

DATA SHEET - PROJECT RESTRUCTURING

PROJECT PAPER FOR THE EDUCATION PROJECT (PASEN)

Date: June 5, 2008 Country: Nicaragua Project Name: Education Project (PASEN) Project ID: P078990		Team Leader: Alexandria Valerio Sector Manager: Eduardo Velez Bustillo Country Director: Laura Frigenti Environmental category: C	
Borrower: The Government of Nicaragua Responsible agency: Ministry of Education			
Revised estimated disbursements (Bank FY/US\$m)			
FY	2004-2008	2009	2010
Annual	4.90	3.00	2.50
Cumulative	4.90	7.90	10.40
Current closing date: June 30, 2008 Revised closing date [if applicable]: December 31, 2009			
Does the restructured project require any exceptions to Bank policies?		<input type="radio"/> Yes <input checked="" type="radio"/> No	
Have these been approved by Bank management?		<input type="radio"/> Yes <input type="radio"/> No	
Is approval for any policy exception sought from the Board?		<input type="radio"/> Yes <input checked="" type="radio"/> No	
Revised project development objective/outcomes Project objectives aim to (i) Improve institutional management capacity and information systems to improve service delivery; (ii) improve systems of governance and accountability, including measures to strengthen community participation in the education sector; (iii) improve the quality of education through monitoring and disseminating student learning outcomes; and (iv) harmonize donor assistance in the education sector.			
Does the restructured project trigger any new safeguard policies? No			
Revised Financing Plan (US\$m.)			
Source	Local	Foreign	Total
Borrower	0.0	0.0	0.0
IBRD/IDA	4.50	1.00	5.50
Total	4.50	1.00	5.50

NICARAGUA
NICARAGUA - EDUCATION PROJECT (P078990)
LOAN (IDA-39780)
PROJECT PAPER

Introductory Statement

1. This Project Paper (PP) seeks the approval of the Executive Directors to restructure the Nicaragua Education Project (PASEN) and accompanying Development Credit Agreement. The extension of the Credit's closing Date from June 30, 2008 to December 30, 2009 is also presented for consideration in this PP.

2. The proposed restructuring would support the institutional strengthening of the Ministry of Education (MINED) through the establishment of a decentralized and participative education management model and the improvement of the quality of preschool, primary and secondary education through provision of textbook and classroom materials, targeted programs to raise the profile and qualifications of teachers in rural areas and disadvantaged schools, and development of strategies and systems to monitor and disseminate learning outcomes. The proposed restructuring would align programmatic interventions with the education policies and priorities recently adopted by the Government of Nicaragua, the Government of National Reconciliation and Unity (GoN). These policies are spelled out more concretely in the Ministry of Education (MINED) Institutional Strengthening Plan 2008-2011 (ISP)¹. The proposed restructuring would make revisions to the following project elements: (a) development objectives; (b) number and content of components, sub-components and corresponding intermediate indicators; and (c) component costs and financing plan and allocation of Credit proceeds, while keeping the total project cost and Credit amount unchanged.

Background and Reasons for Restructuring

3. An SDR 10.4 million Sector Investment Credit (SIC) was approved on September 2, 2004 to support the implementation of an Education Sector Project in Nicaragua. The project became effective on March 17, 2005 and began implementation shortly thereafter. The project was designed to support the implementation of the Government's National Education Policy and Sector Program, including the Education-For-All Fast Track Initiative (EFA-FTI) goals. The project objectives included the following: (a) increase

¹ The Institutional Strengthening Plan 2008-2011 (ISP) supports the following five pillars. (1) *More Education* to reduce high levels of adult illiteracy; (2) *Better Quality of Education* through the improvement of curricula, in-service teacher education, classroom facilities and school infrastructure, student learning outcomes; (3) *Alternative Education* to strengthen other channels and types of education to leverage education services; (4) *Participation Education* to strengthen community participation; and (5) *Broad Education* to guarantee incorporation of dimensions of the sector into a unified educational system. The Ministry's Annual Common Work Plan (ACWP) for 2008 supports the implementation of the ISP's five pillars.

enrollment for preschool, primary and secondary education; (b) improve attention to quality and relevance of learning; (c) improve systems of governance and accountability, including measures to strengthen community participation in monitoring the education sector outcomes; and (d) harmonize donor assistance in the education sector. To date, 48 percent of the Credit proceeds have been implemented and corresponding objectives and indicators achieved satisfactorily.

4. Key project achievements, under the four original components, are outlined below².

5. ***Component 1: Strengthening the Ministry of Education Stewardship Capacity.***

(a) Institutional strengthening at municipal level was achieved through the establishment of 46 performance agreements between MINED and municipalities (compared to a goal of 51 to be accomplished during the life of the project) and the associated training was completed to improve pedagogical supervision of schools and institution-based planning, budgeting and management; (b) Implementation of the first-phase of a reengineering plan for the Ministry which encompassed an in-depth institutional assessment, conceptual design of a reengineering plan, design of organizational systems aimed at improving functions, institutional processes and transactions to improve: planning and management, quality assurance mechanisms, communication flows, human resource planning, regulation and certification of educational programs and learning institutions; and (c) Strengthening supervision capacity and logistical support to implement decentralization policies and programs.

6. ***Component 2: Program Monitoring, Evaluation, and Continuous Auditing Systems.***

(a) Evaluation of student competencies and learning outcomes in Spanish and Mathematics for primary education through the implementation of standardized student tests in 3rd and 6th grades and participation in the UNESCO regional student assessment test to benchmark student performance vis-à-vis other Latin American countries; (b) Strengthening school-base planning capacity to develop school development plans using information from the Ministry's education statistical data base and self-evaluation tools to reflect on strengths and weaknesses in the quality of service delivery; (c) Strengthening the Ministry's analytical capacity to collect and analyze their annual educational statistics and develop action-oriented reports on the state of education in Nicaragua; and (d) Development of a School Report Card initiative to measure the impact of different types of information and the role of technical assistance on school changes and student performance over time.

7. ***Component 3: Implementation of the School Autonomy Program.***

(a) Incorporation of primary and secondary schools into the Autonomous School Model through provision of school-based technical assistance, financial support and revitalization of School Management Councils. By the end of 2006 almost 80 percent of

² *Informe de ejecución físico financiero periodo enero a septiembre 2007 (versión final). MINED, Managua Nicaragua; Informe de ejecución físico financiero periodo de enero a diciembre 2006 PASEN. MINED, Managua Nicaragua.*

the total number of primary and secondary had been incorporated, registering an additional net increase in enrollment of 21,000 in a two year period; and (b) Development of a program to support children aged 6 to 9 who were identified as at-risk of dropping out in the first two years of primary education. The program, which was implemented during school holidays, reached and retained 55,000 students in 2005 and 2006. The program was focused in very poor neighborhoods in Managua and in selected rural areas.

