



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 20-Sep-2019 | Report No: PIDC27643



**BASIC INFORMATION**

**A. Basic Project Data**

Country Peru	Project ID P170478	Parent Project ID (if any)	Project Name Supporting investments in education for human capital development in Peru (P170478)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Apr 01, 2020	Estimated Board Date Jul 30, 2020	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) Ministerio de Economía y Finanzas del Perú	Implementing Agency Ministerio de Educación del Perú	

**Proposed Development Objective(s)**

The Project Development Objective (PDO) is to improve teaching practices through investments in teacher preparation, development, and support.

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

**SUMMARY**

<b>Total Project Cost</b>	200.00
<b>Total Financing</b>	100.00
<b>of which IBRD/IDA</b>	100.00
<b>Financing Gap</b>	100.00

**DETAILS**

**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	100.00
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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

**1. Peru is an upper middle-income country with remarkable economic growth over the last decade, but important development challenges remain, including large gaps in developing its human capital throughout the territory.** Peru has been one of the highest-performing economies in Latin America and the Caribbean (LAC), mostly due to its prudent macroeconomic policies and a favorable external environment. For most of the past two decades, Peru's rapid economic growth, coupled with well-targeted social policies, boosted income growth among the bottom 40 percent of the population at rates much higher than average growth. As a result, poverty rates halved from 42.4 to 20.5 percent from 2007 to 2018 and inequality fell substantially during that period. However, between 2016 and 2017, the downward poverty trend stopped, with a 1-percentage point increase, mostly due to a modest economic growth, a stagnation of the labor market, and a halt in the expansion of social spending. In 2018, the national poverty rate resumed its decreasing trend, although recovery has been unequal across regions. For instance, poverty gains were practically stagnant in Metropolitan Lima where wages have dropped, especially for the young and the unskilled workers. Moreover, while rural areas saw relatively more gains between 2017 and 2018 in improving living conditions, they have around 30 percentage points higher poverty rates than the urban ones. Inequalities in the provision of public services remain a challenge, including spatial inequalities and those across genders and ethnic groups. Improving Peru's human capital base – and in particular investing in access to quality education – is essential for sustained economic growth, equitable poverty reduction, social wellbeing, and building resilience of its population to shocks affecting human capital accumulation.<sup>1</sup>

### Sectoral and Institutional Context

**2. The Government of Peru (GoP), through the Ministry of Education (*Ministerio de Educación*, MINEDU) has rolled out education reforms which led to substantial improvements in human development outcomes.** These include, among others: (a) the approval of the Teacher Reform Law (*Ley de Reforma Magisterial*, LRM) to make the public teaching career (*Carrera Pública Magisterial*, CPM) more attractive and create a single meritocratic teacher career path, and the establishment of teacher and student evaluations; (b) the approval of a competency-based curriculum focused on the development of critical skills, with a gradual implementation starting in 2017; (c) the expansion of student assessments to multiple grades, subjects and languages, producing comprehensive learning data; and (d) the approval of an evidence-based national education infrastructure plan to align efforts to close the investment gap.

**3. Despite these reforms, important gaps remain in areas that are critical for human capital accumulation.** The Human Capital Index (HCI)<sup>2</sup> – which measures the potential productivity of the next generation of workers – estimates that a child born in Peru today will be 59 percent as productive when she grows up as she could be if she enjoyed complete education and full health.<sup>3</sup> Despite an expected schooling attainment of 12.7 years, on average, when learning is considered, children in Peru can expect to attain only 8.3 learning-adjusted years of schooling – a learning gap of 4.4

<sup>1</sup> See: Sen, A. (1993). *“Capability and Well-Being”*, in: Nussbaum, M. and Sen, A. *The Quality of Life*. Oxford. Sen, A. (1999). *“Development as freedom”*. New York: Oxford University Press. Rodrik, D. (2001). *“Development strategies for the next century”*. Harvard University. Hanushek, E. and L. Wößmann (2007). *“The Role of School Improvement in Economic Development”* NBER Working Paper 12832, Cambridge, MA: National Bureau of Economic Research.

<sup>2</sup> The HCI is made up of five indicators: probability of survival to age five, child's expected years of schooling, harmonized test scores as a measure of quality of learning, adult survival rate, and proportion of children who are not stunted.

