations could have spillover effects on economic growth.

⁵⁶ See Wodon, 2016, and Barret, 2019.

⁵⁷ See Mazumder, Rosales-Rueda, & Triyana, 2019; Akresh, Halim, & Kleemans, 2021; and Bétteille & Evans, 2021.



41. **The Project also seeks to strengthen institutional governance by establishing clear governance frameworks and policy roadmaps that would become building blocks for achieving excellence in the educational system.** Furthermore, it aims to foster a culture of impact evaluation through research studies that could ultimately help generate evidence-based decision-making to inform potential reforms.

2. Rationale for public sector provisioning/financing, if applicable

42. **Education is regarded as the great equalizer, hence public investments in the sector can contribute to reducing gaps, unleashing the potential for human capital, and boosting shared prosperity.** The social returns to education can be translated into productivity gains, accelerated economic growth, reduction of poverty and gender gaps, more efficient government spending, and increased fiscal benefits in the long run.

43. **Ensuring public education for all is a responsibility of national governments to meet basic human rights.** The GoP's mandate is to guarantee access to compulsory and free education, with a multicultural and inclusive approach, through middle school.⁵⁸ As such, it is the largest provider of educational services in the country.⁵⁹ The country's educational policy is governed by the MEC, which is the leading institution for implementation of activities that foster access and high quality education for all.

44. **The proposed Project aims to improve learning environments, enhance the quality of the learning processes, facilitate a gradual transition to upgrade the teaching profession, and support the MEC to strengthen core elements of its governance framework.** These objectives and the proposed interventions are in line with national laws and policy frameworks⁶⁰ that emphasize the need to: (i) improve the structural conditions and materials for learning; (ii) provide schools with pedagogical and technological resources; (iii) improve the governance of the sector; (iv) support the professional development of teachers and new incentives for the teacher profession; and (v) boost research and evaluation for continuous improvement.

3. Value added of the Bank's support

45. **The project would build on the Bank's wealth of experience in school infrastructure projects and understanding of the sectoral deficiencies in Paraguay.** In recent years, the Bank has successfully financed and implemented several infrastructure projects in the region.⁶¹ This Project would incorporate lessons learned in areas such as: (i) complementarity of holistic interventions; (ii) community participation and stakeholders' engagement; (iii) resource monitoring and evaluation systems; and (iv) strengthening human and institutional capacity. Additionally, the Bank would build on a wealth of knowledge derived from a series of six recent research studies on the education sector in Paraguay that incorporate key diagnostic elements to be taken into account into the Project's design. These are: (i) an assessment of the needs, investments, and costs of school infrastructure⁶²; (ii) a public expenditure review (PER) of the education sector⁶³; (iii) a comprehensive prognosis of the education sector in Paraguay around seven core initial priorities envisaged at PNTE

⁵⁸ Paraguay's Constitution and Laws n.° 1.264/1998, n.° 4.088/2010 and n.° 5.749/2017.

⁵⁹ From a student population of 1,534,984 enrolled in compulsory educational levels, 79 percent attend public schools.

⁶⁰ See Ministerio de Educación y Ciencias, 2009; Ministerio de Educación y Ciencias, 2017, and Ministerio de Educación y Ciencias, 2022.

⁶¹ Some of the LAC countries with operations that comprise a large share of total project proceeds for school infrastructure are, according to their state of implementation: Argentina and Haiti (recently closed), Ecuador, El Salvador, Guyana, Honduras, Nicaragua, and Uruguay (under implementation), and the state of Mato Grosso in Brazil (under preparation).

⁶² See Wodon, 2016.

⁶³ See World Bank, 2018c.



2040's inception⁶⁴; (iv) a public expenditure review of national early childhood development (ECD) programs, including ECE⁶⁵; and (v) a review of the state of human capital in the country⁶⁶. All these studies have laid out a good evidence base to inform the Project's design, allowing the Bank team to be in a privileged position to complement the existing capacities of and work in close collaboration with GoP authorities and technical officers.

4. Brief description of methodology/scope and next steps

46. **The Project would implement a cost-benefit analysis to assess the mentioned impacts.** The costs and benefits would be estimated for a lifespan of 40 years, before calculating the Internal Rate of Return and the Net Present Value within the scope of a comprehensive Economic and Financial Analysis. Furthermore, a sensitivity analysis would be conducted to model the feasibility of the Project based on different scenarios.

