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STAFF APPRAISAL REPORT

THE DOMINICAN REPUBLIC

SECOND BASIC EDUCATION DEVELOPMENT PROJECT

OCTOBER 17, 1995

**Country Department II
Human Resources Operations Division
Latin America and the Caribbean Regional Office**

CURRENCY EQUIVALENTS

Currency unit = Peso
US\$1.00 = 12.87 Pesos (July 1995)

FISCAL YEAR

January 1 - December 31

ACADEMIC YEAR

Non-Coffee Growing Regions: September 1 - June 30
Coffee Growing Regions: October 1 - July 31

PRINCIPAL ABBREVIATIONS AND ACRONYMS USED

IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDB	Inter-American Development Bank
INDOFANE	National Institute of School Nutrition and Health
KfW	German Credit Institution for Reconstruction
MIS	Management Information System
NCB	National Competitive Bidding
NEP	National Economic Program
NGO	Non-Governmental Organization
PA	Parents Association
PCU	Project Coordination Unit
SEEBAC	Secretariat of Education, Arts and Culture
SESPAS	Secretariat of Public Health
UNDP	United Nations Development Program

DOMINICAN REPUBLIC BASIC EDUCATION DEVELOPMENT PROJECT

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This report is based on findings of preparation missions that visited the Dominican Republic in November 1994 and March 1995, and of an appraisal mission in May 1995. The missions were composed of Mmes./Messrs. Pedro Saenz of the Inter-American Development Bank (IDB) and Eleanor Schreiber and Scott Quehl of The World Bank. Ms. Diana Gonzalez-Dagler, international consultant and Mr. Marión Landais, local consultant, coordinated project preparation by a team of local and international consultants in Santo Domingo. Peer reviewers are Mr. Michael Potashnik (World Bank, LA3HR) and Mr. Ariel Fiszbein (World Bank, LA3C1). Mr. Miguel Martínez and Mr. Lionel Ives Nicol are the Department Director (Understudy) and Division Chief, respectively, for this operation for the IDB, and Mr. Kenneth Lay and Mr. Kye Woo Lee are the Director and Division Chief, respectively, for the World Bank.

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT
LOAN AND PROJECT SUMMARY**

Borrower:	The Dominican Republic
Implementing Agency:	Secretariat for Education, Arts and Culture (SEEBAC)
Beneficiary:	Secretariat for Education, Arts and Culture (SEEBAC)
Poverty:	Program of Targeted Interventions. School nutrition, preschool expansion and physical plant components target poverty groups based on income as well as nutrition and facilities inventory data. On a pilot basis, private schools serving low income families, are also targeted.
Amount:	US\$37.0 million equivalent
Terms:	Repayment in 20 years including five years of grace with interest at the IBRD's standard variable rate.
Commitment Fee:	0.75 percent on undisbursed loan balance, beginning 60 days after signing, less any waiver.
Financing Plan:	See Para. 3.3.
Net Present Value:	Not Provided. See Paras.5.6-5.7.
Map:	IBRD No. 19599R
Project ID:	DO-35494

1. THE SECTORAL CONTEXT

A. The Economic and Social Setting

1.1 During the 1980s, the economy of the Dominican Republic suffered serious internal and external imbalances. The economic trough occurred during the 1990-1991 recession when GDP declined by 6.8 percent and 1 percent, respectively. Social spending levels, already inadequate, reached a low point at the same time. To reverse the trend, the Government initiated a comprehensive stabilization program in 1990, the *New Economic Plan*. By 1993 significant advances toward macroeconomic stability were achieved: inflation declined from 60 percent to 4.8 percent and international reserves increased from a minus US\$198 millions to US\$438 millions, accompanied by a reduction in the debt to GDP ratio.

1.2 Inadequate expenditure in the social sectors is reflected in key educational and employment statistics: the average entrant on the labor force has completed only four years of school; 20 percent of the adult population is illiterate; and, despite minimal barriers to labor market entry, and a lack of strong unionization, formal sector unemployment is high, at about 25 percent in 1994. Levels of education and salaries for unskilled and semi-skilled workers are among the lowest in the Caribbean. Low average basic educational attainment and productivity also contribute to underemployment in the informal sector, accounting for 22 percent of the labor force, and to a high degree of income inequality. The wealthiest 20 percent of the population captures over half, and the poorest 20 percent only 4 percent of total income. Some 20 percent of the population is estimated to be poor.

B. The Education Sector

1.3 During 1982-91, public expenditure on education as a share of GDP fell from 1.9 to 0.9 percent. Insufficient financing spurred severe deterioration in the basic education system¹. Meager salary and non-salary incentives led to teacher absenteeism, strikes, and the loss of formally qualified teachers to other professions. The number of applicants to the country's teacher training schools dropped from 2,400 in 1986 to less than 600 in 1991; and, in 1992, 15 percent of practicing teachers were untrained secondary school graduates hired to fill the gap. Facilities development and maintenance, as well as provision of student and teacher learning materials, also lagged far behind needs; heavy centralization and insufficient management capacity within the Secretariat of Education and Arts (SEEBAC) exacerbated the problems. (Annex 1 describes the organizational and management structure in the education sector).

1.4 The impact of neglect on the coverage, quality and efficiency of basic education was severe. In 1991, only 16 percent of five-year olds were enrolled in public preschool classes, the majority housed in public primary schools lacking the requisite space and materials. An estimated

¹ The basic education system in the Dominican Republic comprises 1 year of preschool, the primary cycle (grades 1 - 6), and the lower secondary cycle (grades 7 - 8).

90 percent of the relevant age-group was enrolled in primary schools; this group was equally divided between girls and boys. However, only half of approximately 950,000 children enrolled in public primary schools, could expect to complete the primary cycle. Less than 25 percent could expect to complete grade 8, the final year of basic education. Some 10 percent of children in the age group 7 to 12 never attended school and annual repetition and dropout reached 18 and 16 percent, respectively, in 1991. (Annex 1). The lowest participation and completion rates were found among that 65 percent of the population living in rural and peri-urban areas. Private, mainly urban schools, which account for about 20 percent of students enrolled at the primary and 30 percent of students at the lower secondary levels, increased enrollments as a response to the crisis in the public sector. However, many of these schools, which serve lower income students, were equally constrained in terms of resources available to offer education of acceptable quality.

C. Education Sector Reform

1.5 Recognizing the high costs of neglect of human capital formation, Government and civil society moved together to give priority to resolving social sector issues in recent years. In 1989-90 civil society initiated a series of actions aimed at addressing pressing problems, focusing on education. These actions progressed from protests, through dialogue, to consensus, crystallizing in the *Plan Decenal de Educación* (Ten-Year Education Plan)². The Government, supported closely by the UNDP, formalized the Plan in 1990.

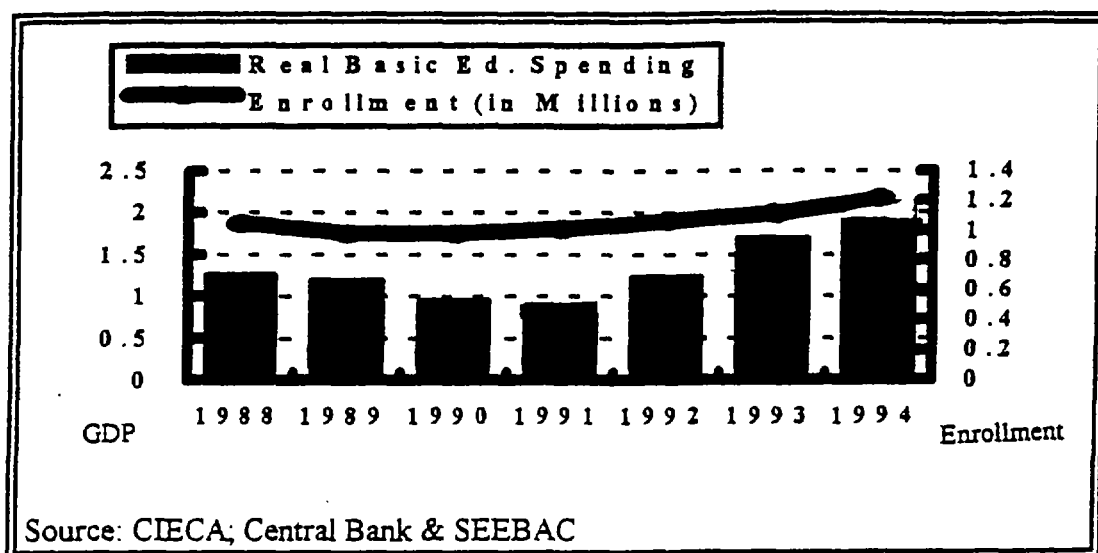
1.6 The Ten-Year Education Plan (1991-2000) aims to expand service coverage, raise student achievement levels, and strengthen sector management. Included are specific objectives to: (a) increase public spending (including teachers' salaries) on basic education; (b) promote a set of national education standards through curriculum reform and an assessment system; (c) provide, systematically, appropriate educational materials and teacher and administrator training, both pre- and in-service; (d) strengthen the SEEBAC by deconcentrating resources and responsibilities and improving information systems; and (e) stimulate community participation in school development and management. To support the execution of the first phase of the Plan, the *Emergency Phase*, the IDB approved a loan in 1991 (US\$29 million), in parallel with a complementary loan extended by the IBRD (Loan 3351-DO, US\$15 million). Both institutions plan follow-up operations to support the implementation of the Plan's second phase.

D. Plan Achievements and Innovations

1.7 The Plan's implementation achievements to date have surpassed expectations. The Government has more than doubled basic education spending since 1991. As expenditures increased, enrollments rose (See Figure 1 below). The SEEBAC reports that enrollment in grades 1 to 8 climbed 9 percent during 1991-94, and repetition and dropout rates declined to 13 and 11 percent, respectively, between 1991-94. Overall completion rates at the primary level rose to 60 percent.

² The development of the Ten Year Plan and its execution have incorporated broad individual and institutional participation (some 50,000 individuals and over 100 institutions) in a process of consultation among sector stakeholders, including the business community, NGOs, the teachers' union and major political parties.

Figure 1. Expenditure and Enrollment
(Millions & Basic Education Spending -Indexed 1985)



1.8 In line with specific Plan objectives, a revised curriculum, which focuses on participatory techniques in the classroom, was completed during 1994. Based on anticipated content of the revised curriculum, about half of teachers in grades 1-8 received or are receiving six months of upgrading. Transitional textbooks and workbooks were also provided for all public school students and a national assessment system introduced. Some 20 percent of primary classrooms, nearly 5,000, were also improved or replaced. In addition, SEEBAC staff participated in initial training for deconcentrating management, and parents associations (PAs) were established or strengthened at all primary schools. The PAs assisted with materials distribution, routine maintenance and, in rural areas, a school nutrition program.

1.9 The move toward increased expenditure on basic education represents an important achievement under the Plan. This trend, reflected largely in improved teacher incentives, together with other innovations in the areas of curriculum development, sales of materials, student assessment and community participation, stand out as notable achievements of the first phase of the Plan.

1.10 **Teacher Incentives.** Teacher and administrator salary increases largely explain the increase in public expenditure as a share of GDP from 0.9 percent to 1.9 percent during 1991-94. In view of requirements for fiscal discipline, the Government agreed with the principal teachers union to a salary structure which maintains a low base, averaging about US\$1,000 per year, while providing a series of bonuses which can triple pay. The bonuses are structured to serve as incentives, and include: an increment between 7 and 32 percent of base salary tied to performance, between 10 and 40 percent based on in-service upgrading received, and 20 to 25 percent for working in economically depressed areas. Increases in base salary during 1991-95 resulted in a doubling of average teacher salary to about US\$2,600 including bonuses, by early 1995. This amount represents nearly four times the minimum wage, and some 60 percent of the Central Bank's "Basket of Average Consumption" for a family of four. The improved pay, together with the related opportunities for training, have reduced annual attrition from the teaching force from 5 to 3 percent and boosted intake of preservice trainees to over 2,000 per year.

