

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: PIDC301

Project Name	Full-Time School Expansion Project (P126408)
Region	LATIN AMERICA AND CARIBBEAN
Country	Uruguay
Sector(s)	Primary education (100%)
Lending Instrument	Specific Investment Loan
Project ID	P126408
Borrower(s)	Ministry of Economy
Implementing Agency	ANEP - Administracion Nacional de Educacion Publica
Environmental Category	B-Partial Assessment
Date PID Prepared	16-Mar-2012
Estimated Date of Appraisal Completion	11-Jun-2012
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Concept Review Decision	

I. Introduction and Context

Country Context

For the last 8 years, Uruguay has enjoyed strong economic growth and consistent poverty reduction. The economy grew at an average pace of 5.6 percent of GDP for the period 2003-2010, and growth is estimated at 6 percent in 2011. Since 2006, poverty rates have fallen from 34.4 percent to 18.6 percent in 2010. These positive trends are credited to prudent macroeconomic policy, improvements in structural areas, and a booming regional economy, and are matched by a social context of low inequalities, high coverage of services, and strong democratic institutions. With regards to income inequality, Uruguay boasts one of the lowest Gini coefficients in the region (.426). This broad equality is also reflected in social indicators: Uruguay ranks 48th in the Human Development Index, just behind Chile and Argentina, and ahead of Mexico and Brazil. Nonetheless, Uruguay still ranks well below OECD averages, a benchmark to which it is increasingly comparing itself.

Building on this good progress, the government of President José Mujica has announced an ambitious reform agenda including eradicating extreme poverty and improving social inclusion. The government plans to achieve this through improvements in efficiency and equity of social services delivery, and a strong focus on improving the targeting of programs. The reform of the education sector, specifically, has been referred to as the “priority of priorities” by President José Mujica, and is at the forefront of policy debates within and between branches of government. Education reform is also linked to the Government’s efforts on improving Uruguay’s competitiveness in the global economy. Demographically, the country is poised to start benefiting from the ‘demographic dividend’. The falling birth rates is resulting in a dependency ratio (ratio of dependents – people younger than 15 or older than 64 – to the working-age population) reaching new lows. For education, this presents an opportunity for higher per student spending, while maintaining overall spending levels as a percentage of GDP.

Sectoral and Institutional Context

Uruguay has a unique configuration of institutions setting and implementing education policy. The Ministry of Education and Culture (Ministerio de Educación y Cultura, MEC) is responsible for education policymaking, and plays a coordinating role with various institutional actors throughout the sector. The National Administration for Public Education (Administración Nacional de Educación Pública, ANEP) is an autonomous institution mandated with carrying out policy. It is comprised of various councils, including the Central Steering Council (Consejo Directivo Central, CODICEN), the Preschool and Primary Education Council (Consejo de Educación Inicial y Primaria, CEIP), and the Secondary Education Council (Consejo de Educación Secundaria, CES). Other important actors in the education sector include the Technological Laboratory of Uruguay (Laboratorio Tecnológico de Uruguay, LATU) that is responsible for implementing Plan Ceibal, the country’s One Laptop per Child (OLPC) Project.

One of the first countries in the region to declare and achieve universal primary education, Uruguay is a regional leader in providing high quality schooling to nearly all children ages 4-12. At the preschool level, coverage among 5 year olds is 95.5 percent while coverage among 4 year olds is 94.5 percent. The primary completion rate is also close to 100 percent. With regards to the quality of instruction, Uruguay’s performance in recent international testing shows it to be a regional leader, scoring second only to Chile in PISA in reading among LAC countries, and scoring best in math, ahead of Argentina, Chile and Colombia. Despite this good performance, Uruguay still ranks well below the OECD average.

Looking forward, the country faces challenges linked to improving learning outcomes among children, both at the primary and secondary level, and correcting inequities throughout the system. At the primary level, high repetition rates in the early grades lead to a problem of overage students, leading to internal inefficiency through secondary education. Those that do eventually transition

to secondary education are disproportionately from the richer income quintiles, and are more likely to remain in school. For example, there is a gap of 37 percentage points in the percentage of students enrolled in secondary schools between the poorest and richest quintiles. The inequalities are also observed in learning: PISA scores reveal a gap of 120 PISA points (roughly two years of education) between the richest and the poorest socioeconomic groups in math and reading scores. As a result of these inequalities in performance and quality of learning, about half of Uruguayan youth leave secondary school before graduating. In the richest quintile, 70 percent of students graduate from secondary school. In the poorest quintile, the percentage is less than 8.