8. **Component 4: Pilot program for community preschools.** (a) Development of a “primary school readiness program” to prepare students aged 5 and 6 who were identified as at-risk of not enrolling on time in the first grade. The program reached about 17,000 children and ensured most of them enrolled on-time; and (b) Preparation of a draft action plan to consolidate and improve community preschool programs.

9. The project performed well and was rated satisfactorily, from effectiveness until October 2006 when uncertainty set in within MINED senior technical staff with the changes in Government that resulted from the elections held in November 2006. However, implementation slowed down significantly starting in January 2007, mainly as a result in changes in some of the key policies that had been supported by the project. Until October 2006, the physical targets established to meet the Development Objectives were met for all components (as mentioned in the paragraphs above). The Implementation (IP) rating oscillated between Moderately Satisfactory (MS) and Satisfactory (S) primarily as a result of the challenges that were experienced early on in the transition from reliance on a Project Implementation Unit (PIU) to mainstreaming implementation, including fiduciary responsibilities, within the institutional structures of MINED. Dated legal covenants due before October 2006 were met satisfactorily. The financial audits were submitted and, while one received a qualification, the issues surrounding the qualification were redressed adequately. The details, specific indicators and supporting documentation on PDOs, IP rating and legal covenant compliance are included in the Implementation Supervision Reports (ISR) archived in the system.

10. The Government administration that was elected in November 2006 made the decision to revise educational policies and strategies, which resulted in the discontinuation of some of the programs and projects that were underpinned by previous sector policies. Key among the discontinued policies and initiatives were the School Autonomy Model,³ the municipal decentralization model, the establishment of municipal service contracts, and the School Report Cards initiative. The School Autonomy Model, which consisted of the provision of capitation grants channeled directly to schools to finance all recurrent expenditures, including teacher salaries and minor investment expenditures, was discontinued and replaced with centralized financing. The municipal decentralization model, originally planned to strengthen municipalities to undertake selected education planning functions and technical support to schools, was replaced with a decentralized and participative education management model with more concrete linkages to the Ministry’s headquarters. The School Report Cards initiative was discontinued altogether.

³ The School Autonomy Model began as a pilot in 1993 and was underpinned in 2002 by an official legal framework with the *Ley 413 de Educación Participativa*.

Proposed Changes

11. The proposed Project Development Objectives (PDO) are revised from the original objectives, see Table 1 below. The restructured PDOs remain aligned to the EFA-FTI initiative and indicative framework indicators in Nicaragua. The key change is the emphasis placed on institutional strengthening and quality improvements. The objective of increasing enrollment was dropped from the project and was thus eliminated from the PDOs. It should be noted, however, that although the objective of increasing enrollment was dropped from the restructured project, it remains an imperative for MINED and there are programs aligned to accomplish this objective in the context of the Annual Common Work Plan, which receives multiple sources of financing. The Project will continue to be supervised bi-annually under the umbrella framework of joint review sessions with participation of all donors and lenders who provide support to the education sector in Nicaragua. Leadership of the joint review missions remains the full responsibility of MINED, while its Annual Operation Plan and Budget continue to be used as a tool to guide the joint implementation reviews. This is consistent with the Paris harmonization framework to improve development effectiveness.

Table 1 - Project Development Objectives

<p><i>Original</i></p> <p>The project aims to bring together donors and lenders to help GoN implement its National Education Policy, including the Education For All (EFA) goals. Project objectives aim to:</p> <ul style="list-style-type: none">- Increase enrollment of preschool, primary and secondary education;- Improve attention to quality and relevance of learning;- Improve systems of governance and accountability, including measures to strengthen community participation in the education sector; and- Harmonize donor assistance in the education sector.
<p><i>Restructured</i></p> <p>The project aims to bring together donors and lenders to help GoN implement its Institutional Strengthening Plan 2008-2011, including the Education For All (EFA) goals. Project objectives aim to:</p> <ul style="list-style-type: none">- Improve institutional management capacity and information systems to improve service delivery;- Improve systems of governance and accountability, including measures to strengthen community participation in the education sector;- Improve the quality of education through monitoring and disseminating student learning outcomes; and- Harmonize donor assistance in the education sector.

12. In addition to the changes in the PDO and associated project outcome indicators (see Table 2), the proposed restructuring introduces adjustments in the number and content of components and in intermediate indicators associated with the new components. Changes to the procurement plan and categories of disbursements were adjusted to the restructured design. An 18-month extension of the Credit's closing Date,

from June 30, 2008 to December 30, 2009 is also being sought to undertake the restructured activities successfully. Annex 1 of this PP summarizes in table format the details of the proposed restructuring by comparing the original design, by component, with the proposed restructuring, including output and intermediate outcome indicators. Similarly, Annex 2 provides a revised Results Framework for the restructured project.

Table 2 – Expected Project Development Outcome Indicators

<p><i>Original</i></p> <ol style="list-style-type: none"> 1. Increased enrollment in schools in preschool, primary and secondary school <ul style="list-style-type: none"> - # of students enrolled in schools - # of dropouts at primary and secondary levels 2. Improved attention to quality and relevance of learning <ul style="list-style-type: none"> - Measurement of student achievement on National standardized tests in Spanish and Mathematics for 3rd and 6th grades 3. Elaborated government strategy regarding preschool that: <ul style="list-style-type: none"> - Is articulated with the policy regarding age at entry into primary school - Secures coordination between different government agencies - Makes adequate financing available for providing adequate coverage and quality 4. Regulated and coordinated donor financing <ul style="list-style-type: none"> - Formal acceptance of 3 year rolling Common Work Program (CWP) evidenced by signed MOU by all donors - % of donor financing that shares harmonized FM arrangements - # donors attending joint supervision missions expressed as a % of total number of active donors 5. Improved systems of governance and accountability <ul style="list-style-type: none"> - # of autonomous schools as a % of all schools - % of MINED employees hired by public recruitment process
<p><i>Restructured – Baseline indicators and targets are included in Annex 3</i></p> <ol style="list-style-type: none"> 1. Improved quality and relevance of learning <ul style="list-style-type: none"> - Measurement of student achievement on National standardized tests in Spanish and Mathematics for 3rd and 6th grades - Textbooks to student ratio improved for grades 1 to 3 of primary school - Percentage of unqualified teachers in rural schools and disadvantaged regions reduced 2. Improved systems of governance and accountability <ul style="list-style-type: none"> - National student assessment strategy developed and in operation - Institutional capacity strengthened and communications flows with departments and schools improved - Average time lag (in number of days) to complete key processes and common transactions in the sector reduced - Strengthened Autonomous Regional Education System (SEAR) to improve service

delivery in the Autonomous Coastal Area Regions (RAAN/RAAS)

3. Improved coordination of donor financing

- Formal acceptance of 3 year rolling Common Work Program (CWP) evidenced by signed MOU by all donors
- % of donor financing that shares harmonized FM arrangements
- # donors attending joint supervision missions expressed as a % of total number of active donors

13. It is expected that the project restructuring would contribute to the implementation of the following activities included in the MINED ISP 2008-2011: (a) strengthening of administrative and institutional management capacity at all levels; (b) implementation of a management information system to improve the transparency and accountability of sector outcomes; (c) improvement in the quality of education through the application and dissemination of student assessments, consistent with the new curricula; (d) provision of educational materials and textbooks in key subjects; and (e) improvement of teacher classroom practice in rural schools through in-service teacher education programs.