1.11 Curriculum Development. A new curriculum, developed independently of IDB and IBRD project support, will be introduced gradually beginning in the school year 1995-96. It incorporated broad involvement of national stakeholders from the education sector and civil society. It will replace a highly mechanistic, teacher-centered curriculum, focusing, instead, on the teacher as facilitator. It is designed to promote inquiry and interaction among students and is flexible enough to be adapted to regional and local circumstances to promote equity in educational opportunity. Parental involvement is also encouraged. The revised curriculum forms the centerpiece for the further strengthening of basic education under the second phase of the Ten-Year Plan. Other educational inputs are designed to support its successful introduction.

1.12 Sales of Materials. Under the Plan, the SEEBAC provided low-cost textbooks and student workbooks for students in grades 1-8 attending public schools. In line with basic education policy, textbooks are lent to students in the public sector and workbooks are sold at cost. In an innovative move to defray charges for students unable to afford the associated costs, and to establish regular income to cover a share of costs for basic and complementary materials production, the SEEBAC began selling its new materials to the private sector in 1993. In 1994 it earned some US\$2.5 million from these sales.

1.13 National Student Assessment. The establishment of the national student assessment system was another notable achievement of the first phase of Plan implementation. The examination, which is administered to all students in grades 4 and 8 in both public and private schools, was developed largely during 1991, using local resources. An extensive infrastructure bolsters the system: a central committee selects examination items from questions submitted by teachers; a private firm prints and seals the examinations, and SEEBAC district staff distribute the examinations, which are proctored by committees of parents and teachers. The distribution of results allows administrators, teachers, and parents to assess learning outcomes for students, schools, and geographical areas. The system measured achievement of grade 4 and 8 students in 1994, with about 30 percent of those examined attending private schools. The assessment is widely supported by educators and parents as a useful tool for discerning needs and promoting improvements in educational quality and student achievement.

1.14 Community Participation. The Ten-Year Plan gives emphasis to strengthening community participation as a vehicle to improve educational equity and efficiency. Supported by the IDB and IBRD-assisted operations, SEEBAC began by establishing and providing initial training to PAs in all public schools. Authority to manage discretionary school funds and participate in limited decision-making and evaluation was also delegated to PAs. PAs identified requirements and administered funds for school rehabilitation and preventive maintenance, in some cases also providing labor. They also managed a rural school feeding program, assisted with the distribution of learning materials, and, on a pilot basis, monitored teacher and student attendance.

1.15 Based on results of a 1995 study carried out during preparation for the second phase of Plan activities and related IDB and IBRD support, the impact of the increased participation by parents has been positive and should be further encouraged and strengthened. The study incorporated focus group interviews, school visits, and surveys in four regions. On average, PAs meet four times a year. Two-thirds of attendees, averaging 125 parents per school, are women, while middle-income men with secondary and post-secondary qualifications tend to assume leadership roles. Administrators, educators, and parents agree that parental involvement has a positive effect on student performance and

attendance. They further agree that educators should retain authority for pedagogical content and delivery.

E. Lessons of Experience

1.16 The experience gathered during the implementation of the first phase of the Ten-Year Plan, and from the mid-term project reviews completed by the IDB and the IBRD in January 1995, highlight several important lessons. These have guided design of the proposed project and center on: the importance of broad consensus among Plan stakeholders, the need to consolidate and transfer Plan management and related skills increasingly to the SEEBAC, and the need to ensure adequate financing for basic education. Specific technical and sector-related lessons are also incorporated in proposed project design. (Annex 2 provides an overview of lessons of experience under the current and earlier IBRD-assisted education projects.)

1.17 **Role of Project Stakeholders.** Persistent and broad support by stakeholders in the education sector accounts in large part for the successful implementation of Plan reforms. Strong public sector commitment, bolstered by a period of political and economic stability, represented a direct response to the broader society's perceived need to strengthen basic education in the Dominican Republic. In designing the proposed follow-up operations, an effort was made to incorporate the framework for further and more systematic involvement of civil society, in particular in the monitoring of Plan results, to enhance consensus-building and ensure adequate and effective public expenditure and sustainability.

1.18 **Program Management and Coordination.** The IDB and IBRD-assisted projects represented a significant share of Plan activities and investment expenditures during 1991-95; and competent project coordinating units contributed substantially to successful implementation. Recognizing weaknesses in SEEBAC management capacity, the two project coordination units were established to support the transfer of management skills to the SEEBAC while not relying directly on its management skills for project execution. They were supported by strong leadership from the Office of the Secretary, SEEBAC, local IDB staff and the UNDP, which is executing the IBRD loan. Outcomes of the project management arrangements are in line with experience elsewhere: project implementation has depended heavily on the coordination units. While substantial transfer of management experience and skills to the SEEBAC has been achieved, sustainability will require a further build-up of SEEBAC management capacity --at the central, regional and district levels. Further, to ensure coordination and avoid duplication of effort, a single coordination authority is needed. The proposed operations will thus be coordinated by a single unit which would support and draw increasingly on regular SEEBAC managers and staff for decision-making and implementation management.

1.19 **Reliability of Expenditure.** The recent rate of growth in total public spending on education has outpaced the growth in GDP. The trend toward increased public expenditure on education, led by teacher remuneration, is positive. However, some 30 percent of expenditure over the past three years is attributable to allocations from a discretionary fund managed by the Presidency; and 90 percent of this fund is allocated for construction of schools on an *ad hoc* basis. This off-budget funding needs to be institutionalized to provide a stable foundation for effective sectoral planning and expenditure. It is, however, expected that the priority given to allocations for education, and the social sectors more generally, would continue over the foreseeable future.

1.20 Component Effectiveness. Achievements in raising quality and efficiency of education under the Plan are evident in the gains in reducing student repetition rates and increasing the completion rate for basic education (para. 1.7). These outcomes generally confirm the effectiveness of expenditure inputs under the Plan. The centrally provided inputs (e.g. materials, teacher training and improved salaries, improved facilities and nutrition) have been complemented by the important input of parent associations. This input at the school level, together with widespread provision of results of the student assessment, is judged to provide added stimulus for strengthened planning and accountability at the school level. In other areas, lessons confirm the need for additional inputs. In particular, initial outcomes highlighted the need to incorporate appropriate curriculum, didactic materials and school facilities to meet the special needs of preschool education and multigrade classrooms. In line with Plan objectives to improve children's readiness for primary school, an initial expansion of preschool places, from 29,000 to 54,000 five-year olds (27 percent of the relevant population) was undertaken during 1991-94. However, accompanying accommodations in existing facilities, teacher preparation and supporting materials were not provided. Similarly, while a third of all primary schools, mainly small and located in rural areas and peri-urban areas, cater to two or more grades within the same classroom, requisite supporting inputs for effective teaching were neither developed nor introduced. Now identified, these needs will be met during the second phase of Plan execution.

1.21 Private Schools for Low-income Students. The lessons of experience also suggest the advisability of strengthening private as well as public schools in the effort to improve basic education. Over 1,500 private primary and lower secondary schools operate in urban areas. The majority of these schools serve low-income, urban areas. Growth in private school enrollments, based on demand and parents' willingness to pay, helped to maintain the relatively high enrollment ratio in basic education, around 90 percent, throughout the 1985-91 crisis in the public sector. Some 750 private institutions are accredited by the SEEBAC and participate in Plan activities, including teacher training and purchase of learning materials. These schools operate at a level of quality comparable to, or slightly better than, public schools: 1994 results of the new national assessment show scores of 71 percent and 63 percent for grade four and eight students, respectively, in public schools and scores of 76 and 74 percent for children in the same grades in private schools. However, nearly 800 private schools do not meet accreditation standards, lacking trained teachers and other inputs, and an unknown number of small schools operate informally in areas lacking public and recognized private schools. Improved information on these unaccredited and informal schools, collected during Plan implementation, suggests that they represent a cost-effective means to expand and upgrade basic education, in particular to better serve rapidly expanding peri-urban populations. As a result, mechanisms to channel support to these schools would be developed during the second phase of the Plan.

F. Key Remaining Issues in Basic Education

1.22 Despite the successful implementation of the initial phase of the Ten-Year Education Plan, educational equity, quality and efficiency remain comparatively low. Further effort, to consolidate and deepen achievements, is required under the second phase of the Plan to overcome continuing deficiencies in educational effectiveness and management.

Educational Effectiveness

1.23 Conclusions on student achievement based on the new assessment system are premature owing primarily to a lack of baseline data and initial weaknesses in examination design. Notwithstanding recent improvements in coverage and efficiency indicators, however, the average quality and efficiency of basic education in both public and private schools in the Dominican Republic remain low. Educational inputs designed to strengthen outcomes of basic education are still in transition and require further development and consolidation, notably in the areas of curriculum, materials and teacher support. Problems of poor student nutrition and inadequate school infrastructure also persist.

Curriculum and Educational Materials

1.24 The new curriculum (para. 1.11) represents a significant change from the highly traditional curriculum it replaces. In line with experience gained under the Plan, it also includes, for the first time, a program for the preschool year which emphasizes preschool and socialization skills to prepare students for the first grade. The curriculum changes will need to be broadly disseminated and incorporated in both student and teacher materials, and in teacher training, during the Plan's second phase.

1.25 The transitional materials provided under the Plan were generally of good educational quality. Each public-school student received textbooks and accompanying workbooks for Spanish, social studies, mathematics, and science. The materials were developed by the SEEBAC using local authors. Complementary classroom and school materials (e.g., maps, subject-related posters, and other supplies) were also provided. Despite distribution of materials through an independent public enterprise, delivery of materials suffered delay: some 5 percent of students were not issued textbooks in 1994 owing to lack of clarity over procedures for collecting fees or exempting students unable to pay (para. 1.12).

1.26 In order to support the introduction of the new curriculum, modifications in both teacher and student materials, and new materials for preschool, will be required during the second phase of Plan implementation. A permanent capacity, including sufficient qualified personnel, is also needed within the SEEBAC to manage development and piloting of revised and new materials.³ The systems for distribution and fee collection for educational materials also needs to be improved, to ensure timely delivery to all teachers and students. In addition, small school libraries

³ The Government agreed to create a materials fund (*Fondo Editorial*) under the IDB's ongoing loan operation but has not yet institutionalized this function.

and complementary materials and supplies are needed, especially for rural and peri-urban schools where students often lack access to reading materials other than basic textbooks.

Teacher Support and Availability

1.27 Longstanding problems with teacher and teaching effectiveness in the Dominican Republic stem largely from past curriculum rigidities and inadequate incentives. Recent improvements in these areas will require parallel changes in teacher training and supervision, and increased teaching hours. Anticipated increases in enrollments will also require a substantial increase in the supply of teachers for the remainder of Plan implementation and beyond.

1.28 **Teacher Training.** The formal requirement for qualifying as a teacher at the primary or lower secondary level is completion of a secondary-level program at a normal school. About 7,500 primary school teachers lacked this minimum qualification in 1992; and the content of the normal school program is poorly suited to the objectives of updated curricula through grade 8. As a result, most teachers lack both subject matter knowledge and the pedagogical skills needed for effective interaction with students and appropriate use of related educational materials. Under the Ten-Year Plan, the SEEBAC thus introduced a post-secondary teaching certificate as the new minimum standard for teacher training for basic education. Nearly 45 percent of practicing teachers, about 13,000, will have completed this 72 credit program, offered through extension services of local universities, by the end of 1995. The SEEBAC also provided training to upgrade the qualifications of 5,000 teachers lacking the normal school qualification or equivalent. Both programs were assessed favorably by participating teachers, who report they are using knowledge and techniques imparted through the training. During the implementation of the second phase of the Plan, all current teachers would complete the new certificate program. The training would need to incorporate additional, specialized programs for preschool and multigrade teachers (para.1.20). The SEEBAC will also need about 4,000 additional preschool through grade 8 teachers by 2006 to meet objectives for enrollment and completion rates in basic education, while maintaining the current teacher-student ratio. (Overall public enrollments in preschool through grade 8 are projected to increase from the current 1.28 million to 1.52 by 2005). Each new teacher will need to complete the new minimum qualification. The six normal schools which currently provide pre-service training lack the capacity to meet that demand. The SEEBAC will need to expand its links with qualified providers of training, mainly universities, to design and deliver the required training, both pre- and in-service.