<sup>3</sup> The difference in the HCI between girls (0.59) and boys (0.56) in Peru is small and not statistically significant.



years.<sup>4</sup> A disaggregated picture of the HCI shows large regional disparities both in the overall index, and in learning outcomes.<sup>5</sup> In fact, Peru is the seventh lowest among 73 participating countries in PISA 2015 (despite achieving large gains between 2009 and 2015). Almost three-quarters of all students in 8<sup>th</sup> grade do not reach satisfactory levels in math, cannot read or comprehend what they read.<sup>6</sup> Furthermore, Peru has one of the largest inter-regional performance differences among PISA participants: learning outcomes of schools in poorer, more remote rural areas are significantly worse.

**4. The country's vision for further strengthening human capital development—outlined in several key strategic documents<sup>7</sup>—strives to provide opportunities for all Peruvians to develop to their full potential starting from a young age.** From the time a child is born, she should have access to a range of integrated early childhood development services that support healthy and stimulated growth and ensure that she arrives to school ready to learn. Integrated social protection systems should provide an effective safety net that protect poor and vulnerable households from adverse shocks affecting human capital development by granting them access to quality early childhood development services that address their needs. A high-quality education system should provide access to equitable learning opportunities to all children in basic education throughout Peru's territory. Each child should have access to a school staffed by well-prepared teachers and supported by effective management and pedagogical practices at the school, local, and central levels.

**5. Yet a series of service delivery challenges inhibits the education sector to provide adequate teaching and learning opportunities from early childhood to adolescence.** These service delivery challenges are largely related to the way teachers are prepared, managed, and supported. To improve teacher effectiveness, it will be necessary to overcome challenges on three fronts. First, managing *teacher preparation* at entry point to ensure that suitable candidates are attracted, recruited, and well-prepared to enter the profession. Currently, 69 percent of teacher trainees are enrolled in 103 public teacher training institutes (*Institutos de Educación Superior Pedagógica*, IESPs),<sup>8</sup> out of which approximately 45 percent attend classes in facilities with inadequate infrastructure, and only 11 percent of graduates reach minimum requirements to teach.<sup>9</sup> Intensive training programs to strengthen the quality of teacher trainers are being given to all tenured teacher trainers since 2018 and performance evaluations will be carried out for the first time in 2020, yet there currently little information about the quality of teaching at IESPs. Second, managing *teacher development* throughout their careers to ensure that they are well-allocated to meet the requirements of the education system, supported in the further development of their skills, recognized and motivated to deliver. Currently, despite financial incentives in place to staff vulnerable schools, teachers do not apply to 39 percent of the available vacancies (out of which 97 percent are in rural areas). These vacancies are filled with contract teachers, 76 percent of which do not pass the evaluation to become tenured teachers and are provided with limited training activities. Currently in-service teacher training programs are not designed based on diagnostics, not tailored to strengthen critical skills, and not offered in a systematic way under a framework to support teachers throughout their career. Furthermore, only 58 percent of tenured teachers received any formal in-service training in the past 3 years, and there is no strong evidence of its impact on pedagogical practices or student learning. Third, managing *teacher support* by improving systems that support teachers to operate as effective professionals.<sup>10</sup> In terms of wellbeing service needs, 44 percent of teachers report stress episodes related to work. In

<sup>4</sup> Girls (12.8) and boys (12.6) in Peru have statistically similar levels of expected years of schooling, according to the HCI.

<sup>5</sup> Some of these vulnerabilities are exacerbated by the risk posed by climate change, which disproportionately affects poor and marginalized populations (especially those in rural areas) through, among other factors, disruptions agricultural production and access to adequate nutrition, which can negatively affect human capital accumulation.

<sup>6</sup> Oficina de Medición de la Calidad de los Aprendizajes (2019). “Resultados 2018 – Evaluaciones de logros de aprendizaje”: Ministerio de Educación del Perú. Retrieved from: <http://umc.minedu.gob.pe/resultados-ece-2018/>

<sup>7</sup> Chief among these is the “Bicentennial Plan: Peru to 2021” (*Plan Bicentenario: El Perú hacia el 2021*).

<sup>8</sup> The remaining 31 percent attends 102 private IESPs or 129 public or private universities.

<sup>9</sup> Approve the National Teaching Test (*Prueba Única Nacional*, PUN) with the minimum score.