14. The proposed restructuring involves a reduction in the number of components from four to two, and in their scope, see Table 3 below. The restructured project would concentrate the resources to finance the following two components: (a) Institutional Strengthening of Administrative and Management Capacity in the Sector, and (b) Improving the Quality of Primary and Secondary Education.

Table 3 - Project Components and Sub-components

<i>Original</i>	
Components	Indicators
1. Strengthening the MINED Stewardship Capacity	<ul style="list-style-type: none"> - Implementation of Action Plan for modernization of MECD - Reduced centralized expenditures of MECD - Increased signed performance agreements - Number of municipal supervision visits to autonomous schools - Number of qualified technical staff in municipal supervision teams
2. Program Monitoring, Evaluation, and Continuous Auditing Systems	<ul style="list-style-type: none"> - School council member's awareness of the contents of their school report card - Increased # schools with development plans using educational statistics - Increased # of municipal agreements with educational statistics as part of agreement - Periodic testing of students in Spanish and Math carried out in primary and secondary levels - Full dissemination of student testing to all classrooms and school communities - Periodic observation of teacher methodology and interaction in the classroom

	<ul style="list-style-type: none"> - Results of teacher observation disseminated to all classrooms and school communities
3. Implementation of the School Autonomy Program	<ul style="list-style-type: none"> - Study that analyzes the variation in performance among autonomous schools - Study that analyzes the variation in performance of autonomous schools across municipalities
4. Pilot Program for Community Preschools	<ul style="list-style-type: none"> - Enrollment of children in pilot preschools - Evaluation of the pilot
<i>Restructured</i>	
Component	Indicators
1. Institutional Strengthening of MINED's Management Capacity	<ul style="list-style-type: none"> - % of departmental delegations and municipalities implementing the new Decentralized and Participatory Education Management Model - % of departmental delegations and municipalities linked with IT to implement the National Management Information System - Improvement in the % of budget execution - Number of modules of the National Information System integrated at the end of 2008 and number of modules implemented at the end of 2009
2.- Quality Improvement of preschool, primary and secondary education	<ul style="list-style-type: none"> - Dissemination of 2006 national and international student assessments results - Percentage of teaching force and school principals trained in the results, analysis and weaknesses identified in the national and international student assessments - Proportion of preschools with classroom and didactic materials - Proportion of primary schools with new teaching guides on Spanish and Mathematics to improve teacher pedagogical and classroom practices - Implementation round of student assessments in Spanish and Mathematics for 4th and 6th grades of primary school and 9th and 11th grades in 2009 in at least 30 percent of the schools participating in the results, analysis and weakness identification courses - Developed national strategy on student assessment - Increased percentage of primary schools receiving new textbooks (grades 1-3) in Spanish and Life Skills - Increased percentage of total number of pedagogical advisors trained and delivering training in classroom techniques, statistics management, communication and leadership - Increased percentage of teachers in rural areas receiving in-service training on pedagogical techniques for multi-grade settings - Increased percentage of secondary school teachers receiving in-service training in Mathematics and Spanish subjects

15. The details of the restructured project components, including the amount of the undisbursed balance (SDR 6.11), are outlined below.

16. ***Component 1 - Institutional Strengthening of Management Capacities of the MINED (SDR 0.428 million, 7.09% of total amount of undisbursed funds)***. This component supports the institutional strengthening of the Ministry of Education (MINED) through the establishment of a decentralized and participative education management model. The main activities that would be financed by this component include: (a) institutional strengthening workshops at department and municipal levels to implement and monitor the Decentralized and Participative Education Management Model, including the Autonomous Regional Education System (SEAR) which is in charge of the Autonomous Coastal Area Regions (RAAN/RAAS); (b) provision of a technological platform (software and hardware) and equipment for the establishment of the National Management Information System at central and departmental level; and (c) technical support and planning tools to map the demand and supply of educational services to allow for a more effective and efficient allocation of resources and extension or upgrade of school infrastructure.

17. ***Component 2 - Quality Improvement of Primary and Secondary Education (SDR 5.687 million or 93.0% of total amount of undisbursed funds)***. This component supports the improvement of quality in preschool, primary and secondary education through the provision of textbook and classroom materials, targeted programs to raise the profile and qualifications of teachers in rural areas and disadvantaged schools and development of strategies and systems to monitor and disseminate learning outcomes. This component is organized in four sub-components as follows:

18. *Sub-component 2.1*: Establishment and implementation of a national strategy for learning assessments that would finance the development of a national strategy for student assessment, including the collection, dissemination and use of student learning outcomes for decision-making processes on quality improvement interventions. In addition, a baseline of learning outcomes will be constructed to evaluate the depth and effectiveness of the curricula transformation process, currently underway.

19. *Sub-component 2.2*: Development of learning materials and provision of textbooks, including classroom materials for preschools (workbooks and story books) and primary schools, developing textbooks for grades 1-6 in Spanish and Literature, Life and Environmental Sciences, Social Studies, and Life Skills and provision of textbooks in grades 1-3 in Spanish & Literature and Life Skills. The sub-component includes the provision of primary school libraries.

20. *Subcomponent 2.3*: Quality improvement interventions in targeted rural schools through the development of teacher education workshops for multi-grade schools, provision of classroom materials, development of training workshops for pedagogical advisors at departmental level, and planning workshops for rural schools communities to develop local work plans to tailor activities to the local issues and circumstances.

21. *Sub-component 2.4:* Quality improvement interventions targeted to the last two grades of secondary education through the design, development, and distribution of study-guides for 4th and 5th year of secondary education in the areas of Mathematics and Spanish, and the associated training for teachers in their use and classroom application.