1.29 **Supervision.** In 1992 most supervisors were transferred from regional to district offices and provided motorcycles to facilitate school visits. However, technical support for teachers at the school and classroom levels is still limited. Teachers participating in the SEEBAC's in-service training report high satisfaction with on-the-job supervision and support provided as part of the training. Supervisors will need to replicate this model to support continuing improvements in teacher performance. In addition, isolated rural schools are still neglected by supervisors, relative to their urban counterparts, notably the 3,000 rural teachers involved in multigrade teaching. To overcome this imbalance, the SEEBAC is increasing district staff and infrastructure, selectively. Incorporation of school directors and community members in the process will also need to be explored and pursued.

1.30 Classroom Hours and Attendance. The 684 hours of official in-class instruction per school year in the Dominican Republic compares unfavorably with the 1,080 hours offered in Guatemala, 1,040 in El Salvador, and 999 in Costa Rica. Classes are offered during two 3.75 hour shifts, with students participating either in the morning or afternoon. Over half of teachers work both shifts: the teacher-student ratio averages 1 to 36 in the morning shift and 1 to 25 in the afternoon, both satisfactory. In light of budget considerations, the SEEBAC has elected to delay consideration of expanding the official length of the school day, which could preclude the teaching of two shifts by the same teacher. Instead, its second phase Plan efforts would focus on increasing the efficiency and quality of the class time currently available while establishing the human and institutional resources necessary to extend the schools day for the period beyond 2000. The SEEBAC will, however, conclude already-initiated negotiations with the teachers union to extend the school calendar an extra month while maintaining the current length of the school day, providing students with about 70 hours of additional class time in the near-term.

1.31 Absenteeism among teachers dropped sharply with the recent provision of improved pay, teaching materials, and in-service training. In addition, monitoring by selected PAs contributed to increased teacher attendance. However, teacher and student absenteeism continue to reduce effective class time during the school year. One teacher in five surveyed in 1995 reports frequent absences or late arrival to school. The problem is especially acute in rural areas. The principal reason appears to be distance from school: almost half of teachers surveyed live in a different community than that in which they work. While reporting mechanisms are not fully developed, school visits revealed that the rate of student absenteeism runs at about 10 percent, due to distance from school, illness, and family employment obligations. In view of the shortfall in class hours, continued effort to improve teacher incentives, and to increase monitoring of attendance of teachers and students are warranted.

The National Assessment

1.32 The student assessment system introduced under the Plan requires adaptation to the new curriculum. Refinement is needed to match question content with desired curriculum outcomes, and to measure particular skills. The SEEBAC also needs to ensure that the assessment does not discriminate against particular groups or lead teachers to focus on preparing students for the assessment at the expense of key curriculum objectives: the examination is being used as a determinant of promotion at grades 4 and 8. A danger exists that its use at grade 8, in particular, could deter students from entering upper secondary school (grades 9-12). Use of the assessment for promotion purposes thus needs to be carefully evaluated. Finally, the annual execution of the assessment absorbs considerable teacher and administrator time. The contracting of all administrative responsibilities to a private firm would increase costs dramatically, since much of the testing apparatus at the school level depends upon donated labor from teachers and parents. The recent establishment of a small, permanent staff within the SEEBAC, capable of hiring consultants and contractors at rates more attractive than regular civil service salaries, provides a reasonable compromise and should allow the SEEBAC to manage the assessment system more efficiently over the long-term.

School Nutrition

1.33 According to a 1994 SEEBAC study, as many as 27 percent of students suffer from stunted growth, 1 in 5 suffers from anemia, 1 in 4 from vitamin A deficiency, and half from iodine deficiency. Rates of malnutrition are highest in the poorer areas of the country: along the Haitian border, in peri-urban zones and in isolated rural communities. The SEEBAC, currently supported by the European Community and the World Food Programme, manages a school feeding program for about 80,000 primary school children along the Haitian border; meals are prepared by parents. The Plan, also initiated an urban nutritional supplementation program for 100,000 students. This comprises distribution of a school snack--fortified milk and locally manufactured biscuits. School-based deparasitisation is currently being piloted. Some interventions have not proceeded as rapidly as planned under the Ten-Year Plan, including a school nutrition information and education program. To contribute to improved student achievement and attendance, the existing and new efforts will require expansion and careful monitoring and evaluation to ensure proper targeting and cost-effectiveness. SEEBAC district staff supporting school nutrition also require strengthening.

1.34 **School Facilities.** In 1990, the SEEBAC classified 30 percent of its 21,000 classrooms used for basic education as requiring only preventive maintenance, while half required minor rehabilitation work, and 20 percent needed complete replacement or major rehabilitation. During the last five years the Government, with both its own resources and those provided through international agencies, rehabilitated 2,700 classrooms; and replaced or heavily rehabilitated about 2,200. As a result, about 60 percent of all classrooms now require periodic maintenance, 30 percent need minor rehabilitation, and another 20 percent need replacement or reconstruction. The Presidential Fund financed most of the classroom replacement and major rehabilitation. The SEEBAC used IDB and IBRD loan financing to undertake minor rehabilitation and to initiate preventative maintenance, covering 15 percent of the total need. The IDB and IBRD programs for minor rehabilitation and maintenance have both featured decentralized resource allocation and PA management of related funds. Materials and independent supervision are provided by the SEEBAC. For routine maintenance, labor is provided by the PAs while minor rehabilitation is contracted by the PAs.

1.35 According to the SEEBAC's 1995 national school inventory, an average of 61 students use each classroom per school day in two shifts, which is satisfactory. However, half of schools offering preschool services lack appropriate classroom space, often occupying part of a classroom in use by a primary school class. In addition, the SEEBAC estimates that overcrowding will become acute over the next five years, owing to planned expansion of preschool classes, growth of the school age population, demographic shifts to peri-urban areas, and improved completion rates for basic education. In light of these pressures, the SEEBAC estimates that it will need to construct 2,600 new classrooms between 1995 and 2000, an increase of 12 percent, complete the rehabilitation of existing classrooms and institutionalize regular maintenance and minor rehabilitation, incorporating the PAs.

Management Effectiveness

1.36 Despite selective improvements in SEEBAC's management structure and capacity under the Plan, problems of heavy-centralization, poorly qualified staff and incomplete communications and information continue to detract from management effectiveness. Enhanced community participation shows potential for improving accountability at the school level, but will require further development.

1.37 **Structure and Responsibilities.** Under the Plan, the SEEBAC took steps to devolve responsibilities for school and teacher supervision to regional and district offices and administration of school maintenance resources to those regions and districts participating in the IDB and IBRD-supported projects. Nevertheless, the majority of administrative and resource allocation decisions remain with the central SEEBAC, and, for capital spending, the President's office. Sub-national SEEBAC offices and schools lack the human and financial resources and the administrative mandate to respond to local initiatives.

1.38 Through a consensus-oriented process involving representatives of the teachers union, opposition parties, and civil society, the SEEBAC submitted to Congress in April 1995 a proposed Education Law, intended to establish the framework for deconcentrated management. Annex 3 provides a summary of the proposed framework, within which (a) day-to-day management and investment decisions would be devolved downwards, (b) planning, programming, and budgeting would flow from bottom-up, and (c) standards, monitoring, and financing would be provided from top-down. Congressional approval of the proposed law remains to be determined. Irrespective of the outcome, the SEEBAC has launched a gradual process of deconcentration. Further progress will require additional planning, training, and equipment, as well as further study and preparation. Particular emphasis needs to be placed on improved systems and procedures for programming and budgeting. Apart from the proposed Law, a National Consultative Council for Education has been convened. This council, with broad representation, would monitor sector targets to learn from experience and advise the SEEBAC regarding possibilities for improvements and corrections.

1.39 **Administrative Staff.** The SEEBAC has initiated training for administrators, focusing on supervisors and school directors, as well as central staff, under the Ten-Year Plan. A masters degree program is currently being provided for 100 middle-level administrators, and some 400 regional and district staff have participated in short seminars. However, this training has been insufficient to support system-wide improvements, especially to clarify responsibilities and reduce duplication of effort between the central and lower administrative levels in the early stages of deconcentration. The SEEBAC plans to overcome these deficiencies by delineating staff responsibilities and providing related management training on a regular basis. It is also considering establishment of a number of small, semi-autonomous agencies responsible for many key functions. These entities, which would report to the Secretary, SEEBAC, would incorporate rather than duplicate SEEBAC functions, e.g. for management of in-service training. They would be able to compensate a small but highly qualified group of staff at higher than regular civil service salaries. Currently, only the Institute for School Nutrition and Health (INDOFANE), has been formally created, while a national textbook authority (para. 1.26) awaits approval. Informally, the SEEBAC's National Assessment Division is operating along the proposed lines.

Other semi-autonomous entities would be considered should the proposed Education Law be approved.

1.40 Management Information System (MIS). A new MIS, featuring some 40 sub-systems, currently links the central SEEBAC and most of its regional and district offices. To introduce the system, the SEEBAC provided all regional and some district offices with computers. Of note are: an educational statistics system; a new payroll management system, which delivers paychecks to teachers and administrators on time, eliminating a lag of two to three months; a system to track students, not yet fully developed; and a school mapping system, which assesses schools' physical needs in light of demographic trends, location, and building condition. A subsystem to monitor student achievement, promotion, repetition, and dropout, based on the national assessment, is also being developed.

1.41 Despite these achievements, the MIS requires further development in several key areas: geographical coverage, integration, and applicability to the daily tasks of administrators. The coverage of the system is incomplete; not all district offices are integrated into the MIS, leaving the SEEBAC poorly informed about the isolated rural and peri-urban schools it most needs to assist. Integration across sub-systems is poor, reducing usefulness, and information is not accessible to administrators lacking computers and computer training. Improvement of the coverage and relevance of the MIS would require investments in technical assistance, hardware and software, and the incentives to use them above the school level. It would also require simplification and improved means of communication for use at the school level.

1.42 Community Participation. The Ten-Year Plan emphasizes the importance of community participation as a means to strengthen educational services and accountability. To this end, the SEEBAC has supported the formation of PAs, expanded their responsibilities, and given them the authority to manage public funds. It is expected that increased mobilization of PA support would lead to participation in school planning and financial management activities, as well as enhanced parental support for children's education outside of the classroom and increased support by NGOs, municipal governments, churches, and the business community. To date, however, the extent of PA involvement has been limited largely to participation in management of school maintenance, assistance with the distribution of materials and, in the rural areas, assistance with school feeding. To increase PAs contributions to school planning and management will require increased support and preparation as well as SEEBAC's willingness to enhance responsibilities. In particular, training to encourage more active women's participation needs to be provided. A clarification of desired areas of involvement, e.g., expansion of the pilot to monitor teacher and student attendance, as well as systematic support and preparation of PAs will be required in the next phase of development. SEEBAC's district community participation facilitators, currently serving as many as 100 schools each, will need to be increased and prepared to support the process.

G. Government Strategy for Basic Education

1.43 Through the Consolidation Phase of the Ten-Year Education Plan the SEEBAC plans to pursue its coverage, quality, and efficiency objectives for basic education during 1996-2000. This second phase of the Plan will entail: (a) increasing public spending on basic education, including

raising education allocations as a share of government spending to match the 1970 rate of 16 percent, augmenting public education spending as a portion of GDP to the 1970 level of 2.9 percent., and raising the 1995 rate of recurrent expenditure on basic education from US\$102 per student to US\$124 by the year 2000; (b) further improving educators' economic and professional standing by providing in-service training opportunities and increasing the average teacher's pay from US\$2,600 (60 percent of the Central Bank's "Basket of Average Consumption") to US\$3,400 (80 percent of the Basket) by 2000, based on incentives for training, experience, performance, and work in economically depressed areas; (c) enriching effectiveness in the classroom, through curriculum reform, universal distribution of learning materials, expanding preschool and nutrition services, and upgrading school facilities, (d) strengthening the SEEBAC's management capacity and responsiveness to local needs through training, better information management, and deconcentrating resources and decision-making responsibilities to regions, districts and schools; and (e) expanding parental support for their children's education and involvement in school management. (This strategy is embodied in Plan documents as listed in Annex 11).

H. Rationale for IBRD and IDB Involvement

1.44 Consistent with both the World Bank Group's Country Assistance Strategy for the Dominican Republic, discussed by the IBRD's Executive Directors on May 2, 1995, and the Assistance Strategy set forward by the Inter-American Development Bank, the Government recognizes that continued improvement of social services in general,⁴ and basic education services in particular, is essential for laying a sound foundation for social stability, sustained economic growth, and the alleviation of poverty.

