

Project Name Chile-Lifelong Learning and Training (@)
 Region Latin America and Caribbean Region
 Sector Vocational/Technical Education & Training
 Project ID CLPE68271
 Borrower(s) REPUBLIC OF CHILE

Implementing Agency

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1. Country and Sector Background

Chile has achieved almost universal coverage of basic education, 87 percent of young people in the 15-19 age group are enrolled in secondary education, and about a little less than one third of the tertiary education age-cohort population is enrolled in higher education institutions. Notwithstanding these accomplishments there are inequitable educational average attainments - in the lowest income decile is about 7.4 years as compared to nearly 13.1 years for the highest decile. In addition, there is a need to continue improving the efficiency and quality of the basic (grades 1-8) and post-basic (grades 9-12) levels. According to a recent survey, almost 50 percent of the literate working force does not meet the reading, writing, communication and analytical skills considered nowadays as minimum standards required in the modern employment sector - a high percentage of workers do not understand reading instructions and have difficulties in making inferences from observations. In addition, Chile has an inadequate training system. Only 8.7 percent of the labor force - estimated to be about 6 million workers - have received some type of training of which, only 20 percent are women. About 30 percent of the total number of productive firms in the country

contribute to the training levy-rebate tax scheme, but only 2.8 percent of these firms, mostly large, make use of its training benefits. Finally, the education system, especially at the secondary and technical-professional tertiary systems and the employment/productive sectors are largely uncoupled.

2. Objectives

The developmental objective of the proposed project is to assist the Government of Chile (GC) in establishing the foundation of an articulated lifelong learning and training system with the participation of the private sector (employers and workers). This developmental objective which supports and reinforces the country's continued economic and social transformation would be accomplished by: (i) reducing the social deficit in the provision of lifelong education and training opportunities for adults, especially those unemployed youth and workers living in conditions of poverty who seek a second-chance to improve their employability and quality of life and move up the career ladder; and (ii) upgrading the skill-level of the Chilean workforce to improve the country's productivity and competitiveness in the international arena. These two resulting outcomes become the project's specific objectives and are to be achieved through the following three project components: (a) providing new opportunities for lifelong learning and training; (b) improving the quality and increasing the coverage of technical-professional education; and (c) establishing instruments to support the provision of a lifelong learning and training services. A fourth component - Institutional strengthening - is included to ensure an effective and efficient coordination of project implementation at the national and regional levels and strengthening the participating institutions.

3. Rationale for Bank's Involvement

The impetus for the Bank's involvement in supporting lifelong learning and training policies, strategies and interventions is threefold. First, the Bank's neutrality in providing advisory services is being fully appreciated and demanded by the Chilean authorities. Secondly, the Bank has the ability to bring to Chile timely global expertise associated with successful interventions in the areas of adult outreach, technical education and training, as well as in setting competency norms and certification systems, especially from the OECD countries as well as from other middle-income countries. Likewise, through the Bank's accumulated sector knowledge, prudent advice would be provided to the Chilean authorities in order to avoid blind alleys that have proven elsewhere not to be reasonable and cost-effective avenues in discussions on the thematic areas being covered by this operation. Finally, this proposed multisectorial Chilean project becomes an important laboratory for the Bank to continue learning and updating its internal capacity to better position itself in the near future for assisting other countries address their lifelong learning and training needs.

4. Description

Component 1 (Providing new opportunities for lifelong learning and training). This component will finance: (a) the promotion and the increasing of the private and public supply of basic and secondary education opportunities for adults; (b) the establishment of a learning assessment and certification system for adults seeking to complete their basic and secondary education; and (c) the establishment of new modalities