22. Project Cost and Financing. The proposed restructuring would result in adjustments in the project costs and financing plan, and would require a reallocation of the Credit proceeds. The total project cost and loan amount will remain unchanged. The proposed changes do not have a significant effect on the original economic, financial, technical or institutional aspects (Annex 4 contains a revised project cost by component and the proposed allocation of Credit proceeds on the undisbursed balance).

23. Implementation arrangements. As established in the original project design, MINED will continue to be responsible for implementation of technical components and fiduciary compliance. The MINED has prepared a revised procurement implementation plan acceptable to the Association. Financial Management compliance is rated satisfactory and the project has never received qualified financial audits. The proposed changes do not involve any exceptions to Bank policies or changes in implementation arrangements.

Analysis

24. The new education policies and priorities of the GoN make a clear statement on the need to increase enrollment and retention, improve the quality of education at the primary and secondary levels, and strengthen institutional capacity at all levels to improve planning and implementation of programs (as registered in the MINED's ISP 2008-2011). There is also a strong emphasis on targeted interventions in rural areas where education indicators are well below urban averages and the need to place greater emphasis on the RAAN and RAAS, whose indicators are at very low levels. Although the GoN acknowledges the importance of decentralization and promotion of community participation in school governance and accountability, their proposed interventions and implementation approaches are different from those of previous administrations. The original project design does not fit the new administration's implementation approach. The task team has made a careful review of new policies and strategies in the ISP 2008-2011 and considered them an adequate platform from which to: (a) build a new programmatic response with a restructured project; and (b) maintain the sector dialogue. The restructuring proposal aims to adjust interventions to the new education policy environment, as laid out by the GoN, to achieve greater coverage and improve the quality of pre-primary, primary and secondary education in Nicaragua. The economic and financial viability of the proposed restructuring was assessed and deemed adequate. The new components do not include school construction or infrastructure rehabilitation, therefore, there are no environmental triggers involved, which is the same as in the previous design. Finally, the restructured project places greater emphasis on improving the quality of service delivery in remote rural communities and in the RAAN/RAAS which is expected to reach indigenous communities with a larger package of services compared to the previous design. The latter has been actively involved in the

development of targeted interventions that are culturally relevant and that would ensure implementation readiness upon receiving official notification of approval to the restructuring.

25. The proposed restructured project eliminates all the activities in Component 3 of the original design (Implementation of the School Autonomy Program) because the previous policy of direct financing to schools is no longer consistent with the policies of the current Administration. Component 4 of the original design is also eliminated in the restructure because it has been fully implemented during the first two years of implementation and the indicators associated to the Component have been achieved. It should be noted that the activities under Component 4 were not of recurrent nature, hence the possibility of removal once completed.

26. Activities that are being kept include those in the original Components 1 and 2, although with modifications, including strengthening of the Ministry of Education at all levels and the evaluation of competencies in Spanish and Mathematics. The first activity was modified to introduce a new institutional capacity and information management system model instead of the reengineering of the Ministry of Education and the establishment of service contracts with municipalities. The second activity will be modified to accommodate the development of new tests that reflect the revised curricula in primary and secondary education, currently under development.

27. New activities added to the project in the restructuring package include the development and distribution of textbooks for preschool and primary education, implementation of targeted quality improvement programs in rural schools, and introduction of quality improvement activities targeted to the last two grades of secondary education. These additions are included to strengthen the project development objective on quality improvement.

Benefits and Risks

28. The main benefits from the proposed restructuring will be the focus on quality improvement interventions, the continuation of the promotion of a culture of results, particularly learning outcomes, and the ability to remain engaged in the sector dialogue, along with other partners. The risks identified and the proposed mitigation measures are described in the following paragraphs.

29. *Continuous institutional reorganization in MINED:* The change of Administration brought about substantial staff turn over, particularly among mid to senior level officials. Although the rate of turnover and change has by now subsided as the Administration's reorganization is in its final stage, the current institutional capacity is stretched thin. Careful attention will need to be paid during project supervision to assist MINED counterparts to identify implementation bottlenecks and devise solutions to maintain a steady rhythm of implementation. As a mitigation measure, MINED has identified overall responsibility for the sub-components as well as for the day-to-day operations within Directorates to ensure timely implementation. Moreover, MINED hired

a qualified technical officer to look after project related processes and coordinate within the Directorates with direct responsibility of activities under the restructured project. An information system is being developed to accompany implementation, improve transparency of processes and identify potential delays in time. The Bank technical and fiduciary teams have been working closely with MINED technical staff in the restructuring and on actions needed to provide just-in-time support and strengthen planning and implementation capacity. Risk level: Moderate.

30. ***Implementation of components in the restructured project design:*** The restructured project includes two activities that are central to the improvement of quality of education, namely textbook development and provision and development of new student assessment tools aligned with the new curricula. It should be noted that a new test with new curricula will likely not be comparable to those carried out in 2002 and 2006. However, efforts will be made to ensure a minimum level of comparability, even if it is on a limited basis, by selecting some comparable items that will be measured with the instruments. Another concern lies with the implementation of the component on institutional strengthening, in particular with the provision of IT equipment at sub-national level. It would be imperative to ascertain an appropriate level of training on new IT equipment, including strategies to provide and finance regular equipment maintenance. International experience on IT provision is clear on the need to establish a strategy to ensure new IT equipment becomes a platform for the articulation of functions, standard operating processes and transactions, and the maintenance and staffing required to support IT equipment is in place. Given the complexity of procurement processes of textbooks, the specialized technical know-how needed to develop proper student assessment tools, and the need for specialized IT staff, the restructuring proposal includes financing for technical assistance to accompany the implementation of these activities. There is a risk, however, that MINED would not be amenable to contracting specialized technical support, an action in line with the Administration's objective of reducing reliance on consultants within Ministries. While the essence of the Administration's concern is valid and fully understood, these activities call for specialized knowledge and skills in order to achieve satisfactory implementation. Risk level: High.

Institutional Capacity to cover fiduciary aspects of the Credit: The MINED staff assigned to procurement functions hold appropriate qualifications and have several years of experience under previous Bank-financed operations in Nicaragua. Similarly, the staff responsible for financial management hold appropriate qualifications and are performing financial management duties satisfactorily. The Bank's procurement and financial management specialist staff based in the Country Office will continue to support MINED closely on all fiduciary aspects associated with the Credit and will provide refresher training as needed to strengthen fiduciary capacity. Risk level: Low.