Other areas of improvement for the sector related to the above challenges are the need to modernize educational infrastructure, update monitoring systems and student assessments, and introduce program evaluations. Existing school buildings in marginalized areas are in need of refurbishing and modernization, many without the requisite infrastructure for information technology and for providing school lunch programs. Rapidly growing parts of the country have limited supply of school spaces. Although there is a good amount of administrative information that is available to report on the status of schools, the data collection systems could be modernized, which would allow for information on attendance, repetition and dropouts being available to policymakers in a more timely fashion. With respect to student assessments, while participating in SERCE and PISA has been invaluable to gain a good perspective on how students are faring in general, Uruguay would greatly benefit from having an annual, census-style assessment that would provide a richness of data across many subjects and school years that is currently lacking. Finally, many government programs lack the evidence base, in the form of impact evaluations or other robust measurement, for policymakers to continue to finance the interventions with confidence.

Among the priority policy areas for this current government are furthering the development of the digital classroom and intensifying support to schools and students most in need, in order to reduce repetition rates and reduce the education gap between rich and poor. Having made the initial investment in successfully introducing laptops to classrooms and homes, Plan Ceibal's next challenge is to increase the educational impact of the laptop, as well as the administrative benefits, such as implementing an online school monitoring system (Guri). Despite the transformation in pedagogy and classroom dynamics that the laptops represent, a robust evaluation of the educational impact is still pending. Education programming in the context of Plan Ceibal is a priority for ANEP, which has recently appointed a coordinator to oversee this agenda. With respect to the support to struggling schools and students, ANEP has been rolling out the Full-Time Schools model (FTS), which lengthens the school day, modernizes schools, and provides meals and materials for schools in disadvantaged areas. Two other important ANEP programs in this area are Maestros Comunitarios (MC) and Escuelas de Contexto Sociocultural Crítico (ECSC). The MC program aims to improve the linkages between schools and communities in the poorest areas of the country. It covers approximately 330 schools, representing about 18,000 students. The ECSC program provides some teacher training to those schools not yet covered by FTS, covering 285 schools.

Although Uruguay has increased its investment in education in recent years, spending continues to be well below the regional average. In 2008, Uruguay spent about 8.6 percent of GDP per capita per student, about half that of Argentina (16 percent), and well below the regional average of 13.9 percent. Much of the increase in expenditures in the education sector is linked to Plan Ceibal, Uruguay's One Laptop per Child program. The program has consisted of equipping 362,000 primary school students with laptops, training 18,000 teachers in their usage, and providing internet connectivity to more than 2,100 schools.

The Government launched the Uruguayan Full-Time School model in the mid-1990s. The model consists of: i) extending the number of hours in the school day (from 3.5 to about 7), ii) improving the educational infrastructure, iii) providing nutritional snacks and lunch, iv) introducing a new teacher development program, including time during the school week for reflection and planning, and v) introducing children to new educational activities outside of the core curriculum. Thus far, it has constructed or converted a total of 159 schools to FTS, representing nearly 44,000 spaces, and about 2,500 teachers. The Mujica Government's goal as outlined in the multiparty agreement on education is to reach 300 schools by 2015.

Under this new generation of the Full-Time School model, the Government of Uruguay plans to introduce some innovations to the program. First, the new model will have a greater focus on improving teaching in the core areas of Spanish, mathematics, social sciences and natural sciences in grades 1-3. Second, schools would receive a school maintenance fund, in order to prevent the deterioration of public assets and undertake minor repairs needed for basic upkeep. Third, a new support and training program for school directors would be developed, in order to equip school directors with the tools needed to better organize schools to fit the communities and family contexts that they are serving. Finally, the teacher training programs will be updated and modernized in order to have a sharper focus on supporting underperforming students, and facilitating the transition to secondary school.

The proposed Project is a natural complement to previous and ongoing Bank-supported activities in Uruguay. The Bank has been supporting the Government's FTS initiative since its inception, and is currently financing the program's expansion through the Third Basic Education Quality Improvement Project (P070937), closing in December 2012. The operation would also benefit from the ongoing non-lending technical assistance with LATU, which is helping the Government of Uruguay improve the use of laptops in the classroom. Finally, the Bank will be closely examining the costs and economic returns to the FTS model in the context of the Uruguayan Public Expenditure Review, whose findings would inform the design of this Project.

The FTS model has shown good results thus far. As countries move up the development ladder, extending the school day is becoming a popular policy choice for achieving better education outcomes. However, research shows that simply adding more hours of instructional time does not necessarily lead to better student learning. Rather, much depends on how the extra hours are used. Global evidence has therefore been mixed, showing good impacts on student learning in some countries (e.g. Vietnam and

Uruguay), and no effect in others (e.g. Brazil). There are various studies that have looked at the impact of converting schools to FTS on improving the quality and efficiency of education. First, Cerdan-Infantes and Vermeersch (2007), using propensity score matching techniques, show that the size of the FTS effect in Uruguay is substantial: for a child who spends all 6 years of primary school in an FTS, improvements in language and mathematics would be on average .26 and .38 of a standard deviation respectively. With respect to efficiencies, FTS schools in Uruguay have been shown to reduce repetition rates more than non-FTS schools, and this despite serving poorer and more disadvantaged areas.