Implementing Agency Assessment

47. **The UEPP would be responsible for overall project implementation.** The UEPP was created in 2017 to implement all programs and projects from the MEC that are funded by the FEEL and foreign governments and organizations, with the objective of enhancing efficiency in the allocation and the use of public resources.⁶⁷ Hierarchically, the General Coordinator of the UEPP reports directly to the Minister of Education and the UEPP carries the status of an Administrative and Financing Sub-unit (*Sub-unidad de Administración y Finanzas, SUAF*). As such, the General Coordinator has the legal authority and independence to mandate over the UEPP's expenditures and the Administrative and Financing Coordination (*Coordinación de Administración y Finanzas, CAF*) is responsible for disbursements.⁶⁸

48. **MEC's UEPP has experienced FM and procurement staff who are currently performing fiduciary functions for other donors and multilateral financing institutions, such as the Inter-American Development Bank.**⁶⁹ As such, its structure, roles, and responsibilities are well defined. However, there are no recent World Bank-funded projects implemented by the MEC, and its FM and Procurement implementation arrangements have not been fully assessed yet. An FM and procurement assessment would be carried out to determine the nature and extent of risk mitigation measures.

49. **A PMU would be created within the UEPP to support the Project's execution, monitoring, and reporting.** The PMU would have its own governance structure and a focal point would be assigned to interact with each of the UEPP's departments for a more agile workflow and better coordination. The PMU would be arranged as follows: (i) the Project Coordinator would supervise all project related activities and report directly to the UEPP's General Coordinator; (ii) the

⁶⁴ See World Bank, 2018b, and World Bank, 2018d.

⁶⁵ See World Bank, 2021a.

⁶⁶ See World Bank, 2022f.

⁶⁷ Executive Power's Decree 6833/17 created MEC's UEPP, which reports to the highest ministerial authority, as a result of the regulatory adjustments required due to the enactment of the Law No. 5749/2017 "Establishing the Organic Charter of the Ministry of Education and Sciences" and Ministerial Resolution No. 698/2021 (page 9). Initially, the programs and projects were managed by the Program Coordination Unit (PCU), together with the General Directorate of Administration and Finance of the MEC. This structure generated duplicity and inefficiency in the administrative processes because it led to delays due to the scarce resources that MEC's General Direction for Finance and Administration (DGAF) had for the verification and control of processes prepared by the PCU. As such, the PCU was strengthened in line with the massive incorporation of new programs and projects financed with FEEL resources and their centralization into a single structure.

⁶⁸ These entities and its responsibilities are legally recognized by the Ministry of Finance and the Financing Agency for Development (*Agencia Financiera para el Desarrollo, AFD*).

⁶⁹ There are currently 14 projects under implementation being managed by MEC's UEPP with funding from the FEEL; a USD 20 million project with financing from IADB - Project Support for the extension of the school day and improvement of the transport conditions of official schools in rural areas. Loan contract 3660 OC-PR - and a USD 10 million project with financing through a debt swap with Spain - Debt conversion program for education between the Republic of Paraguay and the Kingdom of Spain.



Coordinator of Component 1 would interact with its counterparts from the: (a) Projects' Infrastructure Coordination; and (b) ICT Infrastructure Department; (iii) Component 2 Coordinator would work together with its peers from the: (a) Coordination for Teacher's Training Projects; (b) ICT Skills' Development Department; and (c) the General Directorate of the National Institute for Learning Evaluations;⁷⁰ and (iv) the PMU would coordinate all legal, financial and procurement matters with the Coordination for Legal Counsel, the Coordination for Financial Management and the Coordination for Procurement (CP), respectively. Considering that this is the first project that the UEPP would implement with the World Bank, experience on the Bank's Environmental and Social Framework (ESF) is limited. However, the Bank would build staff capacity during preparation, and the PMU would hire dedicated staff to support the implementation of the environmental and social risk instruments and measures agreed upon in the ESF. The roles and responsibilities of the PMU would encompass: (i) technical oversight and general coordination of project activities; (ii) review of annual activity plans; (ii) monitoring, evaluation and reporting of project progress; (iv) financial and procurement management to ensure it adheres to the Bank's standards; and (v) stakeholders' engagement to disseminate results from project outcomes.