31. ***Monitoring of indicators and outcomes:*** The monitoring of education indicators and outcomes has been one of the constant weaknesses in MINED for a number of years. In order to improve the situation, MINED included key indicators to be monitored as part of the Annual Work Program. These indicators are universally shared with partners and include student tests and the EFA FTI Indicative Framework, both of which are central to

the restructured project. However, project specific indicators on institutional strengthening, textbooks and in-service teacher development programs (i.e., physical targets, financial flows and quality of implementation) will need to be monitored separately to ensure compliance with the restructured project. While the capacity in MINED to undertake the task is adequate, because technical staff is stretched thin, there are a risk of not keeping track of indicators as regularly as required, which is consistent with previous implementation experience. As mitigation, the restructured project includes financing to develop an implementation module to keep track of implementation targets, indicators, and outcomes. Risk: Moderate.

Indigenous People's Plan (IPDP)

32. The original **Indigenous People's Development Plan (IPDP)** supported the GoN's efforts to decentralize various responsibilities to Regional Governments, including the Education Sub-System of Autonomous Regions (SEAR) in the Atlantic Coast. The implementation of IPDP-specific activities mirrored the pace and pattern of the overall implementation, which had a relatively slow start. It should be noted that for the activities that were accomplished, student evaluation and education data collection and analysis, included interventions in the Atlantic Coast which is consistent with the original IPDP agreement.

33. The implementation of the original IPDP brought some lights regarding operational issues that narrowed down the scope of the original plan specifically with respect to the legal framework that was not enforced completely and delayed some activities in RAAN and RAAS and hence have to be improved. These lessons were taken into account in the design of the IPDP for the restructured project. The main issues considered were the fulfillment of Law No. 28 (October 2003) "Framework for the Autonomy of the Regions of the Atlantic Coast of Nicaragua", and Law No.582 (August 2006) General Law of Education; both of them granting the autonomous regions with the responsibility to manage financially the provision of education services in an active and systematic coordination with the line ministries at central level; as well as the juridical capacity to rector, organize, and regulate the education system for the geographic areas of their coverage. Many of these responsibilities were not completely transferred to the autonomous regions in the past, nor was a model to do so put in place. The decentralization of the education policy and the model that is being supported by the restructured project aim to strengthen the capacity of the regional authorities to guarantee an active coordination, alignment, and unification of the interventions and education policies as well as education systems with the central level.

34. In order to leverage this, in the past couple years, MINED has been adjusting project design and allocation of resources for the autonomous regions in order to promote a participative planning and budgeting schemes, and high coordination among other actors such as NGO's and other donors interventions in the autonomous regions. Likewise, MINED has identified measures that will mitigate the gaps and speed up the implementation pace of the IPDP, among those there are: (i) to put in place an Intercultural Bilingual Education Office, with the mandate to coordinate and develop a

program to support the organizational capacities of the SEAR, (ii) to develop a common work plan for the strengthening of SEAR that is achieved through a participatory and decentralized scheme and a result of the alignment and coordination of central and regional interventions, (iii) to reactivate the Mix Parity Commission as stated by article No. 12 of the Law No. 28, (iv) to integrate representatives from the two autonomous regions in the work program of the education commissions actually in place, and (v) to strengthen the operational capacities and the organizational structures of SEAR in order to implement the decentralization model.

35. The GoN held meetings, technical discussions and consultations with SEAR staff to agree on a restructured IPDP to ensure consistency with the strategic direction and policy framework set forth by the current Administration, and to consider the lessons learned from the implementation of the original IPDP. The IPDP for the restructured project is expected to leverage the ongoing large-scale investments financed by the EFA-FTI Catalytic Trust Fund. The implementation of the restructured IPDP will be monitored and evaluated by the MINED and SEAR. An ex-post evaluation will be accomplished at the end of the project. The activities that will be financed by the restructured IPDP include the following:

36. ***Component 1 - Institutional Strengthening of Management Capacities of the MINED***

- (a) Institutional strengthening workshops at department and municipal levels to implement and monitor the Decentralized and Participative Education Management Model, including the Education Sub-System of Autonomous Regions (SEAR) which is in charge of the Autonomous Coastal Area Regions (RAAN/RAAS);
- (b) Logistical support for indigenous delegations;
- (c) Development of a technical support and planning tools to map the demand and supply of educational services at municipal level that include the coastal region; and
- (d) Provision of a technological platform (software and hardware) and equipment for the establishment of the National Management Information System.

37. ***Component 2 - Quality Improvement of Primary and Secondary Education***

- (a) Establishment and implementation of a national strategy for learning assessments that includes the Coastal Region System for the development of a national strategy for student assessment, including the collection, dissemination and use of student learning outcomes for decision-making processes on quality improvement interventions; and
- (b) Teacher training workshops for multi-grade schools and provision of classroom materials. The activities also include: training workshops for pedagogical advisors and planning workshops for rural schools communities to develop local work plans to tailor activities to the local issues and circumstances.

Annex 1. Education Project (PASEN) Restructuring Proposal

Original project components	Original allocation (SDR million)	% of total	Original indicators	Revised project components	Proposed reallocation (SDR million)	% of total	Proposed indicators
1. Strengthening the MINED Stewardship capacity	2.19	21.1	<ul style="list-style-type: none"> - Implementation of Action Plan for modernization of MECD - Reduced centralized expenditures of MECD - Increased signed performance agreements - Number of municipal supervision visits to autonomous schools - Number of qualified technical staff in municipal supervision teams 	1. Institutional Strengthening of Management Capacities of the MINED	0.428	7.0	<ul style="list-style-type: none"> - % of departmental delegations and municipalities implementing the new Decentralized and Participatory Education Management Model - % of departmental delegations and municipalities linked with IT to implement the National Management Information System - Improvement in the % of budget execution - Number of modules of the National Information System integrated at the end of 2008 and Number of modules implemented at the end of 2009
				1.1 Strengthening MINED for the implementation of the Decentralized and Participative Education Management Model	0.196		
				1.2 National Information System	0.232		
2. Program Monitoring, and Evaluation, and Continuous Auditing Systems	2.43	23.3	<ul style="list-style-type: none"> - School council member's awareness of the contents of their school report card - Increase # schools with development plans using educational statistics - Increase # of municipal agreements 	2.- Quality Improvement of primary and secondary education	5.687	93.0	<ul style="list-style-type: none"> - Dissemination of 2006 national and international student assessments results - Percentage of teaching force and school principals trained in the results, analysis and weaknesses identified in the national and international student assessments - Proportion of preschools with classroom and didactic materials - Proportion of primary schools with new teaching guides on Spanish and Mathematics to
				2.1 Establishment and implementation of a national strategy for learning assessments	0.605		
				2.2 Elaboration and distribution of textbooks for preschool and primary education	3.357		
				2.3 Improving the quality of education in targeted rural schools	0.887		

