



1. Project Data:		Date Posted : 11/14/2001	
PROJ ID: P007783		Appraisal	Actual
Project Name : Basic Education Project	Project Costs (US\$M)	39.3	55.06
Country: Nicaragua	Loan/Credit (US\$M)	34	47.2
Sector(s): Board: ED - Primary education (51%), Central government administration (18%), Pre-primary education (16%), Sub-national government administration (15%)	Cofinancing (US\$M)		
L/C Number: C2689			
	Board Approval (FY)		95
Partners involved :	Closing Date	12/31/1999	12/31/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
Helen Abadzi	Ronald S. Parker	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
The Basic Education Project was to improve the efficiency, quality, and equity of basic education in Nicaragua (pre-primary and grades 1 to 6) by (a) reducing the repetition and dropout rates, and (b) enhancing student academic achievement. The project focused on pre-primary and primary education, because the vast majority of students come from poor segments of the population.			
b. Components			
The project was to achieve its goal through: (a) the decentralization of educational management and development, (b) distribution of educational materials, especially textbooks; (c) expansion and improvement of non-formal pre-primary education; and (d) rehabilitation, replacement, and repair of inadequate school buildings			
c. Comments on Project Cost, Financing and Dates			
Due to hurricane Mitch, the project (initial IDA credit US\$39.3 million) received a supplementary financing of US\$13.2 million equivalent, approved by the Board in January 1999 for additional educational materials and 4-wheel drive vehicles in areas affected by the hurricane . The total credit was fully disbursed after an extension of one year .			
3. Achievement of Relevant Objectives:			
With the exception of repairing school buildings, the project objectives were achieved or surpassed . Nevertheless, it was not possible to assess the quality of education imparted through the project, since assessments of learning could not be conducted. About 1937 schools received the authority to handle their own finances, maintenance, and teacher performance initiatives, 10 times more than expected. About 40,000 parents were trained to become members of community councils. The studies that were carried out helped develop a culture of educational evaluation. Altogether, 4.7 million books and 4.3 million workbooks were produced and distributed, and in a sample of schools in 1998, 95 percent reported that they had received them . About 93,000 poor children enrolled in 4130 community preschools.			
4. Significant Outcomes/Impacts:			
Student flow indicators improved during the life of the project, partly due to the promotion policy established in grades 1-3, as a result of which, repetition rates dropped from 23 percent to 7.5 percent in 1998. Dropout rates essentially remained the same, from 21 percent in 1995 to 22 percent in 1998. However, primary school completion rates increased from 26 percent in 1995 to 29 percent in 1998. Two longitudinal impact studies showed a significant and positive relationship between the autonomy status of a school and mathematics achievement as well as decreasing repetition rates in the schools which had autonomous decision -making authority. It was also found that preschool attendance had a positive and significant effect on the promotion rates of later grades, particularly among rural and female students. Preschool seems to reduce the achievement gap between children of different socioeconomic levels.			
5. Significant Shortcomings (including non-compliance with safeguard policies):			
A total of 900 schools were to be rehabilitated and 180 replaced. Due to inadequate school surveys and poor			

communication, only 198 schools were rehabilitated. Ministry of Education staff were inexperienced in implementing IDA projects and experienced procurement delays. They also had difficulty adapting their roles and responsibilities to autonomous schools and experienced considerable turnover. In the absence of a reliable mail system, it was hard to deliver textbooks and materials to schools.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev.:	Modest	Modest	
Sustainability:	Likely	Likely	
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf.:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- Preschool attendance may have a significant positive effect on the promotion rates of later grades, particularly among rural and female students. Preschool seems to have an equalizing effect for children of different socioeconomic levels.
- School autonomy policies and trained community councils may result in increased community participation, particularly in times of crisis. Parents may have a better understanding of what to do to make schools operational again and a closer relationships to decisionmaking authorities that may make school materials and resources available.
- Efficient project implementation is facilitated by realistic, clearly defined and agreed rules and timeframes for procurement. Inexperienced implementers are likely to take much longer than expected to obtain clearances and disburse. The Bank should be particularly flexible and vigilant regarding procurement delays in times of crisis.
- Decentralization and autonomy, though complex issues with outcomes that depend on country situations, may make it possible for schools to bring about long-sought changes, such as improved teacher performance and attendance.
- Teacher performance incentives and maintenance may be more effectively implemented in areas of greater decentralization and may show positive results on student attendance, achievement, and physical state of the school under these circumstances.
- With Bank encouragement, countries may develop evaluation systems, but the use of results in policy formulation may require a longer period. Initially evaluation may be used as a mechanism for supporting or rejecting policies rather than formulating them.

8. Assessment Recommended? ☒ Yes ☐ No

Why? It is a project in an underaudited country, carried out under difficult circumstances and with some innovative components that were successful, such as preschool education.

9. Comments on Quality of ICR:

The ICR is satisfactory. It presents evaluative data and monitoring indicators clearly and thoughtfully attempts to extract lessons.