Corporate Commitments

50. **Climate Change Co-benefits.** The Project would support a broad set of measures embedding climate change adaptation and mitigation measures incorporated into all interventions, most notably infrastructure investments (see paragraph 22). Moreover, the results framework would incorporate an indicator to reflect these climate change adaptation and mitigation efforts. As for the estimation of the share of co-benefits, LAC's Climate Co-benefits team confirmed that one assessment would be shared prior to the Board insofar as this operation is below the USD 400 million mark. The share of co-benefits would be provided before Decision Review Meeting.

51. **Gender.** The Project would be gender-tagged. Initial discussions with LAC's Gender focal point for Paraguay helped identify a few areas where gender gaps need to be tackled, most notably: (i) attendance at teacher training institutions (which is predominantly female); and (ii) labor force participation in civil works (which is predominantly male). These initial gaps would be documented during preparation and a strategy for dealing with these gender gaps would be presented. Other than that, the Project would work to ensure that all infrastructure is gender responsive and guarantees female students' safety and health conditions. A special focus would be given to bathrooms blocks, prioritizing: (i) hygiene, as related to cleanliness, proper disposal facilities, access to improved water sources and toilets; (ii) privacy and safety, as evidenced by adequate doors that properly close and lock; and (iii) the correct design for sex-segregated bathrooms. The latter merits special consideration, as adolescent girls require adequate infrastructure for menstrual health and hygiene, which demands a differentiated configuration. The Project would work to include these guidelines in UCEIs' governance standards (Subcomponent 2.1) to guarantee the sustainability and institutionalization of these measures. If these were not approved by the time construction begins, the Project would still ensure that all infrastructure activities abide by these regulations. Additionally, infrastructure design would take into consideration safety measurements to avoid exposure to instances of gender-based violence (GBV) and sexual abuse within the school premise and surrounding areas.⁷¹ Proper protocols would also be implemented during construction to avoid interactions between children and workers.

52. **Citizen Engagement.** The Project would take advantage of two well-established platforms for citizen engagement in the education sector. Firstly, the design of the PNTE 2040 included a thorough consultation process where an estimated 500,000 people,⁷² including students, parents, teachers, principals, supervisors, public sector officials, and civil society

⁷⁰ As opposed to the other units, the General Directorate of the National Institute for Learning Evaluations is not a division within the UEPP. It has the same rank and also reports directly to the Minister of Education and Sciences.

⁷¹In 2021, the State Attorney General Unit (*Fiscalía General del Estado*) registered 2,847 cases of child sexual abuse, 85 percent of which were towards girls and adolescents. This represents an average rate of 8 cases/day.

⁷² Ministerio de Educación y Ciencias, 2022.



members, participated since 2019 to express their opinions on the roadmap for the future of education policy in Paraguay. Based on this experience, the Project would benefit from the: (i) existing identification of stakeholders; and (ii) replication of the mechanisms used for citizen engagement. Secondly, as explained in Activity 1.1.2, MEC directly transfers funds to school principals for minor repairs. This process involves the participation of the ACEs and EGIEs, who are active members of the education community. These interactions with local organizations would ensure proper project penetration, leading to an active community engagement. Additionally, the Project would use MEC's existing Grievance Redress Mechanism (GRM) and provide TA support to build institutional capacity to strengthen grievance recording (classification and coding) and improve MEC's ability and timing for properly addressing claims. Finally, the Project would also include a citizen engagement indicator within the results framework.

53. **Inclusive Education.** The Project would follow an overarching approach towards inclusive education by ensuring infrastructural interventions benefit 100 percent of educational institutions classified under either the "indigenous education" or the "special needs education" tags. In line with this special approach taken by the Project, all construction work, accommodation, and equipment provided under the Project would be tailored to fit the needs of students from indigenous populations and/or with special needs. To ensure an adequate and comprehensive approach towards inclusive education, the Project would liaise with MEC's Inclusive Education Unit (*Departamento de Educación Inclusiva*), as well as relevant ACEs and EGIEs, to make sure their feedback is incorporated into the Project's final design.