<sup>10</sup> Peru's education system places regional (*Dirección Regional de Educación*, DREs) and local (*Unidad de Gestión Educativa Local*, UGELs) authorities as support actors for schools and teachers and are therefore key for education service delivery. DREs and UGELs are education departments mapped to regional governments (and not directly to MINEDU).



terms of career advancements, only 30 percent of teachers have their professional records accessible online (as opposed to physically records stored at the local management unit facilities), and more than half of teachers are served by local management units that have limited capacity- both in terms of quality of operations as well as adequate human resources -- to face the territorial challenges of schools they serve. The lack of support is also evidenced by a large percentage of teachers – 58 – who report to require better support from MINEDU. Finally, 96 percent of teachers in the public career have been evaluated at least once over the last 5 years but have not received feedback on their evaluation results to improve their teaching practices. If not addressed, these challenges can cause stagnation in the levels of human capital of the next generations of Peruvians, as evidence shows teachers are the most important factor for student learning.<sup>11</sup>

**6. This Investment Project Financing (IPF) is part of a broad support package aimed at supporting the GoP's efforts to strengthen human capital investment by ensuring policy and institutional reforms in critical human capital areas, while supporting their implementation and sustainability through targeted interventions.** The proposed IPF supports complementary interventions to boost an integrated service delivery of education services and develop the capacity of implementing agencies, with a special focus on supporting teachers' professional development including pre-service training, allocation, in-service training, evaluation, incentives, as well as strengthening school management and support services to strengthen teaching and learning processes. The proposed operation is framed under the National Policy of Teacher Professional Development which aims to improve teaching practices based on professional competence standards. These interventions complement, and ensure the implementation and sustainability, of policy changes anchored in medium-term reform programs supported by the Investing in Human Capital Development Policy Financing – DPF (P170477), a programmatic operation focusing on two pillars. While this IPF supports the implementation of Pillar 2, which seeks to support teachers in their professional development and strengthen managerial and pedagogical support for teachers through the development of policies<sup>12</sup>, an IPF in social protection is under preparation to support the implementation of Pillar 1, which seeks to improve policies for the delivery of social protection and ECD services.

#### Relationship to CPF

**7. The proposed IPF is fully consistent with the World Bank Group's Country Partnership Framework (CPF) for Peru and the recently approved Performance and Learning Review (PLR) of the CPF, both covering the period FY17-FY21. This operation is also fully consistent with the Bank's strategy to eradicate extreme poverty and promote shared prosperity.** The IPF would be instrumental in influencing the outcomes identified under Pillar I of the CPF: Productivity for Growth, especially those under Objective 3, which aims to facilitate the absorption of skills and technology. Additionally, the PLR emphasized that Pillar II of the CPF, which aims to provide services for citizens across the territory, should include a strong focus on improving access and quality of basic services, with an emphasis on education among others. The proposed operation aims to promote shared prosperity by raising the quality of teaching benefiting all of Peru's school children and helping narrow the learning gaps affecting the most disadvantaged children.

### C. Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve teaching practices through investments in teacher preparation, development, and support.

#### Key Results (From PCN)

**8. The project is expected to measure achievement of the PDO through the following tentative indicators. All**

<sup>11</sup> See World Development Report 2018, and Bêteille & Evans (2018). Successful Teachers: Successful Students. World Bank.

<sup>12</sup> This IPF considers lessons learned from the most recent projects executed with MINEDU: (i) *Basic Education Project* (P123151) and (ii) *Higher Education Quality Improvement* (P122194). Analytical work through a Flagship study (P167570) and several impact evaluations provide evidence for the proposed project.



indicators will be disaggregated by gender and vulnerability when possible.<sup>13</sup>

- (i) Preparation: Percentage of teacher graduates from public teaching institutes/schools that pass the national teaching entrance examination.<sup>14</sup>
- (ii) Development: Percentage of public basic school teachers with effective teaching practices, as measured by TEACH.<sup>15</sup>
- (iii) Support: Teacher burn-out rate in public basic education schools.<sup>16</sup>
- (iv) Support: Percentage of public basic school teachers that receive quality pedagogical support.<sup>17</sup>

#### D. Concept Description

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	

#### CONTACT POINT

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##### Borrower/Client/Recipient

Ministerio de Economía y Finanzas del Perú

<sup>13</sup> Vulnerability would be defined by geographical location and/or ethnia.

<sup>14</sup> Adjusted by the probability of being in the sample of teachers taking the test to be representative of all final year graduates in the year preceding the examination. The source of the data would be the official *Prueba Única Nacional* results published by MINEDU.

<sup>15</sup> Source: Data is nationally representative and collected through the Policy Dashboard. Baseline was collected between August and September 2019. Effective teaching practices corresponds to an overall score of 3 in the TEACH 1-5 scoring scale.

<sup>16</sup> Source: Data is nationally representative and collected through the Policy Dashboard. Baseline was collected between August and September 2019.

<sup>17</sup> Source: National Teacher Survey (*Encuesta Nacional de Docentes, ENDO*)



**Implementing Agencies**

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**APPROVAL**

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