

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

Report No.: PIDC197

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Project Name	PE Basic Education (P123151)
Region	LATIN AMERICA AND CARIBBEAN
Country	Peru
Sector(s)	General education sector (50%), Public administration- Education (50%)
Lending Instrument	Specific Investment Loan
Project ID	P123151
Borrower(s)	REPUBLIC OF PERU
Implementing Agency	Ministry of Education
Environmental Category	C-Not Required
Date PID Prepared	28-Dec-2011
Estimated Date of Appraisal Completion	16-Apr-2012
Estimated Date of Board Approval	24-Jul-2012
Concept Review Decision	Track II - The review did authorize the preparation to continue
Other Decision	A summary of main decisions made follows: a) The meeting authorized preparation to continue as planned. b) The meeting confirmed the Track II preparation. c) The meeting changed the risk ratings of the Project to Substantial for both preparation and implementation. d) The meeting confirmed the Project Environmental Category as C, but recommended revising this at the QER stage after discussing with the client the possibility that some civil works for school improvement may be included in the project.

I. Introduction and Context

Country Context

For the last few years, Peru has experienced strong economic growth and employment creation, but inequality remains high. Peru's economic performance has been remarkable over the last decade. Sound macroeconomic management underpinned the fast growth recorded until late 2008, and this strong economic stance proved useful for Peru to deal with the effects of the international crisis of 2008-10. Fast economic growth was accompanied by significant poverty reduction and job creation. Although poverty rates and income inequality have declined, there is realization that the benefits of the increased prosperity have not been distributed evenly across the population. Poverty incidence remains highly unequal in geographic terms, with some regions posting poverty rates above 60 percent. While employment has expanded, earnings and labor productivity have registered only modest growth .

Improving Peru's human capital base is essential to sustain the positive macroeconomic trends, and ensure that more benefits reach the poor. A recent World Bank study provides evidence that the binding constraint to labor market insertion in Peru, especially for workers from lower-income families, is the lack of a core set of generic skills, both cognitive (literacy and communication skills and math, logic, and reasoning skills) and socio-emotional (conscientiousness, perseverance, openness to experience, emotional stability). Child development research shows that these skills gaps between children from upper and lower income families start developing very early in life due to inadequate nutrition and early stimulation as well as deficient quality basic education for children from disadvantaged families. Eliminating these cognitive and experiential gaps by protecting the early development of low income and otherwise vulnerable children and ensuring their access to good quality basic education is essential to unleash skills formation and productivity. This, in turn, is critical for Peru to sustain recent economic growth, speed poverty reduction, and promote equity of opportunity.

Sectoral and Institutional Context

High education coverage. Peru has achieved some of the highest education coverage rates in Latin America: near-universal coverage of primary education, with a net enrollment rate of 98 percent, and a secondary net enrollment rate (75 percent) that is above the regional average. Access to preschool education (children 3 to 5 years old) has also tripled in the past five years, reaching 70 percent. However, in both preschool and secondary education, the children out of school come from highly vulnerable and hard to reach populations. In Peru's poorest districts (targeted by the CCT Program "Juntos") half of all children aged 3-5 remains excluded from services. In rural areas, one-third of all youths are out of school, and barely 22 percent of those living in extreme poverty graduate from secondary school before turning 19 years old (the expected graduation age is 17). By age 24, only 37 percent of the extreme poor in both urban and rural areas have finished secondary school (compared to 84 percent of the non-poor).

Low learning achievement. The fundamental issue in the Peruvian education system is low quality. Schools graduate high numbers of students who lack basic mastery of math and literacy. On the 2009 PISA exam, even with significant improvement from its scores in 2000, Peru still finished last among the nine participating LAC countries and close to the very bottom among the 65 participating countries globally. Learning outcomes in Peru continue to be far below what is expected based on the country's income per capita and educational investment as a percent of GDP. Moreover, Peru is the country where the socio-economic characteristics of students have the greatest effect on learning gaps among students, even when they attend the same schools: 27 percent of the dispersion in PISA reading test scores is attributed to socio-economic factors, compared to 18.7 percent in Chile, 14.5 percent in Mexico and 13 percent in Brazil. These PISA results are echoed by Peru's own tests –less than a quarter of second grade students reach adequate reading levels and almost half are unable to do basic math. Outcomes are also by far the worst among children from rural, indigenous communities.