that harmonize adult basic and secondary education with training. Specific outcomes of this component include: (a) providing basic education for 71,5000 adults and secondary education for 48,500 adults; (b) ensuring that about 120,000 adults complete and certify their basic and/or secondary education; (c) ensuring relevant training to 12,000 workers from about 6,000 small and medium-size enterprises (SMES); (d) providing adult education through new education technologies, including distance education, to about 18,500 adults; (e) piloting other demonstrative programs articulating education and training to about 2,500 adults; and (f) preparing about 75 distance adult training modules to benefit 250,000 adult users. Component 2 (Improving the quality and increasing the coverage of technical-professional education). This component will finance: (a) the vertical articulation of technical secondary with tertiary technical-professional education through the establishment of technological curricular pathways (curricular progression maps); (b) the horizontal articulation of technical secondary and tertiary education with the labor market in selected regions of the country through the constitution of regional networks encompassing technical secondary schools, tertiary technical education institutions (Centros de Formacion Tecnica, Institutos Profesionales and regional universities), training providers, employers and workers; (c) the validation by the education system of the skills acquired on the job and/or in the training institutions; (d) the quality improvement of technical secondary and tertiary education in the regional networks established under the project; (e) the increase in access to tertiary technical education; and (f) the quality and pertinence improvement of the pre and in-service teacher training institutions for technical-professional education. Specific outcomes of this component include: (i) 65,000 students enrolled in pertinent tertiary technical-professional programs of appropriate quality; (ii) graduate profiles and improved quality education for 142,000 students in 662 technical municipal and private subsidized technical secondary schools; and (iii) about 5,000 better prepared technical education teachers (either technicians and professionals with ample work experience wishing to become technical-professional education teachers and/or "improvised" teachers of technical secondary schools and tertiary technical-professional institutions needing to upgrade their pedagogical and technological skills). Component 3 (Establishing instruments to support the provision of a lifelong learning and training services). This component will finance: (a) the establishment of a national system of competency framework and vocational-professional pathways in nine selected sectors of the Chilean economy; and (b) the establishment of four lifelong learning and training proactive and guiding management information systems (MISs). Specific outcomes of this component include: (a) nine sector of the Chilean economy with established system of national competency framework and vocational-pathways; (b) about 29,000 workers of these nine economic sectors that have certified their competencies and given the opportunity to upgrade them; (c) four proactive guiding MISs; and (d) about 1.5 million adults consulting these MISs during the life of the project. Component 4 (Institutional strengthening). This component will finance a national Project Coordination Unit (PCU). In addition, this component will support the strengthening of the national and regional representations of the National Service for Training and Employment (SENCE) by financing: (i) the acquisition of additional computers and peripheral equipment and software for SENCE and its regional offices; (ii) training; and (iii) technical assistance. Finally, this component will

finance a continuous communication and dissemination strategy by the soon to be established Lifelong Learning and Training Steering Policy Board through the Project Coordination Unit.

5. Financing

	Total (US\$m)
IBRD	75.75
Total Project Cost	150.75

6. Implementation

There are three implementation arrangements levels. The first level, known as the national policy level, will be concerned with the setting of lifelong learning and training long-term policies and strategies in the entire country, ensuring consistency and congruency of project activities with stated objectives and providing the political oversight and coordination required among participating public and private entities to achieve synergy. This level is to be assumed by a Lifelong Learning and Training Steering Policy Board, known as the Directorio (soon to be established by a Presidential Decree), chaired by the Minister of Economy and including the Ministers of Education and of Labor and Social Security. Since the Directorio is barred by Law of being an executing agency to implement the proceeds from international Loans (to do so, it needs to be created by a Law of Congress), the Minister of Economy, on behalf of the Ministers of Education and Labor and Social Security, has sent a written communication to the Bank on December 6, 2001, announcing that a decision has been made to make the Ministry of Education the responsible implementing agency for purposes of the Loan Agreement. The second level, known as the national project coordination unit (PCU) to be located within the Ministry of Education, will be concerned with the day-to-day management and coordination of the execution of this demand-driven project. The third level is constituted by the different executing entities in charge of implementing the project's sub-components at the regional level. The Borrower will adopt the Reimbursement to the Government scheme for this project. Accordingly, based on the yearly budget authorized by the Chilean Congress, and the payment calendar approved by the Ministry of Finance, funds are allocated to the project's programmatic entry (glosa presupuestaria) and allocates the authorized resources in the Ministry of Education. The PCU will then release funds to the following executing entities according to their funding needs, operational characteristics, signed agreements (if appropriate for executing agencies outside the ME) and payment calendar stipulated in the annual working plan and budget approved by the Directorio for the project.

