



# Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 03-May-2019 | Report No: PIDC26074

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

Country Honduras	Project ID P169161	Parent Project ID (if any)	Project Name Honduras Early Childhood Education Improvement Project (P169161)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Jul 02, 2019	Estimated Board Date Nov 21, 2019	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance (Secretaría de Finanzas, SEFIN)	Implementing Agency Ministry of Education (Secretaría de Educación - SEDUC)	

**Proposed Development Objective(s)**

The Project's objective is to improve (a) SEDUC's institutional capacity for preschool management; (b) teaching practices of preschool educators nationwide; and (c) physical learning environments in selected preschools in targeted regions.

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

<b>Total Project Cost</b>	40.00
<b>Total Financing</b>	40.00
<b>of which IBRD/IDA</b>	30.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	30.00
IDA Credit	30.00

**Non-World Bank Group Financing**

Trust Funds	10.00
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Education for All Supervising Entity

10.00

Environmental and Social Risk Classification

Moderate

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

- Over the past 30 years, Honduras has experienced modest economic growth marked by considerable volatility, with a large share of its population vulnerable and exposed to shocks, large and small, that have stymied years of progress in poverty reduction.** Real Gross Domestic Product (GDP) has grown at an average annual rate of 3.6 percent over the past three decades, exceeding the Latin America and Caribbean (LAC) average of 3.4 percent. Nonetheless, the country's rapid population growth (2.4 percent per year) has meant that per capita GDP growth has been quite low, resulting in persistently high poverty rates relative to other countries in the region. According to the 2017 Global Climate Risk Index, Honduras has been identified as one of the most affected countries in the 20-year period between 1996-2015, with average annual losses due to extreme weather events of approximately 2.1 percent of GDP.
- Poverty rates and income inequality in Honduras continue to be among the highest in LAC.** The country has the third lowest per capita income in LAC at US\$2,361 in 2016. With 17.2 percent of Hondurans living on less than US\$1.90 per day, Honduras is among the poorest countries in the Western Hemisphere, second to Haiti. The poverty rate between 2005 and 2017 measured at US\$3.2 per day and US\$5.5 per day, fell from 41.4 to 31.6 percent and from 60.8 to 52.6 percent, respectively. With a Gini of 0.50 in 2016, Honduras has one of the most inequitable income distributions in LAC, and preliminary official data for 2017 suggests inequality has increased over the last two years.
- Deep and persistent disparities in education access continue to be a barrier to long-term poverty reduction.** One of the barriers to growth for Honduras identified in the 2017 Systematic Country Diagnostic (SCD) is a persistent shortage of skills and limited access to education for much of the population. Efforts to increase enrollment in pre-primary, secondary and tertiary levels have not been successful. School exclusion is strongly associated with family income and location, particularly for children 5 and under and between the ages of 12 and 17, and especially for minorities and ethnic groups.
- The quality of education remains one of the main challenges for raising productivity and unleashing growth in Honduras.** Recent evidence from the Programme for International Student Assessment for Development (PISA-D) shows that 29.7 percent of 15-year-olds achieved the minimum level of proficiency in reading and only 15.4 percent did so in Math, compared to the average of 79.9 percent (reading) and 76.6 percent (math) for the Organisation for Economic Co-operation and Development (OECD) and 37.7 percent and 28.7 percent of the average lower middle-income countries respectively. Moreover, with a Human Capital Index of 0.49, Honduras ranks among the lowest in LAC. On average, a child



born today is expected to complete 10 years of schooling; after adjusting for what children actually learn, these 10 years are equivalent to only 6.4 years of schooling.

**5. Investing in Early Childhood Education (ECE) is crucial to harness the demographic dividend.** The returns to preschool education can be high. Children who have access to good quality ECE have better educational outcomes, including higher tests scores, higher IQ, less grade repetition, dropouts and special education placements. Investments in quality ECE can increase societal productivity;<sup>1</sup> ECE also has positive externalities: for instance, greater access to affordable ECE can promote caregivers' labor force participation, as well as older siblings' school attendance.<sup>2</sup>

**6. However, the returns to investments in ECE heavily depend on the quality of ECE services.** Key aspects of quality ECE include: skilled and motivated teachers; low pupil-teacher ratios that enable teachers to work with small groups of children and interact one-on-one with individual children (for responsive and stimulating adult-child interactions); the learning resources available; age-appropriate and engaging curriculum; and a supportive and rich learning environment for children to work together.<sup>3</sup>

**7. Investments in ECE can also help reduce inequalities between children from rich and poor households.** Sharp differences in cognitive development by socioeconomic status in early childhood have been found in both developed and developing countries.<sup>4</sup> These differences appear early in life and are largely unchanged after age 6.<sup>5</sup>