The new administration's priority objective in education is to raise student learning for all and close the learning gaps. The Ministry of Education (MED) attributes the low quality of education services to four basic issues, namely: i) a highly traditional educational model that is neither pertinent nor effective in helping students master relevant, 21st century, skills and competencies; ii) teachers with generally low content mastery and ineffective classroom practice, who lack support or incentives to improve their performance; iii) school principals who are ill-equipped to provide instructional leadership and focus almost exclusively on fulfilling bureaucratic requirements; and iv) schools that lack the classroom reading books and other teaching and learning materials needed to enrich the classroom environment and create a climate conducive to learning. Of most concern to the Ministry is that insufficient attention to rural and bilingual education, coupled with regressive education financing has led to widening gaps in learning outcomes and completion rates between urban and rural students over the past few years (2007-2010). Regional and global data clearly show that the average quality of public education in Peru is low compared with other Latin American countries, and the schools that face the greatest challenges are those in rural areas, and high-risk urban areas.

Accordingly, the new administration's highest priority is to achieve a significant upgrade of schooling quality in four key segments of the basic education system—labeled “priority schools”.

- i) 14,901 rural multigrade (monolingual) primary schools;
- ii) 12,001 rural preprimary and primary schools with students who do not speak Spanish as their first language;
- iii) 2,728 rural secondary schools in highly dispersed areas; and
- iv) 5,651 urban preprimary, primary and secondary schools in high-crime, violent, poor neighborhoods or districts.

The Ministry's diagnosis is that these 35,281 priority schools, which serve 2.5 million students (about 40 percent of all public school students), today lack the four basic conditions for providing high quality learning opportunities to their students.

First, these schools lack a relevant educational model. Schools in rural and high-risk urban areas face different challenges than schools in other settings. Currently, the priority schools are organized and administered in a traditional manner, with teachers trained in a teacher-centered, one-grade-per-classroom, monolingual educational model that is ill-adapted to the reality in which the priority schools operate. Students who attend these schools are at an educational disadvantage because these schools fail to meet their context-specific needs. The government is moving towards a student-centered, educational model that promotes active, autonomous, cooperative learning, led by students and facilitated by teachers. The government's new model is also based on a curricular framework that focuses on key 21st century cognitive and socio-emotional competencies, but which is adapted culturally and linguistically to the context of students in rural and high-risk urban areas.

Second, these schools lack the classroom-level resources required to support the new specialized educational models. Multi-grade schools need learning materials that allow students of different ages to progress at an appropriate pace, and allow teachers to function, more efficiently, as facilitators and stimulators of students' learning progress, instead of lecturers at the front of the classroom. Classrooms in multigrade settings must have an environment that is conducive to differentiated student learning, such as furniture that promotes group work and experimentation (interlocking desks, rather than rows of benches), and classroom libraries and learning corners that provide groups of students with stimulating materials and keep them engaged while the teacher works with other small groups. Bilingual schools need mother-tongue instructional materials and appointment of teachers who speak the local language and are trained to teach in bilingual settings. Secondary schools in rural areas need ICT resources that give isolated students access to world-class libraries.

Third, these priority schools need to attract higher quality teachers and support them with in-service training relevant to the conditions in which they work. Peru's system-wide reforms to raise teacher standards are discussed later within Component 2. But a special challenge is the lack of relevant, practical in-service training programs for teachers working in the priority schools. To address this, the government is planning to develop and deliver tailored training programs on the appropriate educational models for rural, bilingual, or high-risk urban settings, as well as expand its promising teacher mentoring program to reach all priority schools.

Fourth, these priority schools need more effective school principals. Global research confirms that principals who combine

Relationship to CAS

The proposed operation provides World Bank support to increase access and quality of basic services for the poor, a Strategic Objective 1 in the Country Partnership Strategy for Peru (CPS) for 2012-2016, currently under preparation. In particular, this operation would support the Results Area 1.3: fostering an efficient and results-oriented education system.

The higher-level objectives of this project are to raise student learning outcomes and reduce the learning gaps that affect rural, indigenous and the poorest students. It will do so by providing higher-quality learning opportunities to students in priority schools. The project will also build the capacity of the education system to track student learning results and manage system information.

II. Proposed Development Objective(s)

Proposed Development Objective(s)

The Project Development Objectives (PDOs) are to (i) improve priority schools' capacity to provide students with quality learning opportunities, and (ii) strengthen system capacity to measure quality, track results and manage information in basic education.