7. Sustainability

The financial recurrent liability during the post-implementation period has been estimated at about US\$12 million per year. It is expected that approximately 80% of this recurrent liability will continue financing non-personnel costs, such as: (i) the provision of basic and/or secondary adult education (by qualified eligible private and public providers); (ii) the development of learning and skill assessment tests and assessment and certification processes; (iii) the scaling up of successfully proven models articulating adult education with training; and (iv) the operation of the MISs. The promotional nature of this demand-driven project places the institutional implementation responsibility on existing public and private providers of services. Thus no technical sustainability issues

are envisaged with the implementation arrangements of project activities at project completion. The only outstanding technical sustainability issue to be addressed during project implementation is the one concerning the legal, organizational and institutional implications associated with the evolution of the project's Steering Policy Board (Directorio) into a more permanent National Commission for Lifelong Learning and Training. No blueprint of an evolution strategy makes sense at this stage prior to project implementation. Instead, a more realistic and feasible evolution strategy and action-plan could be proposed mid-way project implementation from project impact evaluation studies carried out by qualified external institutions. During negotiations, agreement was reached with GC that during the in-depth review missions to be carried out during the fourth and last years of project implementation, the Borrower will discuss with the Bank the appropriateness of consolidating the Steering Policy Board as a permanent institution.

8. Lessons learned from past operations in the country/sector

The Bank is supporting the preparation of some multi-sector investments in Eastern Europe sharing some similarities with the proposed project, but none are as ambitious and holistic in scope. Therefore, the lessons learned incorporated in the project's design are derived from: (i) other youth employment, vocational training and adult outreach projects financed by the Bank; (ii) a thorough review of Vocational Education and Training Reforms recently undertaken by the Bank in 19 countries worldwide; (iii) the recently completed ICR for the Bank-financed Chile: Secondary Education Project (Report No. 22979 October 19, 2001); and (iv) OECD experience and 10-year evaluation of youth, employment and lifelong learning policies and programs. The following are the main lessons learned derived from the ICR of the Chile: Secondary Education: (a) combine supply (State) and demand-driven (market) interventions like the use of competitive funds included in the proposed project; (b) include appropriate targeting criteria and performance indicators; (c) ensure enabling conditions such as political stability, continuity in education and training policies, sound macro-economic and fiscal policies, good and consistent communication with the financial authorities, and preservation of skilled and seasoned personnel at the national and regional project coordination units; (d) pilot and evaluate project activities before taking them to scale; (e) build-in learning systems based on evaluation studies mid-way project implementation, then fine-tuning the project accordingly; (f) ensure relevant stakeholders have a sense of ownership at the outset of project implementation; (k) ensure appropriate dissemination and cross-fertilization during project implementation; and (g) plan a timely exit strategy at the early stages of project implementation. With respect to occupational standards and certification bodies the lessons learned indicate the desirability of: (i) establishing independent tripartite mechanisms (comprising representatives of government, employers, workers and unions) rather than certification at institutional levels (government as well as educational/training institutions); (ii) certifying skills with respect to broad occupational standards rather than narrowly-defined sectoral occupational standards that tend to limit labor mobility between sectors and result in overly specialized training programs; and (iii) carrying out an inductive (bottom-up) approach to occupational analysis rather than the typical top-down sector approach which has proven to be less useful. Finally, the ingredients of success in vocational education and training reforms, according to the Bank study,

make school-based vocational education more like general education and the vocational-technical track, less dead-end.

9. Program of Targeted Intervention (PTI) Y

10. Environment Aspects (including any public consultation)
Issues : This project does not envisage any significant environmental issues.

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

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