1.45 In view of both banks' support of the first phase of the Ten-Year Plan and their experiences elsewhere in the basic education subsector, the Government has requested the support of both institutions for the Plan's second phase. Given that the proposed project would account for less than 15 percent of the Government's planned expenditures in the education sector from 1996 to 2000), the particular value-added of the banks' further participation would lie in the consolidation of policy and plan implementation efforts, with a focus on assuring adequate educational quality, overall sub-sector efficiency, and improved monitoring and evaluation in the future.

⁴ Support has also been provided for other social sectors. Efforts to institute a social investment fund gained momentum in 1993 and 1994, and the IDB approved a related loan, in November 1994. Upon the signing in 1994 by the Government, NGOs, and 16 political parties of a poverty reduction agenda, the *Reforma Social y Combate a la Pobreza*, the Government petitioned the IDB, World Bank, UNDP, and Pan American Health Organization to assist it in the preparation of a health sector reform grounded in wide stakeholder participation. The reform would reconfigure the social security and public health systems, promote integration of public and private services, introduce alternative financing mechanisms for service delivery, and reallocate health expenditures to preventive and primary care for the poor.

2. THE PROJECT

A. Project Objectives

2.1 The proposed Basic Education Development Project would support a share of the Government's development and investment program for basic education for the period 1996-2000, as reflected in its basic education strategy. Objectives would be to: (a) improve the quality of basic education; (b) increase enrollment and especially completion rates, with priority directed to children from low income families; and (c) strengthen technical and resource management capabilities for basic education. The first two objectives would be pursued through an educational development component and the third, through a management development component. Critical targets for reaching objectives are set forth in monitoring and evaluation indicators for the Plan (para. 2.24 and Annex 4).

B. Project Targeting

2.2 The proposed project would benefit all students attending public schools offering basic education services. However, several components would be targeted to children from low-income families in areas currently least-well served, i.e., in peri-urban and rural areas. The targeted districts have been identified through a national nutrition census (supported under the current IBRD loan) and income data obtained through a 1994 poverty study (prepared by the IDB). Information provided through the 1995 physical plant census complements these studies for the facilities subcomponents. The targeting criteria and procedures would be incorporated in detail for each relevant subcomponent in the operations manual under preparation for the project, which would be completed as a requirement for loan effectiveness. Targeted subcomponents and related selection criteria are:

- (a) provision of school supplies and expansion of preschool education places for children in the poorest half of districts, measured by average income (paras. 2.7c and 2.13);
- (b) provision of complementary school materials for all multigrade schools (typically located in poor communities) (para 2.7 c);
- (c) expansion of the school-feeding programs along the Haitian border and in marginal urban areas, based primarily on updated data on nutrition status of children, complemented by income data (para 2.11);
- (d) expansion and improvement of school facilities in the 40 percent poorest districts in line with the school planning inventory (para 2.12); and technical and financial assistance for private, peri-urban schools serving children from families in the two lowest income quintiles (para. 2.16).

C. Component Description

2.3 The educational development component (US\$82.8 million, including contingencies) will (a) assist the SEEBAC to introduce the revised national curriculum for basic education (US\$3.4 million); (b) institutionalize the provision of updated educational materials, including texts and workbooks for all public school students, sales to private schools and provision of complementary materials and supplies for low-income students (US\$12.4 million); (c) provide training for about 12,600 teachers, school directors and supervisors in core subjects and teaching techniques (US\$8.6 million); (d) improve the student assessment system (US\$3.1 million); (e) strengthen the SEEBAC's capacity to design and manage expanded school nutrition programs (US\$3.5 million); (f) rehabilitate or construct 6,800 classrooms, including 1,000 to be used for preschool, and finance preventive maintenance for 4,900 schools based on a cost-sharing arrangement between PAs and the SEEBAC (US\$48.1 million); and (g) support a pilot program to upgrade private schools serving low-income students (US\$3.7 million).

2.4 The management development component (US\$16.7 million, including contingencies) would include, within the context of gradual deconcentration of responsibilities, training, technical assistance, and equipment to: (a) strengthen SEEBAC management procedures and administrators (US\$3.6 million); (b) improve and extend use of management information for basic education (US\$4.0 million); (c) extend the roles and capacities of parents associations in decision-making to the areas of school planning, performance and monitoring (US\$2.1 million); and (d) support monitoring and evaluation of basic education, including the project (US\$2.6 million). The project would also finance the Project Coordination Unit (US\$4.5 million) and an IDB supervision and inspection fee of US\$0.5 million.

2.5 Component A: Educational Development (US\$82.8 million equivalent, including contingencies). This component would provide inputs to strengthen school effectiveness. It would improve equity by increasing coverage and targeting low-income children, and efficiency by raising the quality of education and the share of students completing basic education.

2.6 A.1: National Curriculum Reform (US\$3.4 million, including contingencies). The new curriculum is designed to promote children's participation in the learning process based on revised pedagogical techniques and integration of subject matter around relevant themes. To support its introduction, the component would include the following:

- (a) **Promotional Campaign.** Information, consisting of bulletins, posters, and seminars, would be prepared and distributed to promote curriculum transformation and assess the level of acceptance. The campaign would be directed at educators and community members with an interest in basic education.
- (b) **Curriculum Implementation.** The SEEBAC would coordinate a program of technical assistance to be provided by international experts to a cadre of curriculum promoters responsible for preparing district supervisors. The supervisors would then support groups of directors and teachers at each school to introduce the new curriculum. These groups would also orient other interested

community stakeholders on the new curriculum. The central SEEBAC would provide the schools with sample syllabi and lesson plans for the preschool year through grade eight in each subject area. The curriculum promotion would correspond closely with Educational Materials and Resources and Human Resources Development subcomponents of the proposed project (paras. 2.7 and 2.8). Each school's curriculum group would also attend inter-school and inter-district workshops and receive guidance through radio programs (offered through an educational radio training network already in place) and video productions on lesson plan development. During the first year of project implementation, the SEEBAC would focus on the promotional campaign and the institutional infrastructure needed to carry out the transformation. Years two and three would serve as a period of transition, as schools introduce the new curriculum, while the movement from transition to full implementation would occur during years four and five.

- (c) **Monitoring and Evaluation.** District supervisors would also be in charge of reviewing and monitoring progress with use of the new curriculum at the school level, with support from regional and central supervisors. To support implementation, the SEEBAC would also coordinate training sessions, produce manuals for teachers and parents, and distribute materials and equipment for curriculum resource centers in regional offices, including support for establishing new resource centers. It would produce an extensive guide for managing the curriculum changes, intended for central, regional, and district promoters and supervisors. The guide would include plans for monitoring the curriculum transition process. The project will also support local curriculum innovations selected by the SEEBAC and managed by the schools' PAs. The SEEBAC would manage a national review to evaluate progress of the curriculum transformation during year three of the project. In-service training for teachers would further support this process.

2.7 A. 2: Educational Materials and Resources (US\$12.4 million, including contingencies). Supported by this component, the SEEBAC would undertake the following:

- (a) **Textbooks, Workbooks, and Teacher's Guides.** All children enrolled in public schools offering basic education would be provided with textbooks and workbooks in the core subjects of mathematics, science, social studies, and Spanish under the new curriculum. Workbooks would be used for one school year and sold to the students at cost. Sales, including sales to the private sector, would be used to help cover costs for students unable to pay, based upon simple income criteria to be applied by school managers and PAs. Accompanying teachers' guides would be made available by grade and subject. Separate preschool materials would be developed and provided to all preschool students.
- (b) **Supplementary Learning Materials.** The SEEBAC would also provide supplemental reading materials, consisting of an educational newspaper issued once per school-month, promotional literature for improved childhood nutrition,

and materials designed specifically for use by multigrade schools. The component would support the development, printing, and distribution of materials for a period of three years, with the exception of the nutritional and multigrade materials, which would be financed for five years and one year, respectively.

- (c) **Classroom Materials and Supplies.** The component would finance provision of classroom equipment packages, including maps, a globe, and charts for all public schools offering basic education, as well as additional supplies, materials and equipment tailored to the needs of preschool, multigrade classrooms, and schools offering grades 5 through 8. In light of the system's dearth of reference materials, mini-libraries, containing 25 to 100 books, would also be established for preschool and grades 1-8. To reduce school costs for poor children, the project would furnish them with notebooks, pencils, erasers, and other standard supplies.
- (d) **Institutionalization.** Technical assistance and computer equipment would be provided under the project to support the establishment of SEEBAC's educational materials entity. The agency would coordinate design, production, and distribution of educational materials. Comprised of a small number of well-qualified staff, it would continue to contract development, production and printing outside the SEEBAC. The proposed operation would also assist the SEEBAC in arranging for private storage of materials using proper inventory management techniques and distribution to district offices through competitively contracted private firms. Once delivered to district offices, materials would be turned over to PAs, which would be responsible for distribution at the school level. *During negotiations, agreement was reached that the educational materials entity would be established within 12 months of the date of loan effectiveness.*

2.8 A. 3: Human Resources Development (US\$8.6 million, including contingencies). To improve teaching quality, the project would assist the SEEBAC to provide three complementary training programs. As under the first phase of the Plan, the training would be delivered mainly under contracts with national universities.

- (a) **In-Service Certificate Training.** Nearly 5,100 teachers with normal school or upper secondary qualifications, and selected supervisors, would pursue the 72 credit Education Certificate, the minimum standard for all teachers in basic education for 1998. This emphasizes subject-matter upgrading in mathematics, social studies, social sciences and language arts (Spanish) and teaching techniques which support the new curriculum.
- (b) **In-Service Advanced Training.** An advanced studies program would be provided for about 3,800 teachers and school directors who have already completed the Education Certificate. The program would allow them to pursue a 32 credit Associates Degree which focuses both on building general pedagogical capacity and attainment of a specialty e.g., for preschool, multigrade or special needs teaching; or for school management. Supervisors would participate in this training. This program would also train a cadre of teachers and administrators for

leadership positions, offering an additional 32 credit university degree program for 2,000 educators and additional 32 credit masters degree to 400. The in-service training certificate and advanced training incorporate classwork, on-the-job follow-up and supplementary support through use of radio programs. The SEEBAC would continue to link salary incentives to completion of these programs and to performance evaluation on-the-job.

- (c) **Pre-Service Training.** The SEEBAC would also develop and introduce a pre-service curriculum for teacher-training, equivalent to the Certificate Program, for up to 1,300 pre-service teaching candidates over the project implementation period. It is expected that the training would be provided under contract, by universities though normal schools could compete.

2.9 To assure coherence and integration between the training programs and the local suppliers, the project will assist SEEBAC's Training Division to develop capacity to work with university and other centers of expertise to develop standards and further develop content for teacher-training which support the new curriculum and pedagogic techniques.

2.10 **A. 4: National Student Assessment** (US\$3.1 million, including contingencies). To strengthen the new assessment system, the project would provide technical assistance to improve and monitor quality as well as dissemination and use of results. The guiding principle for the assessment would be to enhance its usefulness as a diagnostic tool to measure achievement in line with objectives of the new curriculum. The practice of using teachers to prepare questions would be continued. Early dissemination of results to educators, administrators, parents, and communities for use at the school level, and monitoring of security and cost-efficiency would be priorities.

- (a) **Institutional Strengthening.** The project would provide technical assistance and training for staff of the National Assessment Division of the SEEBAC. The support would help to increase the capacity for developing, producing, distributing, administering and evaluating test results. This training would include on-site technical assistance and internships abroad with educational testing services. The component would also provide printed test materials during project implementation.
- (b) **Improving Design and Quality.** Improvements in the design and quality of tests would also be realized through the provision of training for teachers who propose questions for the assessment. Training for personnel of the National Assessment Division would also be designed to improve their capacity for question analysis.
- (c) **Studies.** The project would include several surveys to explore school and non-school variables which affect student achievement in the Dominican Republic. Results would feed into decisions on teaching requirements. Additional study would be supported to assess the advantages and disadvantages of using the assessment for diagnostic and promotion purposes, the current SEEBAC practice (para. 1.32).