Original project components	Original allocation (SDR million)	% of total	Original indicators	Revised project components	Proposed reallocation (SDR million)	% of total	Proposed indicators
			<ul style="list-style-type: none"> - with educational statistics as part of agreement - Periodic testing of students in Spanish and Math carried out in primary and secondary levels - Full dissemination of student testing to all classrooms and school communities 	2.4 Improving the quality of education in the last two grades of secondary education	0.838		<ul style="list-style-type: none"> - improve teacher pedagogical and classroom practices - Implementation of round of student assessments in Spanish and Mathematics for grades 4th and 6th of primary school and 9th and 11th grade in 2009 in at least 30 percent of the schools participating in the results, analysis and weakness identification courses - Developed national strategy on student assessment
3. Implementation of the School Autonomy Program (Component Eliminated)	5.71	54.9	<ul style="list-style-type: none"> - Study that analyzes the variation in performance among autonomous schools - Study that analyzes the variation in performance of autonomous schools across municipalities 				<ul style="list-style-type: none"> - Percentage of primary schools receiving new textbooks (grades 1-3) in Spanish and Life Skills - Percentage of total number of pedagogical advisors trained and delivering training in classroom techniques, statistics management, communication and leadership
4. Pilot Program for community Preschools (Component Completed)	0.078	0.7	<ul style="list-style-type: none"> - Enrollment of children in pilot preschools - Evaluation of the pilot 				<ul style="list-style-type: none"> - Percentage of teachers in rural areas receiving in-service training on pedagogical techniques for multi-grade settings - Percentage of secondary school teachers receiving in-service training in Mathematics and Spanish subjects

Annex 2. Results Framework for the Restructuring Proposal

PDO	Outcome Indicators	Use of outcome information
<p>Project objectives aim to: (a) Improve institutional management capacity and information systems to improve service delivery; (b) Improve systems of governance and accountability, including measures to strengthen community participation in the education sector; (c) Improve the quality of education through monitoring and disseminating student learning outcomes; and (d) Harmonize donor assistance in the education sector.</p>	<p>Improved quality and relevance of learning</p> <ul style="list-style-type: none"> - Measurement of student achievement on National standardized tests in Spanish and Mathematics for 3rd and 6th grades - Textbooks to student ratio for grades 1 to 3 of primary school - Reduced percentage of unqualified teachers in rural schools and disadvantaged regions <p>Improved systems of governance and accountability</p> <ul style="list-style-type: none"> - National student assessment strategy developed and in operation - Institutional capacity strengthened and communications flows with departments and schools improved. - Reduced average time lag (in number of days) to complete key processes and common transactions in the sector - Strengthened Autonomous Regional Education System (SEAR) to improve service delivery in the Autonomous Coastal Area Regions (RAAN/RAAS) <p>Improved coordination of donor financing</p> <ul style="list-style-type: none"> - Formal acceptance of 3 year rolling Common Work Program (CWP) evidenced by signed MOU by all donors - % of donor financing that shares harmonized FM arrangements - # donors attending joint supervision missions expressed as a % of total number of active donors 	<p>Monitoring these indicators will inform MINED on the following: (i) how well the sector level approach is working; (ii) what needs to be done to further reduce donor discordance problems and enhance government accountability; and (ii) how well students are performing.</p>

PDO	Outcome Indicators	Use of outcome information
Intermediate Results per Component	Results indicators for each component	Use of Results monitoring
<p>1. Institutional Strengthening of Management Capacities of the MINED : improvements in the governance and accountability for the education sector</p>	<ul style="list-style-type: none"> - % of departmental delegations and municipalities implementing the new Decentralized and Participatory Education Management Model - % of departmental delegations and municipalities equipped with information technology (printers, fax machines, computer furniture, cellular telephone plants) to implement the National Information System - Improvement in the % of budget execution - Number of modules of the National Information System integrated at the end of 2008 and Number of muddles implemented at the end of 2009 	<p>The implementation of the Decentralized and Participative Education Management Model will allow MINED to manage efficiently and in a transparent way the resources allocated to education.</p>
<p>2.- Quality Improvement of primary and secondary education: improvement in the quality of basic and secondary education</p>	<ul style="list-style-type: none"> - Dissemination of 2006 national student test results in 768 schools - Dissemination of 2006 national and international student test results in 239 schools - Number of teachers and school principals participating in the disseminations workshops for national tests - Number of teachers and school principals participating in the disseminations workshops for international tests - Number of schools receiving teaching guides on Spanish and Mathematics for the third and sixth grades in primary, to improve the pedagogical practices of teachers - Round of student tests for Spanish and Mathematics for grades 4 and 6 of primary school and 9th and 11th grade (3rd and 5th year of secondary school) at the beginning of 2009 in 30% of schools participating in 	<p>The National strategy for learning assessments will allow the feedback to the classroom and the school communities. In order to improve educational processes, MINED will support in-service teacher training, and the development of a curricula for the integration of the SEAR and the Basic and Secondary National Education System.</p>

PDO	Outcome Indicators	Use of outcome information
	<p>training courses</p> <ul style="list-style-type: none"> - Development of a baseline for 2009 student test results to improve the curricular transformation initiative - National strategy for learning assessments developed that includes rounds of national tests according to MINED criteria - Number of authors participating in the design and validation of the textbooks design for 1st through 6th grade of primary schools in the areas of Spanish and Literature, Life and Environmental Sciences, Social Studies, and Life Skills - 1st to 3rd grade textbooks in Spanish and Life Skills printed and distributed - # of departmental and municipal staff members trained according to the formation plan - # of pedagogical advisors trained in classroom techniques, statistics management, communication and leadership - # of rural teachers trained in pedagogical techniques for multi-grade settings. - # of secondary teachers trained in Math and Spanish in the usage of study guides. - Study guides for 4th and 5th year of secondary education in the areas of Math and Spanish developed and distributed. - Number of workshops for rural multigrade teachers in planning and evaluation of curricular activities (Strategic planning workshops to improve the quality of education -TEPCE) 	