Key Results

Progress toward these development objectives would be measured by improvement in key output, as well as intermediate and impact indicators, which will be further identified during Project preparation. Impact indicators for the Project are expected to be:

- (i) Percentage of priority schools that meet all four basic conditions for the delivery of quality learning opportunities to students, including: (a) the adoption of a student-centered educational model that promotes active, autonomous, cooperative learning and responds to the particular (rural, multigrade, bilingual, or high-risk) characteristics of the school; (b) enriched classroom environments; (c) teachers certified in the methodologies and principles of the new educational model implemented in their school, and (d) a school principal certified in the pedagogical leadership and managerial skills needed to implement and support the new educational model.
- (ii) A nationwide Education Information Management System in place for acquisition, processing, dissemination and reporting of student, teacher, school, system administration, results and performance data.

III. Preliminary Description

Concept Description

The proposed lending instrument is a Specific Investment Loan (SIL) structured as a SWAp for an estimated amount of US\$30 million equivalent, with a counterpart funding of approximately US\$470 million, over the course of four years. The stated PDOs will be achieved through the implementation of the following three components: (1) implementing new educational models to improve the quality of priority schools; (2) strengthening system capacity to measure quality and track results in basic education; and (3) strengthening system capacity to manage information and spending efficiency in basic education.

Technical assistance activities will be built into each subcomponent as part of the inputs needed to produce the specific outputs. These activities will support the implementing agencies through consultancies, studies, independent evaluations, research, study-tours and other capacity building and analytical activities that will be agreed upon with the government during project preparation and included in the budget lines of the supported government programs.

Component 1. Implementing new educational models to improve the quality of priority schools (US\$ 15 million, 50 percent of total loan). This component would support the design and implementation of a strategy to provide students in priority schools with higher quality learning opportunities. This would be achieved through the development of new educational models that are more pertinent and effective in addressing the particular educational needs and conditions of rural, multigrade, and bilingual schools, as well as those operating in high-risk urban environments. The component would focus on the four subject areas prioritized by the current administration –Math, Communications, Science and Citizenship– and promote the development of a core set of socio-emotional skills that are directly associated with better educational outcomes, income and employment in the future. This component has four sub-components:

- (i) Subcomponent 1.1. Design and implementation of education models and classroom support materials for priority schools. This would support the development and implementation of four specific education models for schools operating in the most challenging environments, and which have been prioritized by the new administration: (1) Rural Multigrade Monolingual Primary (RMP), (2) Rural Bilingual Education (RBE), (3) Alternative Rural Secondary (ARS), and (4) At-Risk Urban schools (ARUS). All models are grounded in global evidence of cost-effectiveness and promote a student-centered pedagogy that combines more inter-active pedagogical practice by teachers with more self-directed and cooperative learning by students. This subcomponent includes the development of each pedagogical model, the design and production of guides and materials for students and teachers.
- (ii) Subcomponent 1.2. Improvement of classroom environment and conditions would support the reconditioning of classrooms in priority schools and the provision of adequate furnishings, classroom libraries, learning corners, teaching and learning materials and ICT resources as needed to provide an “enriching environment” conducive to learning. The project would disburse against outputs (such as “improved classroom”) instead of inputs, based on a detailed costing of all elements needed to improve classroom environment.
- (iii) Subcomponent 1.3. In-service teacher training and mentoring in priority schools would support the development and implementation of in-service teacher training and mentoring programs to develop teacher competencies to adequately implement the new student-centered educational models. It will target priority schools and networks (where it applies) as intervention units, instead of individual teachers. This subcomponent entails the development of the content, methodology, guidelines and strategy for training teachers in priority schools with the active approach shared by all four educational models. It also includes the certification of decentralized education management units (Instancias de Gestión Educativa Descentralizada, or IGEDs) and pedagogical institutes to deliver decentralized in-service teacher training in the new educational models. It will also support the implementation of teacher mentoring activities in priority schools, the certification of teachers in the new competencies, and the monitoring and evaluation of these activities. The component will be aligned with the new “National Framework for Good Teaching” (NFGT). Again, the project would disburse against outputs (“trained teachers”) instead of inputs, relative to the cost of training a teacher.
- (iv) Subcomponent 1.4. Strengthening pedagogic leadership in priority schools would support the development and implementation of in-service training programs for school principals in the same schools targeted with subcomponent 1.3 and the consolidation of rural school networks with one principal per network. The training programs would focus on strengthening the pedagogic leadership of school principals and developing the management competencies needed to implement the new educational models. In rural areas, the component would support the identification, registration and operation of networks of rural multigrade schools, assigning them one full-time principal to provide pedagogic and administrative support to teachers in the network. These networks are pivotal for articulating school- and teacher-support strategies, and for reducing the administrative burden on teacher-principals from small multigrade schools. The project would disburse against outputs (“trained principals”) instead of inputs, relative to the cost of training a school principal.