2.11 A.5: School Nutrition Programs (US\$3.5 million, including contingencies). This component would improve children's learning capacity by expanding the nutrition and health interventions initiated earlier by the SEEBAC. Specific objectives would include: (a) improving the nutrition and health status of poor, school-aged children by reducing currently pervasive iron and vitamin A deficiencies, alleviating hunger, and reducing parasitic infections; (b) promoting improved nutrition and health practices affecting school-aged children; and (c) strengthening capacity for developing, implementing, and evaluating school nutrition and health programs. The component would support activities in five distinct areas, as described below. In addition, it would incorporate school nutrition and health in the new curriculum.

- (a) **School Feeding.** School feeding programs would be expanded by the Government to reach 300,000 school children. Under the project, the programs would be strengthened to improve impact and decrease the need for external assistance. Support would cover (a) administrative inputs, (b) training, particularly aimed at community level participants and SEEBAC personnel, and (c) development, implementation, and evaluation of alternative food products for school feeding.
- (b) **Micronutrients.** The project would provide iron and vitamin A fortification of school nutrition rations under the feeding program. To address micronutrient needs among children not participating in school feeding programs, the component would help to develop and test an iron and vitamin A supplementation program through schools.
- (c) **Deparasitization.** Based on the results of an ongoing pilot program, a school-based deparasitization program would be expanded by the SEEBAC in collaboration with the Secretariat of Public Health (SESPAS). All children participating in school feeding programs are expected to be covered by this program through the SEEBAC.
- (d) **Institutional Strengthening.** By providing support to the newly-created Institute for School Nutrition (INDOFANE), the component would increase the capacity for developing and executing school nutrition and health programming. The support would include local and international technical assistance, training of INDOFANE personnel, and studies on children's nutritional status and needs and on cost effectiveness of particular interventions.
- (e) **Information, Education, and Communication Programs.** The component would continue the development and implementation of the programs started during the Plan's first phase. Support would include training, development of materials for school and community use to be provided through the proposed educational materials entity (para. 2.7.b), and monitoring and evaluation of student nutrition status.

2.12 **A.6: School Facilities** (US\$48.1 million, including contingencies). The project would provide for expanding and rehabilitating about 6,800 classrooms; materials for preventive maintenance for 4,900 more; and limited construction of new classrooms. Excluding maintenance, the component would benefit 330,000 students in grades 1 to 8 and 40,000 preschool students (about 30 percent of the relevant age group), and would account for 30 percent of the SEEBAC's physical plant investment requirements through 2000. Specifically, support would be provided for:

- (a) Building 70 new classrooms in 40 multigrade schools which currently do not meet minimum standards;
- (b) Rehabilitating 1,600 and replacing 400 classrooms in about 420 schools which are in an advanced state of deterioration;
- (c) Repairing 5,125 classrooms in 1,500 schools which are structurally sound but suffer from inadequate maintenance; and
- (d) Providing financial transfers to PAs to provide preventive maintenance to the 4,900 classrooms (US\$300 per classroom per year), which have been improved under Ten-Year Plan.

Outside of the project, the German Kreditanstalt für Wiederaufbau (KfW) also plans to assist with upgrading of school facilities in two of the country's poorest regions during 1996-2000. A loan of the order of US\$10 million is being considered.

2.13 In line with targeting criteria to be employed (para. 2.2), 1,000 classrooms for preschool education would be included in these sub-components. The project would also provide 1,000 classrooms lacking furniture with desks (both for teachers and students), shelves, book cases, and chalk boards.

2.14 Beyond use of targeting criteria and results of the 1995 facilities inventory, determination of which schools receive rehabilitation or classroom replacement would be devolved to the district level, with input from plans developed by PAs and SEEBAC district community participation technicians. Regional PA councils and SEEBAC authorities would similarly coordinate decisions on new classroom construction. Schools would base preventive maintenance decisions on plans developed by their respective PAs and school directors, based on SEEBAC guidelines.

2.15 The SEEBAC would contract firms to carry out classroom construction and replacement. To avoid past problems with the quality and transparency of such work, the SEEBAC would also contract private firms and individuals to perform supervision. To attract supervisors for works at isolated rural schools, supervision contracts would combine such schools with more accessible urban ones. For minor repairs and maintenance, PAs would continue to identify school improvement requirements, contract materials from local retailers, and provide labor and supervision for the work. The SEEBAC's Department of School Supervision would provide technical assistance to support this effort, which would also incorporate works supervision.

2.16 A.7: Pilot Program to Support Private Schools Assisting Low-Income Populations (US\$3.7 million, including contingencies). This component, designed as a pilot, would initiate public support for private schools serving low-income populations. The pilot would be guided by the SEEBAC's Department of Private Schools but executed through NGOs.

- a) **Providing School Inputs.** The SEEBAC would identify and retain NGOs with experience in community assistance to identify schools to be upgraded based on population served. PAs and school directors at these institutions would prepare school development plans for NGO and SEEBAC review. It is expected that educational improvements would consist of the same inputs to be provided under the project to public schools, e.g., school materials and supplies for students and teachers, and teacher training through the SEEBAC programs. In the pilot phase, however, facilities improvements would be limited to minor works and provision of technical assistance on space use (e.g., to improve ventilation, lighting) and maintenance.
- b) **Institutional Support.** To ensure effective implementation, monitoring and follow-up, technical assistance and training would be provided for SEEBAC's Department of Private Schools. A new private school management information system would be strengthened and integrated into the SEEBAC's to provide improved census and base-line educational and other data. Based on experience under the pilot, proposals would be developed for broader support for private schools.

2.17 Component B: Management Inputs. (US\$16.7 million equivalent, including contingencies). The management component would support the gradual deconcentration of SEEBAC responsibilities and strengthen the effectiveness of resource use in the sector. It would further support monitoring and evaluation of the Plan, and selected studies.

2.18 B.1. Institutional Strengthening and Staff Development: (US\$3.6 million, including contingencies). The project includes technical assistance and training for SEEBAC administrators designed to strengthen key planning, programming, budgeting and implementation support functions. All of the SEEBAC's 91 senior management staff, 1,400 technical staff, and directors of schools with more than 600 students would participate. Specifically, the component would be composed of the following:

- a) **Management Support.** The project will provide technical assistance and equipment to the SEEBAC to develop improved management procedures and processes focusing initially on budgetary, accounting and financial systems. It would also finance a study to support administrative deconcentration.
- b) **Establishing Continuous Training.** Managers of administrator training and SEEBAC training staff would be prepared by consultants during the first year of the project to design and deliver or contract training and on-the-job support for strengthening of management procedures and practices, e.g., in the budgeting area.

Training would be organized by theme and delivered in one or more three-day workshops conducted in district, regional, and central offices, and supplemented using radio. Visits to schools and offices undertaking innovative best practices would also be organized. Training would be organized to correspond with regular tasks of the administrators. Follow-up would be provided by the SEEBAC training staff and consultants, and selected supervisors, in the case of school directors.

2.19 B.2: Management Information System. (US\$4.0 million, including contingencies). The MIS component is designed to strengthen communication linkages within the SEEBAC and between the SEEBAC and schools, and to extend and integrate the use of the various new information systems developed under the Plan.

2.20 The component would link the central SEEBAC to sub-national offices, schools, and communities by:

- a) Completing an already-initiated telecommunications network (telephones and computers) linking central offices to the SEEBAC's 11 regional offices, 81 district offices, and the 504 schools serving more than 600 students; and telephonic links with other schools where such links are available.
- b) Installing a one-way radio communication system for 700 small rural schools, to make possible more efficient diffusion of educational and management material for teachers and directors. The feasibility of developing a fully interactive radio system for rural areas would be explored by a pilot project involving 190 rural schools in three regions.

2.21 The component would also complete the modernization of the central SEEBAC's data processing systems. It would integrate all SEEBAC units, including semi-autonomous entities, into the MIS, consolidating and adapting for appropriate use at each administrative level the main sub-systems of the SEEBAC (para. 1.41). Computer equipment and software would be provided to link all district offices and larger schools to the MIS. The SEEBAC has ascertained that these 700 schools have the resources to cover 30 percent of investment cost (about US\$0.5 million) and would be expected to contribute. Much information would continue to be collected at the school or district levels, and transferred to the central SEEBAC, where it would be processed and disseminated in easily understandable formats.

2.22 These measures would aid the SEEBAC to use effectively a wide variety of data including school and student data, assessment data, and financial management data. The linkages should also facilitate bottom-up flows of key information. Consistent with the SEEBAC's commitment to improve staff qualifications with regular training, the component would provide MIS training for all SEEBAC staff at the central, regional and district levels and all school directors.

2.23 B.3: Community Participation (US\$2.5 million, including contingencies). Community participation is a central element of the Ten-Year Plan, incorporated in most project components.

The community participation component would serve to bolster the capacity of the parents associations to take greater advantage of their role at the school level. It would seek to deepen PA involvement in school planning and monitoring through the following sub-components:

- a) The establishment, by the SEEBAC, of a National School for Community Participation, a ‘school without walls’ intended to integrate PAs more fully into the basic education system’s planning, management, and evaluation. The program would be administered by the SEEBAC’s Directorate of Community Participation and provide organizational and leadership training to parents elected by peers to serve as the PAs’ participation facilitators. It would also provide specific training in areas of PA involvement, e.g., fund-raising, school maintenance, monitoring of attendance by teachers and students, to groups of PA representatives, and attempt to prepare and encourage women to seek positions of leadership within the PAs (para. 1.15). Further training would also be directed to the SEEBAC’s district and regional participation facilitators, who would link communities with the SEEBAC and provide continuous support.
- b) The provision, for some 640 schools, of funds for modest educational improvements (e.g., for complementary materials). The improvements would be financed through annual transfers to district offices, which in turn would channel these resources on a competitive basis to schools whose PAs offer to meet a share of the costs, draw up a school development plan, and meet project targeting criteria.
- c) As the SEEBAC increases the number of district participation facilitators, from 50 to about 250, the component would improve their access to rural communities. It would provide 250 motorcycles for re-sale (at cost) to the facilitators. Payments would be automatically deducted from salaries, as under the ongoing projects for district supervisors.
- d) The component would also assist the SEEBAC in: (i) the production of print and audio-visual materials for PAs; (ii) organization of district, regional, and national meetings for PA members to promote participation; and (iii) monitoring of the achievements of participation.

2.24 B. 4: Monitoring and Evaluation System (US\$2.1 million, including contingencies). A Plan and project monitoring and evaluation system (MES) would be established within the Project Coordination Unit (PCU) and integrated into the SEEBAC’s management information system and community feedback mechanisms. It would be composed of the following sub-systems:

- (a) **Monitoring.** The monitoring system would assist PCU and SEEBAC staff to observe and track performance indicators identified for each project component.. An information bank would measure progress over time. The system would also consist of field observation and focus groups and surveys of the beneficiaries.

- (b) **Evaluation.** The evaluation system would measure the project's impact. It is designed to ascertain whether or not project interventions are producing intended results, cost-effectively. Included would be the use of a framework to link specific interventions to project goals and objectives. Evaluations would be annual, supported through the execution of a base-line study at the beginning of the project (See Annex 4), which would incorporate data required to assess the impact and cost-effectiveness over time of each project component. In line with Plan and project objectives, key indicators of impact for basic education, based on system performance and expenditure, have been selected for continuous review during 1996-2000. These are:
- (i) Reducing repetition rates from 13 to 10 percent; and dropout from 11 to 5 percent;
 - (ii) Increasing enrollment rates from 92 to 97 percent;
 - (iii) Increasing completion rates from 45 to 50 percent (grades 1-8);
 - (iv) Increasing in-class instruction time from 684 to 770 hours;
 - (v) Increasing public expenditure on education to 16 percent of total public expenditure, recurrent expenditure per student from US\$86 to US\$140, and expenditure as a share of GDP from 1.8 percent to 2.9 percent, including continuous improvements in incentives for teachers and administrators; and
 - (vi) raising student achievement as measured by the national assessment.

During negotiations, the Government provided assurance that it would take all necessary measures to achieve progress towards the performance and expenditure targets, set out in an Implementation Letter.

3. PROJECT COSTS, PROCUREMENT, DISBURSEMENT, AND AUDITS

A. Project Costs and Financing

3.1 Project Costs. Total project costs, including physical and price contingencies and excluding taxes, would be US\$100.0 million equivalent (Annex 5). The IDB loan of US\$52.0 million would finance 52 percent of the total; an IBRD loan of US\$37.0 million would finance 37 percent of the total, and the Government would finance an amount equivalent to 11 percent. Thirty percent of the total cost, US\$30.0 million, would be foreign exchange.