#### Sectoral and Institutional Context

**8. In the last decade, access to basic education in Honduras grew and financing for basic education was high in comparison with the LAC average. However, retention rates and learning outcomes remain low.** The net enrollment rates in the three cycles of basic education show consistent growth in the 2011-2016 period and the gross enrollment rate in basic education was virtually 100 percent in 2015. In 2017, the country's education expenditures were roughly 5.2 percent of GDP, and roughly 45 percent of all education expenditures going to the primary level.<sup>6</sup>

**9. Net enrollment rates for preschool education, at 38 percent, is the lowest in the LAC region.** Preschool education, managed by the Ministry of Education (*Secretaría de Educación, SEDUC*) is organized in three grades: first grade for ages 3 to 4; second grade for ages 4 to 5; and third grade, for ages 5 to 6; and only the last grade of preschool is mandatory. The current net enrollment rate among the three grades of preschool is highly unequal: 79 percent among 5-year-old children; 30 percent among 4-year-olds, and 4 percent among 3-year-olds.

**10. In 2014, SEDUC launched a preschool universalization plan that organized the education supply in three different modalities for rural and urban areas.** The compulsory nature of the last year of preschool education was established by the General Education Law (2012) and was further supported by the Education for All 2003-2015 Strategy, which proposed universal coverage for 5 to 6-year-olds by 2017. To achieve this rapid universalization of the third grade of preschool education, SEDUC embarked on an ambitious plan that involved more flexible and less costly modalities than formal preschool education centers, with differentiated strategies depending on the number of preschool-aged children in each locality. In more densely populated areas, the key mechanism for expansion of preschool coverage has been a

<sup>1</sup> Cunha et al 2010

<sup>2</sup> Lawrence and Kreader 2006; Mateo and Rodriguez-Chamussy 2016; Martinez, et al. 2012

<sup>3</sup> Mitchell, Wylie and Carr 2008; OECD 2018

<sup>4</sup> Schady et al. 2015, [Fernald et al. 2011](#), [Naudeau et al. 2011](#)

<sup>5</sup> [Carneiro and Heckman 2003](#); [Cunha and Heckman 2007](#); [Brooks-Gunn et al. 2006](#), Schady et al. 2015

<sup>6</sup> World Bank, 2017



flexible hiring modality to increase the number of teachers in Formal Preschool Education Centers (*Centros de Educación Pre-Básica*, CEPB). In less densely populated areas, alternative service delivery modalities have been adopted to increase coverage, depending on the degrees of population dispersion. Preschool Education Community Centers (*Centros Comunitarios de Educación Pre-Básica*, CCEPREB) serve areas with a greater concentration of young children.

11. **Honduran children living in rural areas and poor households are the ones who benefit the least from their right to ECE.** Children in rural communities (around 60 percent of the total number of preschool-aged children in the country) and those in the lowest income quintiles have the lowest levels of enrollment on preschool education, with a 31 percent net enrollment rate for rural areas and 35.8 percent for urban areas. The difference in preschool enrollment between urban and rural areas was close to 10 percentage points between 2011 and 2015, with advantage for children in urban areas. Similarly, the preschool exclusion rate for 5-years-olds differed around 10 percentage points among the extreme quintiles of household income per capita in the same period of time.

12. **There are several demand-side challenges affecting students' enrollment in preschool education in Honduras.** The main challenge appears to be the lack of information that parents have regarding the returns to preschool education and, more broadly, the benefits to adequate stimulation (both cognitive and socioemotional). The second most important issue affecting demand for preschool education appears to be the costs associated with enrolling students in this education level.

13. **Beyond unequal coverage, there are serious concerns regarding the current quality of preschool service.** On the one hand, although the alternative modalities that are part of SEDUC's universalization plan allow for the provision of an education service, the learning conditions of these modalities is questionable. They are led by educators who receive poor to no compensation, many of whom have no formal degree or certification in preschool education. CCEPREB teachers, for example, require only 9 years of education with no formal preschool training. In-service teacher training programs are neither systematic nor organized to coherently respond to a teacher's reality and needs. Given these factors, it is unclear the extent to which SEDUC's current expansion efforts can lead to improved development and learning outcomes for the targeted children. Importantly, the actual impact of these alternative modalities has not been evaluated, and the extent of their impact on child development and learning is unclear.

14. **In addition, SEDUC has low overall institutional capacity, with outdated and uncoordinated organizational, planning, management, monitoring and evaluation functions.** Its current structure has several units that duplicate efforts, lack the capacity to adequately address demands and have limited accountability. These challenges exist both at the central and decentralized levels from the Ministry to the schools.