Annex 3. Outcome and Intermediate Indicators for the Restructuring Proposal

Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
	2004	2005	2006	2007	2008	2009			
Increased enrollment in schools at all levels									
Enrollment rate									
Preschool	199,422	213,672	209,950	214,615	228,564(2)	233,419 (2)			
Primary	941,957	945,089	966,206	952,964	974,649 (1)	998,445 (1)			
Secondary	394,347	415,273	425,718	451,083	478,174 (1)	511,967 (1)			
Net enrollment rate							Annual	Statistical Unit	MINED
Preschool	36	39	52	54	55.68	58.78			
Primary	87	87	86	87	87.60	90.10			
Secondary	40	42	44	46	47.68	50.12			
Net Drop out rate in public education (* 2007 preliminary)							Annual	Statistical Unit	MINED
Preschool	10	14	16	*14	13.0	12.0			
Primary	7	9	13	*12.4	11.4	10.4	Annual	Statistical Unit	MINED
Secondary	10	12	14	*17	16.5	15.5			
Improve attention to quality and relevance of learning									
Student achievement on national standardized tests for 3rd grade	Spanish 2002: Basic 68.4%, Intermediate 22.1%, Proficient 9.5% Mathematics 2002: Basic 61.8%, Intermediate 25.3%, Proficient 12.9%		Spanish 2006: Basic 68.4%, Intermediate 23.0%, Proficient 8.6% Mathematics 2006: Basic 69.7%, Intermediate 22.8%, Proficient 7.5%				Every 4 years	Curriculum and TIC UNIT	MINED

Annex 3. Outcome and Intermediate Indicators for the Restructuring Proposal

Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
	2004	2005	2006	2007	2008	2009			
Student achievement on national standardized tests for 6th grade	<p>Spanish 2002: Basic 66.4%, Intermediate 27.4%, Proficient 6.2%</p> <p>Mathematics 2002: Basic 87.5%, Intermediate 11.4%, Proficient 1.1%</p>	<p>Spanish and Mathematics 1st grade 34.5%, Spanish and Mathematics 2nd grade 21.0%, Life Skills 2nd Grade 100%, Spanish 3rd Grade 0%, Mathematics 3rd Grade 58%, Life Skills 3rd grade 0%</p>	<p>Spanish 2006: Basic 67.4%, Intermediate 27.6%, Proficient 5.0%</p> <p>Mathematics 2006: Basic 92.7%, Intermediate 6.8%, Proficient 0.4%</p>	<p>Spanish and Mathematics 1st grade 26.6%, Spanish and Mathematics 2nd grade 16.3%, Life Skills 2nd Grade 77.7%, Spanish 3rd Grade 0%, Mathematics 3rd Grade 48.5%, Life Skills 3rd grade 0%</p>	<p>Spanish and Mathematics 1st grade 24.7%, Spanish and Mathematics 2nd grade 15.5%, Life Skills 2nd Grade 73.8%, Spanish 3rd Grade 0%, Mathematics 3rd Grade 46.4%, Life Skills 3rd grade 0%</p>	<p>Spanish, Math and Life Skills for 1st through 3rd grade: 100%</p>	Every 4 years	Curriculum and TIC UNIT	MINED
Textbooks to student ratio for grades 1 through 3rd. (3)	<p>2005: Spanish and Mathematics 1st grade 34.5%, Spanish and Mathematics 2nd grade 21.0%, Life Skills 2nd Grade 100%, Spanish 3rd Grade 0%, Mathematics 3rd Grade 58%, Life Skills 3rd grade 0%</p>	<p>Spanish and Mathematics 1st grade 34.5%, Spanish and Mathematics 2nd grade 21.0%, Life Skills 2nd Grade 100%, Spanish 3rd Grade 0%, Mathematics 3rd Grade 58%, Life Skills 3rd grade 0%</p>	<p>Spanish and Mathematics 1st grade 28.2%, Spanish and Mathematics 2nd grade 18.7%, Life Skills 2nd Grade 88.9%, Spanish 3rd Grade 0%, Mathematics 3rd Grade 52.9%, Life Skills 3rd grade 0%</p>	<p>Spanish and Mathematics 1st grade 26.6%, Spanish and Mathematics 2nd grade 16.3%, Life Skills 2nd Grade 77.7%, Spanish 3rd Grade 0%, Mathematics 3rd Grade 48.5%, Life Skills 3rd grade 0%</p>	<p>Spanish and Mathematics 1st grade 24.7%, Spanish and Mathematics 2nd grade 15.5%, Life Skills 2nd Grade 73.8%, Spanish 3rd Grade 0%, Mathematics 3rd Grade 46.4%, Life Skills 3rd grade 0%</p>	<p>Spanish, Math and Life Skills for 1st through 3rd grade: 100%</p>	Every 4 years	Curriculum and TIC UNIT	MINED
Regulated and coordinated donor financing									

Annex 3. Outcome and Intermediate Indicators for the Restructuring Proposal

Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
	2004	2005	2006	2007	2008	2009			
Formal acceptance of 3 year rolling CWP evidenced by signed MOU by all donors	PCT presented to donors		PCT updated		Institutional Development Plan (PDI) developed. It substitutes for the PCT	Institutional Development Plan (PDI) updated and under implementation. It substitutes the PCT			MINED
% of donor financing that shares harmonized FM arrangements	3 donors shared institutional assessment for FM arrangements					3 donors supporting the common basket and the rest supporting the PDI			MINED
# of donors attending joint supervision missions expressed as a % of total number of active donors	none			80% of donors participating in joint supervision missions	90%	90%			MINED
Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
Intermediate results one per component	2004	2005	2006	2007	2008	2009			
Component One									
% of departmental delegations and municipalities implementing the new Decentralized and Participatory Education Management Model	2007: none			model is designed	100% delegations trained	100% delegations implementing the model			

Annex 3. Outcome and Intermediate Indicators for the Restructuring Proposal

Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
	2004	2005	2006	2007	2008	2009			
% of departmental delegations and municipalities equipped with information technology (printers, fax machines, computer furniture, cellular telephone plants) to implement the National Information System	2007: none			5%	60%	100%			
Improvement in the % of budget execution	2007: 95%			92%	95%	96%			
Number of modules of the National Information System integrated at the end of 2008 and Number of modules implemented at the end of 2009	2007: system under design			System in design	12 modules integrated and implemented	4 modules implemented			
Component Two									
Dissemination of 2006 national student test results in 768 schools	round of test done in 2006			Data Analysis	Dissemination workshops implemented			Curriculum and TIC UNIT	MINED
Dissemination of 2006 national and international student test results in 239 schools	round of test done in 2006		round of test done in 2006		Reports and dissemination workshops programmed for 2008			Curriculum and TIC UNIT	MINED

Annex 3. Outcome and Intermediate Indicators for the Restructuring Proposal

Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
	2004	2005	2006	2007	2008	2009			
Number of teachers and school principals participating in the disseminations workshops for national tests	round of test done in 2006				768 directors, 1,536 teachers, 161 pedagogical advisors			Curriculum and TIC UNIT	MINED
Number of teachers and school principals participating in the disseminations workshops for international tests	round of test done in 2006		round of test done in 2006		239 directors, 478 teachers, 147 pedagogical advisors			Curriculum and TIC UNIT	MINED
Number of schools receiving teaching guides on Spanish and Mathematics for the third and sixth grades in primary, to improve the pedagogical practices of teachers.	guidelines to be elaborated in 2008				9,000 guidelines elaborated and distributed to schools			Curriculum and TIC UNIT	MINED
Round of student tests for Spanish and Mathematics for grades 4th and 6th of primary school and 9th and 11th grade (3rd and 5th year of secondary school) at the beginning of 2009 in 30% of schools participating in training courses.	2007: no round of tests applied					round of tests applied		Curriculum and TIC UNIT	MINED