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Annex 1: Criteria for selection of UCEIs

Criteria for selection of UCEIs under each UCEI group would follow a prioritization scheme with three key initial filters, two for exclusion and one for inclusion, and a sorting process based on a school vulnerability scoring process. The resulting pool of eligible UCEIs would then be partitioned into the initial eligible set and the back-up set. Any UCEI in the eligible set that, at implementation, does not meet the principles of exclusion expected during preparation, would be automatically replaced by its immediate replacement in the back-up pool. The four elements in the criteria prioritization are described below:

- a. Cadastral registration (exclusion): School premises that do not have an appropriate registration of land and property under MEC's cadastral registration and/or are located within a geographical area under legal dispute with third parties would be automatically excluded. Based on this exclusion criterion, an initial assessment of MEC's dataset points to a universe of school premises selected for UCEIs of 3,495 CEIs.
- b. Involuntary resettlement (exclusion): UCEIs that may imply any involuntary resettlement plan would be automatically replaced by the UCEI in the back-up pool that comes immediately after in the list.
- c. Selection of municipalities (inclusion): Upon a request from the GoP, the Project is committed to ensure nationwide reach, as defined by having geographical presence in all 261 municipalities of the country. Therefore, at least one school premise from each of the 261 municipalities in the country would benefit from either major civil works or minor interventions and repairs through school transfers, regardless of the place the given UCEI ends up getting in the final sorting.

Selection of UCEIs: A School Premise⁷³ Vulnerability Index (SPVI) would be calculated using a dataset for educational institutions specifically built for UCEI microplanning. Such dataset incorporates information for the school premise on: (i) an index of the average socioeconomic status of families whose children attend school(s) there; (ii) the aggregate quality of infrastructure; (iii) the aggregate availability and quality of ICT infrastructure; (iv) an average index of students' learning assessment; and (iv) an average index of internal efficiency indicators, like overage, repetition, and dropout. These variables are combined to generate an index that comprises three dimensions: (i) access to quality learning environments; (ii) education outcomes; and (iii) socioeconomic background. The SPVI would range from 0 to 1, with a value of 1 representing the most vulnerable school premises and 0 the least vulnerable. This index would generate a ranking of the most vulnerable school premises from which a list of targeted UCEIs would be shortlisted using a two-step approach: (i) based on the self-reported⁷⁴ school infrastructure assessment, vulnerable schools would be categorized as requiring either major civil works or minor interventions and repairs; and (ii) the relative importance of the enrollment in a school premise with regards to the total enrollment in the municipality would be calculated. The product of the latter with the SPVI would result in a vulnerability index weighted by enrollment rates in the municipality, from which the final list of school premises would be selected. Given funding available, it is estimated that 1,000 school premises would benefit from direct transfers, while approximately 500 would be eligible for major civil works.

⁷³ The index uses "school premise" and not "school" for two reasons: (i) the UCEI would be located within a given "school premise," which may contain more than 1 "school/educational institution;" and (ii) vulnerability is a composite that aggregates the "school premise reality," i.e., the vulnerability characteristics of all schools/educational institutions that would be part of the UCEI.

⁷⁴ Between April and August of each year, the school community (students, teachers, principals, and parents), together with a representative of the local municipality, must complete a detailed survey on school infrastructure needs and present it to the MEC's Local Education Supervision Agency (*Supervisión Educativa Local*).



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The Environmental and Social Risk Classification is Moderate. The Environmental risk rating is classified as Moderate (M) at this stage of Project preparation as the risks associated with the project are mostly related to minor civil works (repairs and/or refurbishment of walls, floors, bathrooms, the electric system, gutters, and ceilings) and major civil works (new construction/retrofitting of classrooms, bathroom , libraries, offices, kitchen and dining hall, recreational and physical education rooms) that will be carried out in around 1,500 (out of 7,315) educational institutions already established in plots owned by the MEC. In addition, the preliminary screening has identified potential pollution conditions because of these works (air, soil, water) including electronic waste. The social risks are also classified as moderate as the project is expected to have positive overall social benefits and is not expected to cause social adverse impacts to project affected people, including vulnerable groups who, to the contrary, are expected to fully benefit from the increased access to learning. Indigenous Peoples and other vulnerable groups are expected to benefit from the Project’s activities aiming at promoting inclusive and accessible education. The project puts special emphasis on improving infrastructural and learning needs of students from all groups, including indigenous populations and students with special needs. Project activities will also include construction and rehabilitation of schools located throughout the country in both urban and rural areas, as well as the expansion of access to digital devices and Internet connectivity in the education system across the country.

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