#### Relationship to CPF

15. **The proposed Project is aligned with the Country Partnership Framework (CPF) for FY16-FY20. Specifically, the Project responds to Pillar 1: Fostering Inclusion Pillar, which states that fostering inclusion in Honduras requires that the extreme poor and most vulnerable have access to critical social programs, such as preschool service provision.** One key emphasis of this Project will be to work in geographic areas with the greatest need, prioritizing rural areas, and with disadvantaged groups to reduce important learning and income gaps.

16. **In addition, the Project is aligned with Pillar 2: Bolstering Conditions for Growth, which states that stimulating growth requires addressing several challenges and creating new opportunities.** Some of these challenges include inadequate infrastructure and limited access to schools in basic education for a significant percentage of the population. Therefore, by improving the infrastructure of the educational centers through the development of high-quality and



inclusive educational environments, it would be possible to tackle these challenges and provide greater access to high-quality preschool education.

17. **Furthermore, the proposed Project aims to support SEDUC's priorities, as established in the Education Sector Plan 2018–2030 (ESP), with an emphasis on the quality of service provision.** The ESP has three main priorities: i) access and inclusion; ii) learning outcomes; and iii) sector governance.

### C. Proposed Development Objective(s)

18. The objectives of the Project are to improve (a) SEDUC's institutional capacity for preschool management; (b) teaching practices of preschool educators in all service modalities; and (c) physical learning environments in selected preschools in targeted regions.

#### Key Results

- Improved management capacities that make use of a comprehensive Preschool Education Model to improve child development and learning outcomes
- Increased number of preschool educators that implement improved teaching practices and content
- Enhanced access to quality physical learning environments in selected preschools serving disadvantaged children, considering safer school, resilient building, and sustainability practices

### D. Concept Description

19. This Project will support the Government of Honduras to improve preschool child development and learning outcomes through three components to strengthen and build upon current efforts by SEDUC. The three components are:

20. **Component 1: Strengthen SEDUC's institutional capacity** for preschool management. Overarching activities (i) of this Component applies to all of SEDUC, while activities (ii) and (iii) focus solely on the Preschool system.

- Supporting the restructuring of SEDUC to make it a more efficient and more accountable organization:* SEDUC's Minister and an accompanying committee made up of former ministers, education managers, and civil society and business representatives are embarking on a process to restructure SEDUC. The Project will support the strategic planning process behind the restructuring and will finance a modest set of restructuring reforms.
- Supporting the revision and implementation of the previously developed Preschool Education Model* that would now align all relevant actors and elements to improve child development (e.g. motor, socioemotional, cognitive, etc.) and learning outcomes.
- Supporting the revision, consolidation, and implementation of preschool standards, programs, and policies, as well as strengthen SEDUC's capacity to plan, manage and evaluate such preschool standards but also preschool strategies, programs, and policies.*

21. **Component 2: Promote improved curricula and teaching practices.** The objective of this Component is to improve the quality and relevance of teaching practices and content in preschool programs by:

- Assessing the current preschool curriculum, associated materials and teaching practices,* and if necessary recommending targeted revisions to strengthen curricular, material, pedagogical pertinence and inclusiveness.



- ii. *Providing educational materials* that support salient content and pedagogical practices in the classroom that are based on the assessed curriculum and consider vulnerability risks and resilience-building measures related to inclusiveness and sustainability;
- iii. *Supporting the implementation of improved pedagogical practices*; and
- iv. *Selecting, adapting and implementing a measurement tool to regularly provide information on pedagogical practices and learning conditions.*

22. **Component 3: Enhance access to quality and inclusive physical learning environments in selected preschools serving disadvantaged children.** This Component will provide adequate, inclusive, resilient and sustainable preschool physical environments in two ways:

- i. *Supporting the upgrading of SEDUC’s school-building design, construction and regulatory management in selected preschools*
- ii. *Improving preschool physical learning environments in selected disadvantaged regions and population*

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 proposed ESRC for this project is moderate. The classification considers the nature of projects activities -construction of schools - that may be develop in highly sensitive environmental areas of the country. Civil works - classroom rehabilitation and/or new school construction- could also involve small-scale land acquisition.

The project context also has some sensitive cultural and environmental elements such as working with indigenous and afro-descendant communities, where institutionalized marginalization exists toward them. Hence, the actual context may pose a degree of risk for the accomplishment of the PDO and in terms of inclusiveness and cultural appropriateness. Any E&S risks will be manageable with known mitigation and management measures.

**Note** To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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