3.2 Costs are estimated at July 1995 levels in U.S. dollars. Physical contingencies of 5 percent for civil works are included in the total project cost. Annual price contingencies are calculated at the projected international rate of 2.6 percent. This rate was applied to local as well as foreign costs; periodic exchange rate adjustments are expected to compensate for differences between projected US\$ inflation and local inflation rates. Estimated costs for civil works and maintenance materials are based on recent prices for similar works and the relevant materials. Estimated costs of equipment, furniture, and vehicles are based on current c.i.f. unit prices, adjusted to include local transportation costs. Estimates for technical assistance and studies are based on recent international and local costs.

Table 3.1: Project Cost Summary

	Foreign	Local US\$ million	Total
Educational Development			
National Curriculum Reform	0.7	2.4	3.1
Educational Materials and Resources	5.7	5.7	11.4
Human Resources Development	0.6	7.3	7.9
National Student Assessment	0.4	2.5	2.9
School Nutrition Programs	1.6	1.6	3.2
School Facilities	11.6	31.5	43.1
Pilot Program to Support Private Schools Assisting Low-income Populations	0.5	2.9	3.4
Subtotal Component Educational Development	21.1	53.9	75.0
Management Development			
Institutional Strengthening	1.2	2.0	3.2
Management Information System	2.7	1.0	3.7
Community Participation	1.1	1.2	2.3
Monitoring and Evaluation System	0.5	1.4	1.9
PCU	0.3	3.8	4.1
Subtotal Management Development	5.8	9.4	15.2
Total Baseline Costs	26.9	63.3	90.2
IDB Supervision	0.5	-	0.5
Physical Contingencies	0.3	1.6	1.9
Price Contingencies	1.9	5.5	7.4
Total Project Costs	30.0	70.0	100.0

Note: Totals rounded.

3.3 Financing Plan. The banks would finance 89 percent of the project, and the Government 11 percent. The bank loans would cover 100 percent of the project's estimated foreign exchange costs and 85 percent of local costs. The banks will share the financing of major components,

though discernible subcomponents will be financed by each. The KfW is considering financing approximately US\$10 million equivalent in the area of civil works for basic education (para. 2.12). This, if confirmed, would be considered incremental to the works included under the project to be supported by the IDB and the IBRD.

Table 3.2: Financing Plan

	Foreign	Local (US\$ million)	Total
Government of the Dominican Republic	0.0	11.0	11.0
IBRD	8.5	28.5	37.0
IDB	21.5	30.5	52.0
TOTAL	30.0	70.0	100.0

3.4 Incremental Recurrent Costs. During the implementation period, the project will add an average of US\$2.3 million per year to the recurrent expenditures of the SEEBAC. These incremental operating costs would be generated mainly by consultant fees and operating expenses of the PCU, and materials for preventive maintenance of school facilities (Annex 8). The operating expenses and maintenance materials costs would be financed on a declining basis by the IDB and IBRD loans. In addition, to sustain project inputs and benefits beyond the implementation period, an estimated US\$9 million equivalent annually would be required, primarily to finance materials replacement on a continuous basis as well as school maintenance, the national assessment, and nutrition and parents association support. This amount would represent about 4 percent of the SEEBAC resources projected for 2001 (Annex 9). With economic growth forecast to grow at a minimum of 3 percent annually over the medium-term, the project should not present an undue financial burden on the Government.

Table 3: Incremental Recurrent Costs of the Project During Implementation

US\$ mln.	1995/6	1996/7	1997/8	1998/9	1999/2000
Government	0.0	0.8	1.7	2.3	1.6
Banks	1.2	2.4	1.7	0.4	0.0

B. Procurement

3.5 The project would include procurement of civil works for new construction, rehabilitation and minor repairs and preventive maintenance materials for school infrastructure. The project would also finance the development of textbooks, procurement of library books and other educational classroom packages and supplies, school and office furniture, radio and computing equipment, vehicles, and printing services for informational and assessment materials, textbooks, workbooks, educational newspapers and teachers' guides. In addition, the project would finance studies and technical assistance services. Procurement of goods and works would be carried out

through parallel financing with the IDB in accordance with each bank's procurement guidelines. Procurement under IBRD financing would be conducted in accordance with IBRD's guidelines for procurement (January 1995). The project would be supported by experienced staff in the PCU who have acquired substantial experience in handling NCB and ICB procurement under the ongoing IBRD and IDB-assisted basic education projects. Specific procurement and disbursement procedures under the Banks' procurement guidelines would be incorporated into the project operational manual (para. 4.4). Technical assistance and training will be made available when needed to ensure acceptable procedures.

3.6 Contracts would be packaged whenever possible to take advantage of economies of scale and to ensure the quality of the goods and services procured and their consistency with project objectives. Procurement arrangements for IBRD are summarized in Table 3.2 below. Procurement of printing services and technical assistance for design of didactic and informational materials would be contracted by the educational materials agency following IDB procedures. For ICB, the PCU would use the standard bidding documents (SBDs) issued by the IBRD, with such modifications as agreed by the Bank to be necessary for the purpose of the project. For national competitive bidding (NCB), SBDs as agreed by the Bank with the Government of the Dominican Republic would be used. The SEEBAC has prepared draft standard bidding documents for goods and services for the project. These would be finalized in agreement with the IBRD (para. 4.4).

3.7 **Civil Works.** Both Banks would finance against works totaling approximately US\$35.0 million in value. These comprise new construction, rehabilitation and repair of classrooms. ICB is not expected but would be used when packages equal or exceed the equivalent of US\$3.0 million in value. To the extent practicable, new construction works would be packaged in contracts to exceed US\$250,000 equivalent in value and awarded following NCB procedures, without restriction to participation of foreign bidders. For works valued at US\$250,000 equivalent or less, lumpsum, fixed price contracts would be awarded on the basis of three quotations, up to an aggregate limit of US\$3.0 million equivalent. However, within this latter limit, for rehabilitation or minor works in scattered, distant rural areas, direct contracting may be used for contracts under US\$50,000, up to an aggregate limit of US\$0.8 million equivalent.

3.8 **Educational Materials.** IDB would finance printing of textbooks, workbooks and teachers guides and distribution services for these materials. IBRD would finance library books and classroom didactic materials and supplies of approximately US\$11.2 million equivalent in value and printing of nutritional information materials. One large package for classroom materials would be procured each year following ICB procedures. For contracts valued at less than the equivalent of US\$250,000 and subject to an aggregate limit of US\$2.0 million, NCB procedures would be used, without restricting participation of interested foreign suppliers. For purchases valued at US\$50,000 equivalent or less, national shopping procedures would be followed up to an aggregate limit of US\$1.8 million equivalent.

3.9 **Other Goods.** IDB would finance school furniture, communications and office equipment and supplies. Other goods in the project would be financed by IBRD. These include one package each of computer equipment and of vehicles, valued at US\$200,000 equivalent, each, to be procured under limited international bidding procedures. The IBRD would finance small

purchases of materials to be used under the preventive maintenance program through national staffing procedures. Annual purchases by PAs under this program will not exceed US\$10,000 equivalent per school in classrooms improved under the ongoing loans.

3.10 Pharmaceuticals. The IBRD would finance procurement, inspection and distribution services of micronutrients and pharmaceuticals under the nutrition program in the project. Procurement of these goods would be carried out following LIB procedures. The SEEBAC would ensure the selection of a list of international suppliers which meet World Health Organization quality control requirements. These items would be procured in packages, allowing for phased delivery, with IBRD financing amounting in total value to US\$0.4 million.

3.11 Training, Technical Assistance and Studies an the PCU. The project would finance technical assistance and consulting services to prepare studies, design information campaigns and provide training. It would also finance contracts of fixed-term consultants in the PCU. The studies to be performed under the project, center on, but are not limited to the decentralization of educational management and educational effectiveness and financing. For subcomponents financed by IBRD, individual consultants and consultant firms carrying out technical assistance, including auditing services, would be hired following IBRD Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency (August 1981). During appraisal, training programs, technical assistance and studies to be financed under the project were reviewed and agreed with the SEEBAC. For contracting training, technical assistance and studies under the project, a standard invitation package and forms of contracts would be agreed with the IBRD, and have been drafted by the SEEBAC.

3.12 Costs not Involving Procurement. Nearly 8 percent of total project costs, or US\$7.7 million equivalent, do not involve procurement. These costs include mainly incremental operational expenses.

3.13 Review by IBRD. Prior review by the IBRD would be required for: (a) all annual procurement plans prepared by the SEEBAC; (b) procurement procedures and documentation for all tender packages and contracts for goods and works for ICB, for goods under LIB, the first contracts for goods and works under NCB, and all works contracts equal to, or more than, US\$500,000 equivalent. It is expected that these arrangements would permit review of nearly 65 percent of contracts by value, since a large portion of IBRD financing would be for small works in school infrastructure to be awarded under NCB procedures. All terms of reference for technical assistance and studies would be subject to prior review by the IBRD. Documentation for contracts with consultant firms, valued at US\$75,000 or more, and for individual consultants, valued at US\$35,000 equivalent or more, would also be subject to prior review by the IBRD. These thresholds are justified, based on review of estimated costs and the nature of required consultant services. All other documentation would be subject to ex-post review during auditing and by IBRD supervision missions, on a random basis.

3.14 No recent Country Procurement Assessment on the Dominican Republic is available. However, procurement regulations clearly authorize the application of procurement procedures of international financial institutions for the procurement of civil works, goods and services, where the financing for such procurement comes from such institutions.

Table 3.2: Procurement Arrangements
(US\$ millions)

Category	ICB	NCB	OTHER	IBRD Total	NBF	Project Total
Civil Works		15.1 (11.8)	3.0 (2.4) ¹	18.1 (14.2)	16.5 (16.5)	34.6 (30.7)
Goods						
A. Education Materials	1.8 ² (1.8)	2.0 ³ (1.4)	1.8 ⁴ (1.8)	5.6 (5.0)	11.2 (11.2)	16.8 (16.2)
B. Other Goods						
Equipment			0.4 ⁵ (0.4)	0.4 (0.4)	9.2 (8.5)	9.6 (8.9)
Furniture					4.2 (4.1)	4.2 (4.1)
Maintenance Materials			4.4 ⁵ (4.0)	4.4 (4.0)	4.3 (0.3)	8.7 (4.3)
Training			6.2 (6.2)	6.2 (6.2)	8.0 (8.0)	14.2 (14.2)
Consultant's Services			6.6 ⁶ (6.6)	6.6 (6.6)	6.6 (6.4)	13.2 (13.0)
FIV ⁷					0.5 (0.5)	0.5 (0.5)
Pharmaceuticals			0.8 ⁸ (0.4)	0.8 (0.4)		0.8 (0.4)
Incremental Operating Expenses					0.7 (0.3)	
Total	1.8 (1.8)	13.1 (13.2)	23.2 (21.6)	42.01 (37.0)	57.8 (52.0)	100.0 (89.0)

Note: Figures in parenthesis are the respective amounts financed by IBRD and, for Non-Bank Financed (NBF), by the IDB.

Figures rounded.

- ¹ Includes US\$2.2 million for lump sum fixed-priced contracts, US\$0.8 million of direct contracting.
- ² Library materials to be procured by ICB - 2 step, testing materials and classroom didactic packages.
- ³ Includes US\$1.4 million of educational materials and 0.6 for printing services.
- ⁴ Includes US\$0.1 million of classroom materials and US\$1.2 million of educational materials and US\$0.5 million of school supplies, to be procured under national shopping procedures.
- ⁵ Includes US\$0.4 million for vehicles and computing equipment to be procured LIB, and US\$4.4 million for materials for the preventive maintenance program to be purchased by PAs through national shopping.
- ⁶ Includes studies, technical assistance and long-term consultants in PCU.
- ⁷ Inspection and supervision fee.
- ⁸ Vitamins and vaccines.

C. Disbursements

3.15 The proposed project would be implemented over a period of five years, beginning early 1996 (Annex 10). The proceeds of the IDB and IBRD loans would be disbursed over a period of five and a half years, ending June 30, 2001 (Annex 7).