Annex 3. Outcome and Intermediate Indicators for the Restructuring Proposal

Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
	2004	2005	2006	2007	2008	2009			
Development of a baseline for 2009 student test results to improve the curricular transformation initiative	2007: no baseline					Baseline constructed		Curriculum and TIC UNIT	MINED
	2007: no strategy under implementation				Strategy designed			Curriculum and TIC UNIT	MINED
Number of authors participating in the design and validation of the textbooks design for 1st through 6th grade of primary schools in the areas of Spanish and Literature, Life and Environmental Sciences, Social Studies, and Life Skills	2007: No textbooks under design				30 authors hired to design textbooks			Curriculum and TIC UNIT	MINED
	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
Results indicators	2004	2005	2006	2007	2008	2009			

Annex 3. Outcome and Intermediate Indicators for the Restructuring Proposal

Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
		2005	2006	2007	2008	2009			
1st to 3rd grade textbooks in Spanish and Life Skills printed and distributed	2004 2007: no textbooks designed				textbooks under design	First Grade: Spanish and Literature 277,268; Second grade: Spanish and Literature 187,577 and 187,577 in Life Skills; Third Grade: 160,856 in Spanish and Literature and 160,856 in Life Skills; Total of textbooks 974,134		Curriculum and TIC UNIT	MINED
# of departmental and municipal staff members training according to the formation plan	2007: no training plan under implementation				181			Teacher training unit	MINED
# of pedagogical advisors trained in classroom techniques, statistics management, communication and leadership	2007: no training plan under implementation				344			Teacher training unit	MINED
# of rural teachers trained in pedagogical techniques for multi-grade settings.	2007: no training plan under implementation					1,000		Teacher training unit	MINED

Annex 3. Outcome and Intermediate Indicators for the Restructuring Proposal

Results indicators	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency and reports	Data collection instruments	Responsible
	2004	2005	2006	2007	2008	2009			
# of secondary teachers trained in Math and Spanish in the usage of study guides.	2007: no training plan under implementation					1,984		Teacher training unit	MINED
Study guides for 4th and 5th year of secondary education in the areas of Math and Spanish developed and distributed.	2007: no guidelines designed					60,000		Secondary Education Unit	MINED
Number of workshops for rural multigrade teachers in planning and evaluation of curricular activities (TEPCEs)	2007: no TEPCEs under implementation					11		Teacher training unit	MINED
1.- UNESCO Simulation Model for EFA									
2.- MECD estimates in 2006									
3.-MINED estimates 2008									

Annex 4: Project Cost and Financing Arrangement

Table 1: Project Cost by Component

Component	Original Project Cost (SDR)	Component	Restructured Project Cost (SDR)
1. Strengthening the MINED Stewardship capacity	2.19	1. Institutional Strengthening of Management Capacities of the MINED	0.428
2. Program Monitoring, Evaluation, and Continuous Auditing Systems	2.43	2. Quality Improvement of Primary and Secondary education	5.687
3. Implementation of the School Autonomy Program	5.71		
4. Pilot Program for community Preschools	0.078		

SDR conversion date is April 11, 2008

Table 2: Allocation of proceeds (Original) .

Category	Amount of the original loan allocated (SDR)	% of expenditures to be financed
(1) Goods		
(a) under part A of the project	235,000	100% of foreign expenditures and 87% of local expenditures
(b) other	865,000	100% of foreign expenditures and 87% of local expenditures
(2) Consultant Services		
(a) under part A of the project	790,000	100% of foreign expenditures and 91% of local expenditures
Other	310,000	100% of foreign expenditures and 91% of local expenditures
(3) Training		
(a) under part A of the project	25,000	100%
Other	1,775,000	100%
(4) Grants for beneficiary schools	4,100,000	100% of grant amount
(5) incentives (severance payments) under Part A.1 of the project and bonuses under Part D.1 of the project	400,000	100%
(6) incremental staff salaries		
(a) under part A of the project	620,000	91% until withdrawals have

Category	Amount of the original loan allocated (SDR)	% of expenditures to be financed
		reached an aggregate amount equivalent to 370,000; 70% until withdrawals have reached an aggregate amount equivalent to 525,000; and 50% thereafter
(b) under part B of the project	280,000	91% until withdrawal have reached an aggregate amount equivalent to 165,000; 70% until withdrawals have reached an aggregate amount equivalent to 240,000; and 50% thereafter
(7) other non consultant services	700,000	91%
(8) Unallocated	300,000	
TOTAL	10,400,000	

XDR conversion date is April 11, 2008

Table 3: Allocation of proceeds (Revised)

Category	Amount of the loan allocated (in SDR)	% of expenditures to be financed
(1) Goods		
(a) under Part A of the Original Project Description	195,521	100% of foreign expenditures and 87% of local expenditures
(b) other, under the Original Project Description	118,425	100% of foreign expenditures and 87% of local expenditures
(2) Consultants' services		
(a) under Part A of the Original Project Description	310,000	100% of foreign expenditures and 91% of local expenditures
(b) other, under the Original Project Description	0	100% of foreign expenditures and 91% of local expenditures
(3) Training		
(a) under Part A of the Original Project Description	19,200	100%
(b) other, under the Original Project Description	674,000	100%
(4) Grants for Beneficiary Schools under Part C of the Original Project Description	2,102,979	100% of the Grant Amount
(5) Incentives (severance payments under Part A.1 and bonuses under Part D.1 of the Original Project Description)	218,000	100%
(6) Incremental Staff Salaries		
(a) under Part A of the Original Project Description	752,000	91% until withdrawal have reached an aggregate amount equivalent to 370,000; 70% until withdrawals

		have reached an aggregate amount equivalent to 525,000; and 50% thereafter
(b) under Part B of the Original Project Description	0	91% until withdrawal have reached an aggregate amount equivalent to 165,000; 70% until withdrawals have reached an aggregate amount equivalent to 240,000; and 50% thereafter
(7) Other "non-consultant" services under the Original Project Description	503,300	91%
(8) Unallocated	0	
(9) Goods, Consultants' services, and Training under Part 1 of the Project	428,116	100%
(10) Goods, Consultants' services, non-consultant services and Training under Part 2 of the Project	5,078,459	100%
TOTAL	10,400,000	