Relationship to CAS

The proposed Project is in line with the ongoing Country Partnership Strategy (CPS), specifically falling under the social inclusion and equity pillar. The proposed operation would contribute to the areas of equity, quality and efficiency of education, especially for disadvantaged groups, and reduced drop-out rates in secondary education among poorer groups of society, all of which are objectives under the CPS. In terms of equity, the construction of new schools in the poorest and most rapidly growing parts of the country would enhance equity (in terms of access), while the conversion of schools to FTS in these marginalized areas would improve equity through providing better quality education in poorer areas. The FTS model in general strives to improve the quality of instruction, specifically through reducing repetition rates in lower grades (improving internal efficiency), which are a contributing factor to low transitions and high dropout rates among the more disadvantaged groups. The activities would also contribute to the competitiveness pillar over the long-term.

II. Proposed Development Objective(s)

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The proposed Project Development Objective is to improve the quality, equity and internal efficiency of preschool and primary education, through expanding the Full-Time School program.

Key Results

The proposed PDO would be measured through the following types of indicators:

- i. Quality. Increase in student test scores.
- ii. Equity. Reduction in the gap of dropout rates between 1st and 5th quintiles.
- iii. Efficiency. Increase in transition rate from primary to secondary school.

III. Preliminary Description

Concept Description

The proposed Project would reach approximately 10,000 beneficiaries, living primarily in marginalized urban areas. Beneficiaries would be the students, teachers and school directors in schools to be converted to FTS, and students and families living in areas of high urbanization that would benefit from new school construction.

The proposed loan instrument would be a Specific Investment Loan, in the amount of approximately US\$40 million. The operation would likely use traditional operational and fiduciary modalities for carrying out activities related to infrastructure, with the possibility of having a result-based component for activities related to qualitative improvements, such as student assessments, teacher training and support to school directors. Preliminary discussions have led to a Project structure consisting of three components, to be organized as follows:

Component One: Expanding and Modernizing the FTS Infrastructure

This component would support the objective of improving equity in the education sector between income quintiles, through expanding supply and improving preschool and primary infrastructure. It would finance works related to the new construction of schools and the reconstruction and refurbishment of schools. It would also provide maintenance funds for existing FTS, and provide participating schools with equipment and education materials, including for classrooms and school libraries.

Targeting would be an important factor in the selection of beneficiaries. For new schools, sites would be selected according to: i) quickly growing urban areas, and ii) indicators of social and economic marginalization. For existing schools to be converted to FTS, selection would be according to marginalization indicators. The component would result in 8,000 additional FTS spaces and 159 schools with maintenance funds that currently don't have resources for maintaining school infrastructure.

Component Two: Improving Instruction and Learning in FTS Schools

This component would aim to improve quality and internal efficiency of primary education, by supporting activities linked to improved pedagogical approaches in the classroom. The component would finance in-service teacher training and support to teachers in the classroom, training for school directors, and technical assistance to design improvements in the instructional methods in the classroom, with a focus on the digital classroom, reading instruction and math in grades 1 and 2. During preparation, the possibility of linking disbursements to the achievement of certain results in these areas would be explored, in contrast to financing the inputs for the activities (training, goods, non-consulting services).

This component would ensure the optimization of the use of extra time in schools, and strive to improve the use of laptops.

Mechanisms for identifying students at risk of repetition or overage will be introduced, and extra time will be directed to efforts that intensify and tailor instruction to them. Teacher training will focus on laptop use, effective instruction in Spanish, mathematics, social sciences and natural sciences. Finally, a sharper focus will also be placed on supporting 6th grade teachers to better prepare students for transitioning to secondary school.

Component Three: Monitoring, Evaluation and Project Management

This component would contribute to the objective of improving quality of education service delivery, and would ensure good management, monitoring and evaluation of the Project. It would finance the operating costs of the Project, including costs related to the team currently in place. It would finance the monitoring systems (including the Guri system) to provide school administrators and education policymakers throughout the preschool and primary education system with timely and accurate information about school, and student assessments. Specifically, it would strengthen an early warning system for students at risk of grade failure, and to monitor compliance with the conditional cash transfer program. Finally, it would finance studies relevant to future education policy, such as impact evaluations of the FTS model (including the teacher training program), tracer studies of FTS graduates, and exploratory studies of the causes of low school attendance among younger students.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04			X
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11			X
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12			X
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

V. Tentative financing

Financing Source	Amount
Borrower	33.80
International Bank for Reconstruction and Development	40.00
Total	73.80

VI. Contact point

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