3.16 **Disbursement of IBRD Funds.** The proceeds of the IBRD loan would be disbursed as follows: (a) civil works - 78 percent of construction, rehabilitation and minor repair; (b) educational materials and printing, and equipment - 100 percent of foreign and 92 percent of local expenditures; (c) maintenance materials - 100 percent until withdrawals have reached an aggregate amount equivalent to US\$1.3 million, and 70 percent thereafter; (d) pharmaceuticals - 50 percent of expenditures; and (e) training, technical assistance and studies and fixed-term contracts for staff in PCU-100 percent of expenditures, excluding taxes.

3.17 In view of the advanced preparation and the scheduling of the project, retroactive financing would be provided for eligible expenditures incurred after May 1995, up to an amount of US\$0.5 million equivalent. Proceeds of the loan would be disbursed against expenditures that would be submitted to the IBRD and fully documented for contracts valued at: (a) US\$500,000 equivalent or more for works; (b) US\$ 250,000 or more for goods, or if awarded through LIB procedures; (c) the first contracts to be awarded for goods and works through NCB; (d) US\$75,000 or more for consulting firms; and (e) US\$35,000 or more for individual consultants. Claims for expenditures of lesser amounts would be disbursed against presentation of statements of expenditure (SOEs), for which the supporting documentation would be retained by the SEEBAC for inspection by the banks and by external auditors. A Special Account would be opened in the Central Bank with an initial deposit of US\$600,000, rising to US\$1.8 million after withdrawals and special commitments reach US\$5.5 million. Payments from the Special Account would be made at the exchange rate prevailing at the date of expenditure, pertain to eligible expenditures and be supported by the required documentation. The Government would establish a project account in local currency with an initial deposit equivalent to US\$400,000, or about four months local contribution. **During negotiations, the Government agreed to allocate and make available annually the counterpart funds required for project implementation, set out in the Implementation Letter, and to maintain a project account in pesos throughout project implementation. A condition for IBRD loan effectiveness (and IDB disbursement) would be the establishment and initial provision of US\$400,000 equivalent for this account, and confirmation of the availability of the budget allocation required in the first year of project implementation.**

D. Accounts and Audits

3.18 SEEBAC would establish and maintain separate accounts and records for each loan to reflect, in accordance with sound accounting practices, the resources and expenditures related to the project. The SEEBAC would maintain a consolidated account of all resources and

expenditures under the project. These accounts would be audited annually by private independent auditors satisfactory to the IDB and IBRD. The audits, which would include a separate opinion on the adequacy of statements of expenditures as a basis of loan disbursements, would be forwarded to the banks no later than six months after the end of each fiscal year during the period of project execution. To support the timely provision of audit reports, SEEBAC will contract the auditing firm at the beginning of each project year to be considered for the auditing exercise. The annual audits would also cover a random sample of the records and accounts maintained by parents associations. The PCU would set up, before effectiveness, a chart of accounts and develop an administrative manual for the financial operation of the project. The accounting system would allow for reconciliation of the project accounts with the general budgetary accounting system of the SEEBAC. **During negotiations agreement was reached that the Government would: (a) have the records and accounts for each fiscal year audited by independent and qualified auditors, in accordance with generally accepted auditing standards and procedures; (b) furnish to the banks as soon as available, but in any case not later than six months after the end of each year, a certified copy of the agreed audit reports; and (c) furnish to the banks such other information concerning the records and accounts as well as the audit as the banks would from time to time reasonably request. A condition of effectiveness would be the adoption by the Government of an internal accounting system satisfactory to the IBRD.**

4. PROJECT MANAGEMENT AND SUPERVISION

A. Project Implementation

4.1 SEEBAC will be responsible for the execution of the project. An agreement between the borrower and the executing agency to transfer resources from the IDB loan will be a condition for IDB disbursement.

4.2 **Management Structure.** The Secretary of the SEEBAC would be responsible for project management. The Secretary would be assisted by a single Project Coordination Unit (PCU). Daily operations would be supervised by a Project Coordinator. The Project Coordinator would be responsible for two units within the PCU: the Technical Unit, which would monitor and support technical execution of project components, focusing on the build-up of decision-making and implementation capacity within the respective SEEBAC departments during project implementation; and the Administrative Unit, which would manage the project's personnel, procurement, finance, accounting, and auditing activities. The PCU would be staffed by about 16 local consultants, including the Project Coordinator, Chief of the Administrative Unit, Chief of the Technical Unit, and consultants for each subcomponent. In the Technical Unit, consultants for the subcomponents would serve as advisors to the chiefs of the relevant SEEBAC departments (i.e., the consultant responsible for school rehabilitation would support the Director of School Facilities). Direct implementation would be carried out by the SEEBAC's district offices, with support provided or arranged by the PCU and central and regional SEEBAC offices. For maintenance and minor repair of school facilities, the PAs would be responsible for implementation.

4.3 The PCU would provide funds (US\$300,000 equivalent) for paying regular SEEBAC staff involved with the project for extra hours worked on priority project activities. Criteria for fund use include payment at the actual salary rate for hours worked beyond the official working day, which ends at 2:30 p.m. Financing for PCU operations is included under the project. **As a condition of effectiveness (IDB disbursement) of the proposed project, the Government would have established the PCU and appointed the PCU Coordinator with qualifications and terms of reference acceptable to the IBRD.**

4.4 **Implementation Processes.** Implementation procedures for the project would be set out in an operational manual. The manual would describe implementation responsibilities and processes by subcomponent, financial flows and control mechanisms, procurement arrangements and targeting and cost-sharing criteria. For procurement, standard bidding documents acceptable to the banks would be included (paras. 3.5-3.6). **As a condition for effectiveness for the IBRD (disbursement for the IDB) the Government would be asked to finalize and put into use an operational manual acceptable to the banks, incorporating standard bidding documents.**

B. Project Monitoring and Review

4.5 Monitoring. The banks and PCU will monitor the key indicators of Plan and project achievements as well as physical and financial implementation of project components (para. 2.24 and Annex 4). The efficiency and coverage targets are based on analysis of information made available by the SEEBAC and would be adjusted during project implementation on the basis of indicators generated through the SEEBAC's management information system and national assessment system. The targeted gains are projected on the basis of quality improvements expected to result from project expenditures and inputs and the Government's continued financial and political commitment to improving basic public education.. Because achievements in the provision of project inputs (e.g., number of teachers trained, number of students provided with texts and workbooks) would largely determine the progress toward the performance targets, these inputs would also be closely monitored.

4.6 Annual Review. The results of project monitoring would form a central focus of an annual review of project implementation. The review would be conducted by the SEEBAC and submitted for review to the IDB and IBRD (Annex 7). It would assess the previous year's progress toward achieving expenditure, management, and physical targets, and establish targets and schedules for the following year. Resolution of implementation problems and adjustments in project content would also form a focus of the reviews. **During negotiations, the Government agreed to furnish to the banks, by February 1 each year, a report of results of implementation for the previous year and proposed activities and budgetary allocations the following year; and to undertake, by February 28 of each year, beginning in 1996, an annual review of project execution jointly with the IDB and IBRD.**

4.7 Mid-Term Review. The third annual review would be the mid-term review and would be undertaken jointly by the IBRD, IDB and the SEEBAC. It would assess overall project performance and initial impact in the light of Plan and project objectives. **During negotiations, the Government agreed that it would conduct jointly with the IDB and the IBRD an in-depth review of project implementation, and prepare, on the basis of that review, action plans satisfactory to the banks to be initiated by February 28, 1999.**

4.8 Project Supervision. The project would require close supervision, especially if new leadership is appointed to the SEEBAC following planned 1996 elections and if the SEEBAC continues to deconcentrate management responsibilities as is currently contemplated. Bank missions would visit a broad sample of participating regions at least once every year for the first two years of the project. For the first year, supervision requirements are estimated at 20 staff-weeks of headquarters staff and comprehensive continuous supervision from the IDB Representation in the Dominican Republic. From the second year on, supervision requirements would decrease to about 15 staff-weeks of headquarters staff annually. Local supervision would play an important role, particularly for components entailing local management of project resources such as school rehabilitation and maintenance; about 10 staff-weeks per year of local supervision would be needed.

5. PROJECT BENEFITS, ECONOMIC JUSTIFICATION AND RISKS

A. Project Benefits

5.1 Main Benefits. The proposed project aims to strengthen and extend coverage of basic education. Achievement of targeted increases in expenditure, including the regular provision of teacher training and student and teacher materials, together with systematic assessment of student achievement, should raise the overall quality and efficiency of basic education. While all children in the relevant age-group stand to benefit from the project, the greatest share of benefits will accrue to the poor, who would be the main beneficiaries of preschool inputs, school feeding and school facilities upgrading. This group represents about 400,000 children, or about 30 percent of anticipated enrollment in public basic education during project implementation. Reaching the program's management development objectives would further contribute to improvements in overall resource management at the central and local levels. In particular, the planned maintenance of widespread national support and oversight for the Ten-Year Education Plan, and of enhanced community participation at the school level, could be expected to help sustain improved educational quality and efficiency of basic education.

5.2 Environmental Aspects. The project would enhance environmental conservation through introduction of environmental themes in the basic education curriculum and is rated "C".

5.3 Poverty Category. The proposed project falls under the program objective category of poverty reduction and incorporates a program of targeted poverty interventions (para. 2.2). The preschool expansion, school nutrition and facilities rehabilitation and expansion components would target poverty groups based on income and nutrition data. The pilot support for private schools would also target low-income students.

5.4 Participatory Approach. The proposed project focuses heavily on use of participatory techniques at all levels, e.g., from involving a broad spectrum of interest groups in Plan design to supporting parents participation in management at the school level. Mid-term results under the current project confirm that this participation accounts largely for the Plan's early success. Continued broad support and local participation will be important components of the proposed project.

B. Economic Justification

5.5 Feasibility. As part of the project preparation exercise, a financial model was developed to assess the feasibility of Plan expenditure targets (Annex 8).⁵ Financing targets, consistent with the Ten-Year Plan, for salary and other recurrent expenditures and capital expenditures, and enrollment projections were incorporated in the model. The model also includes projected population growth and conservative projections for GDP growth (3 percent per annum) through 2006, employment growth and fiscal policies and debt servicing capacity. Based on these projections, model results indicate that public expenditure on education would need to grow to nearly 16 percent of total public expenditure by 2000. The ratio of education expenditure to GDP would reach 2.4 percent and recurrent expenditure per student, about US\$140. Trends in overall and education expenditure, particularly March 1995 salary increases of about a third, the increased interest of all political groups and civil society in public education, and the likelihood that any new government will address the remaining sectoral issues permit the banks to assess the model's scenario as reasonable and likely. On the cost side, the estimated jump in recurrent expenditure per student from US\$86 in 1995 to US\$140 in 2000 will be partially offset by an estimated savings as a result of reduced student repetition equivalent to 3 percent of projected expenditure on SEEBAC programs and by a significant shift in the balance between capital and recurrent expenditures, in favor of recurrent expenditures (Annex 9).

5.6 Cost-effectiveness. Investment in basic education generally has a high economic return and is recognized as a prerequisite for improving labor productivity and earning capacity. In line with results obtained elsewhere, evidence that basic education warrants investment is strong for the Dominican Republic. Using 1991 data and the Psacharopoulos and Ng model, rates of return for basic education were estimated, yielding a social rate of return of 18 percent for individuals completing grade 4 as compared with those with no education, and a 14 percent return for those completing grade 8. Private rates of return relative to individuals without any education were: 20 percent for those completing grade 4 and 15 percent for those completing grade 8. In view of favorable prospects for medium-term growth and anticipated improvements in quality of basic education, the average rates of return could be expected to continue or improve in the future.

5.7 Systematic analysis of the cost-effectiveness of the particular investment inputs selected for the project versus alternative inputs, was not undertaken owing to a lack of data. However, project inputs would build largely on those provided through the Plan during 1991-95. These inputs have contributed substantially to the efficiency and quality gains achieved over that period, as evident in a reported 35 percent reduction in student repetition and a 125 percent increase in the student completion rate for grades 1 - 8. Based upon IBRD and other experience, the proposed project inputs represent economical solutions to providing goods and services considered to be effective for raising the quality and internal efficiency of basic education (Annex 9). Included are the large educational materials, teacher training and facilities upgrading programs, as well as the student assessment system. The latter, together with the community participation and continued stakeholder involvement at the national level, would serve to enhance

⁵ Ceara, Miguel. *Financiamiento del Plan Decenal de Educación, Centro de Investigaciones Económicas del Caribe (CIECA)*, June 6, 1995.

accountability and promote effective use of resources. The project would establish the requisite baseline information to monitor the cost-effectiveness of project inputs in the future. Specific tradeoffs, which were considered in project design, centered on teachers: Optimum levels of training and a significantly extended school-day were traded based upon affordability for lower-cost solutions for the medium term.