Component 2. Strengthening system capacity to measure quality and track results in basic education (US\$ 6 million, 20 percent of total loan). This component will strengthen the Ministry’s systems for measuring student learning, evaluating teacher performance, and monitoring the quality of teaching practices at the classroom level. Specifically, the government proposes to: (i) scale up its current student assessment system; (ii) develop a comprehensive Teacher Evaluation System to measure teacher performance, and manage the entrance, promotion and tenure of teachers within the new Teaching Career Ladder adopted in 2008 (Carrera Pública Magisterial); and (iii) to monitor how effectively teachers and students interact and make use of time and other education inputs at the classroom level. This component has three sub-components:

- (i) Subcomponent 2.1. Strengthening the Student Learning Assessment System. The government proposes to scale up its existing 2nd grade student assessment to cover other subjects (Science and Citizenship) and grades (4th, 8th, 11th) in primary and secondary school, and also to introduce a tool for measuring child development outcomes in preschool. This sub-component would support the development of student evaluations as part of a larger student learning assessment system that promotes the use of test results to build effective community-school partnerships for improving learning outcomes. It would involve the development and dissemination of national learning standards and progress maps; the expansion of universal standardized tests (UST) to other

grades in primary and secondary with reports to parents and schools; and the collection and dissemination of early childhood development (ECD) indicators at the preschool level.

(ii) Subcomponent 2.2. Teacher Evaluation System would support the development and implementation of a comprehensive Teacher Evaluation System (TES), in the context of the new performance-based Teaching Career (Carrera Publica Magisterial), the National Framework for Good Teaching (NFGT), and the Teacher Training System. The ultimate objective of the TES is to promote teacher development and provide feedback for improved performance. The system will be oriented toward evaluation activities and instruments that are formative and relevant for teachers' practice, rather than punitive.

(iii) Subcomponent 2.3. Monitoring time-on-task in the classroom. An innovative element of this operation is the Government's interest in pushing the envelope and ensuring that having the elements for school quality in place actually translates into more effective teaching and improved student learning. To monitor these dynamics at the classroom-level, the government has selected a new tool, called the "Stallings classroom snapshot", which in OECD and other LAC countries has demonstrated the ability to generate quantitatively robust, direct, and meaningful measures of the classroom level dynamics that are this program's ultimate goal –to ensure that all students receive high quality instruction. This subcomponent would support the use of the Stallings instrument to generate the first-ever data on these critical issues in a Bank project. The Ministry proposes to monitor two particular indicators in a representative sample of schools: i) the percentage of class time used on learning activities; and ii) the percentage of class time that the teacher successfully maintains all students engaged in learning activities.

Component 3. Strengthening system capacity to manage information in basic education (US\$ 9 million, 30 percent of total loan). This component aims to facilitate the collection, organization, analysis, and use of education data for planning, management, financing and accountability in the provision of basic education services.

(i) Subcomponent 3.1. Integrated Education Management and Information System (EMIS) would support the development and implementation of a student-centered information system to provide accurate and timely information through an efficient architecture of integrated systems supported by adequate technologies. It would connect all administrative and pedagogic information, and allow for the tracking of individual students as they move through the system. The system will generate real-time data on the supply and demand for teachers and resources.

(ii) Subcomponent 3.2. Results-based planning and budgeting system would support the consolidation and expansion of the Ministry of Education's systems for the allocation, execution and accounting of public resources (SIGA), as well as for the planning, implementation, reporting, monitoring and evaluation of intervention strategies and activities (SIGMA). SIGA is the system developed by the Finance Ministry (MEF) for budgeting RBB activities, and monitoring the execution of these budgets, but it is only about to be piloted in the Ministry of Education. SIGMA is the system developed by MED, with the Bank's support, to manage priority activities, including planning and costing, monitoring and sharing of experiences. This subcomponent would support the development of detailed costing kits in SIGA for each core activity supported by this project; the development of monitoring applications in SIGMA for those activities; and the interface between both systems, which would be fully integrated into the EMIS.

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	470.00
International Bank for Reconstruction and Development	30.00
Total	500.00

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