C. Risks

5.8 The main risks to further, effective execution of the Plan center on political and macro-economic uncertainties, potential financing constraints, and continuing weaknesses in technical capacity of the SEEBAC. A risk exists that opposition parties and the teachers union would reduce support for the Plan prior to, or after elections, currently planned for April 1996. The risk of a decline in funding for basic education, through diversion of discretionary funds, could also result from political change. These risks are reduced by continued emphasis on incorporating all stakeholders in the educational development process and the likelihood that future governments would continue to accord priority to the provision of basic education services. While the risk of a macro-economic downturn cannot readily be mitigated, the small share for project costs in total basic education expenditure, coupled with the low local contribution to project financing, should ensure continuous project funding. A final risk exists that SEEBAC's technical capacity may not be sufficient over the near-term to support efficient execution of the program. This risk will be minimized through the design of technical support to facilitate the transfer of skills to the SEEBAC. Continued improvement of incentives for administrators should also help attract increasingly qualified personnel to the SEEBAC.

6. AGREEMENTS AND RECOMMENDATIONS

6.1 **During Negotiations** agreement was reached with the Government:

- (a) to establish the educational materials agency within 12 months of loan effectiveness (para. 2.7d);
- (b) to take all necessary measures to achieve progress towards performance and expenditure targets as set out in the Project Implementation Letter (paras. 2.24b);
- (c) to allocate and make available annually the counterpart funds required for project implementation as set out in the Project Implementation Letter and to maintain a project account in pesos throughout project implementation (para. 3.18);
- (d) to have the records and accounts for each fiscal year audited by independent and qualified auditors; furnish to the IDB and IBRD not later than six months after the end of each year a certified copy of the agreed audit reports; and furnish to the banks such other information related to records and accounts as may be reasonably requested (3.19);

- (e) to furnish to the IBRD and IDB by February 1 each year, beginning in 1996, a report of results of implementation for the previous year and proposed activities and budgetary allocations for the following year (para. 4.6); and to undertake by February 28 of each year, beginning in 1996, an annual review of project execution jointly with the IBRD and IDB.
- (f) to conduct jointly with the IDB and the IBRD an in-depth review of project implementation and prepare, on the basis of that review, action plans satisfactory to the IDB and the IBRD to be initiated by February 28, 1999 (para. 4.7);

6.2 Conditions of Loan Effectiveness would include:

- (a) confirmation of the availability of the budget allocation required for the first year of project implementation and establishment and initial provision of funds for the project account (para. 3.18);
- (b) adoption of an internal accounting system for the project satisfactory to the IBRD (para. 3.19);
- (c) established the PCU and appointed the PCU Coordinator with qualifications and terms of reference acceptable to the IBRD (para. 4.3); and
- (d) finalization and introduction of the operational manual for the project satisfactory to the IBRD and IDB covering implementation responsibilities and processes by subcomponent, including financial flows and control mechanisms, procurement arrangements and model bidding documents, and targeting and cost-sharing criteria (para. 4.4).

6.3 **Recommendation.** Subject to the above assurances and conditions, the proposed project would constitute a suitable basis for an IBRD loan of US\$37.0 million for the Dominican Republic.

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT****THE BASIC EDUCATION SYSTEM****A. OVERVIEW**

1.1 Composition of the Education Sector. The education system consists of an eight year basic education cycle, followed by a four year secondary school education. A preprimary year for 5-year-olds is not yet mandatory. However, most urban public schools accommodate this level when space is available. There are a total of 7,918 public and private basic education and secondary schools: 6,277 public, 1,641 private in both urban and rural areas. Basic education is offered in 5,036 public schools and 1,641 private schools which includes pre-school, regular basic education, basic education for adults and special education. Enrollment in grades 1-8 has been increasing since 1991 from 952,000 to 1,195,000 with an expected increase to 1,586,400 in 2001. Enrollment in private schools is substantial. It is interesting to note that the participation of lower-income students in private schools is quite high. Students categorized in the 50% lower income group make up 39.1 percent of basic education enrollment, 42.9 percent of private basic education enrollment and 27.4 percent of private secondary enrollment. Middle income students are also found in similar proportions in private school enrollment: 39.1 percent in preschool, 43.6 percent in basic education and 49.4 percent in secondary education. Private education in the Dominican Republic does not cater exclusively to the upper income children.

1.2 Organization of SEEBAC. Primary and secondary education are managed by the Secretariat of Education, Arts, and Culture (SEEBAC). The SEEBAC is composed of a central office, 11 regional offices, and 81 district offices. Almost 40 percent of rural schools are single room multigrade schools which do not offer all eight grades. The SEEBAC employs about 3,000 administrators, and 28,400 teachers, including school directors. About 5 percent of teachers deliver preschool services, 69 percent provide basic education, 15 percent teach in secondary schools, and 11 percent are shared between adult education, vocational education, and normal schools (teachers' colleges). Higher education is the responsibility of the National Council for Higher Education, which operates independently from the SEEBAC. Girls and boys participate in basic education in equal numbers. The private sector accounts for 1 in every 5 students receiving basic education services and 2 out of every 5 students enrolled in secondary and higher education. The State currently provides public education free of charge, with the exception of fees charged for use of materials. Nominal tuition is charged at the tertiary level.

1.3 Management. SEEBAC's central office is responsible for all major decisions regarding financial, administrative and academic affairs. SEEBAC's central office is the

pivotal point for planning, programming, budgeting and management information system. The central government retains control over educational financing, with provincial and municipal governments playing no significant role. School accreditation, national curriculum, textbooks and national examinations are the responsibility of the central office. Private schools adhere to the national curriculum, textbooks and national examination system.

1.4 Financing. The SEEBAC currently devotes 1 percent of its spending to preschool services and 67 percent of national education spending to basic education. Secondary services receive 21 percent, and 10 percent of public spending is allocated to adult and technical education. Private investment in preschool, primary and secondary education account for a significant share of total education spending, and now makes up a quarter of overall allocations on preschool and primary education and almost 40 percent of secondary education.

BASIC EDUCATION STATISTICS¹

Table 1. Public Basic Education Enrollment and Rate of Promotion, by Grade: 1991-2001

		Enrollment in Thousands (% of Students Promoted)							
	Total	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
1991	952.9	260.8	171.2 (64%)	138.1 (52%)	108.6 (38%)	93.0 (32%)	77.7 (26%)	58.2 (21%)	45.3 (-%)
1992	990.3	275.2	157.4 (60%)	133.8 (50%)	112.1 (42%)	100.7 (35%)	86.2 (29%)	67.5 (23%)	57.3 (20%)
1993	1,026.8	277.1	163.6 (59%)	140.1 (54%)	122.9 (46%)	98.1 (37%)	88.6 (31%)	72.8 (25%)	63.4 (22%)
1994	1,195.5	254.2	216.5 (69%)	192.2 (61%)	156.3 (55%)	127.2 (44%)	101.5 (35%)	80.5 (27%)	67.2 (23%)
1995	1,287.8	249.4	218.4 (72%)	202.5 (63%)	181.4 (58%)	147.3 (50%)	119.8 (40%)	93.7 (31%)	75.4 (25%)
1996	1,376.9	243.5	219.8 (73%)	207.1 (67%)	193.7 (60%)	172.4 (53%)	140.0 (46%)	111.9 (36%)	88.5 (30%)
1997	1,454.0	237.8	218.5 (74%)	209.6 (68%)	199.6 (64%)	185.9 (55%)	164.7 (49%)	131.8 (41%)	106.1 (34%)
1998	1,515.0	232.5	216.3 (74%)	209.8 (69%)	202.9 (65%)	193.0 (59%)	179.0 (51%)	155.9 (44%)	125.7 (39%)
1999	1,559.3	226.0	215.0 (75%)	209.0 (69%)	204.3 (66%)	197.0 (60%)	187.1 (55%)	171.2 (47%)	149.7 (42%)
2000	1,580.0	225.9	209.3 (75%)	207.8 (70%)	203.6 (66%)	198.5 (61%)	191.1 (57%)	179.1 (51%)	164.7 (45%)
2001	1,586.4	226.4	208.8 (75%)	202.5 (70%)	202.4 (66%)	197.9 (62%)	192.7 (57%)	183.1 (52%)	172.6 (49%)

Table 2. Repetition and Desertion, by Grade

Grades	Average 1987-91		1994	
	Repetition	Dropout	Repetition	Dropout
Totals	17.6	21.3	13.2	10.9
1st	29.1	23.7	23.8	14.0
2nd	17.6	13.1	14.7	10.0
3rd	14.2	12.0	13.7	9.5
4th	12.3	16.4	11.1	12.0
5th	11.3	12.3	1.7	10.5
6th	10.2	27.5	1.9	10.0
7th	10.3	22.7	1.9	6.0
8th	9.1	n.a.	6.2	6.1

Table 3. Percentage of Students Completing Public Basic Education: 1992-2002

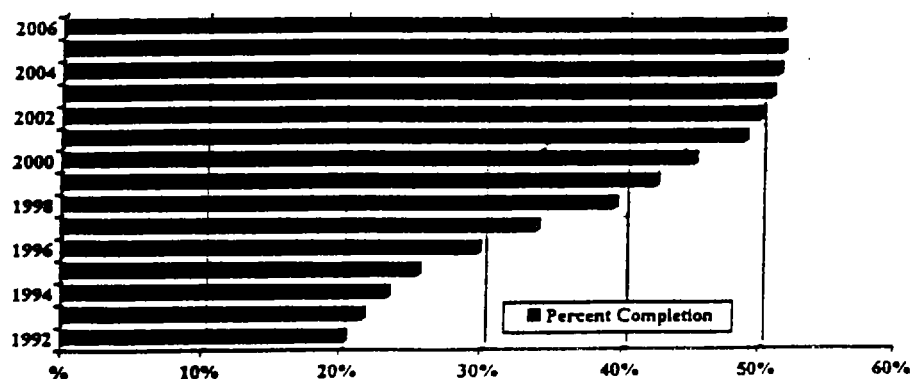
¹ Unless otherwise noted, the sources for this data are CIECA, SEEBAC, and the World Bank.

Table 4. Distribution of Students According to
Income Group and Level of Instruction

	50% Lower Income	40% Middle Income	10% Upper Income
TOTAL	(Percent)		
Preschool	n.a.	n.a.	n.a.
Basic	62.3	33.3	4.4
Upper Secondary	45.8	41.9	12.3
PUBLIC			
Preschool	n.a.	n.a.	n.a.
Basic	71.6	28.1	0.3
Upper Secondary	56.0	37.7	6.3
PRIVATE			
Preschool	39.1	39.1	21.8
Basic	42.9	43.6	13.5
Upper Secondary	27.4	49.4	23.2

Source: CIECA-UNICEF, *El Gasto Público Social en la República Dominicana en la Década de los Ochoenta*, 1993.

Table 5. Basic Education Students, by Sector & Region: 1994

REGION	Regional Totals	1994	
		Public	Private
National Total	1,314,036	1,026,628	287,408
Barahona	195,288	61,279	5,041
San Juan de la Maguana	215,008	66,881	4,879
Azua	221,853	70,825	5,602
Santo Domingo I	661,283	132,561	82,210
San Pedro de Macoris	345,116	92,199	27,799
La Vega	481,118	143,024	17,342
San Francisco de Macoris	367,255	113,116	10,115
Santiago	372,821	95,470	29,921
Mao	202,577	61,088	7,183
Santo Domingo II	726,071	149,457	89,864
Puerto Plata	136,524	40,728	7,452

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT**

Lessons of Previous Experience - IBRD

1. During the 1970s and 1980s, the World Bank group operations in the sector consisted of a series of partial successes and false starts. An IDA credit of US\$4.0 million (Credit 234-DO) was approved in 1970 and completed in 1977, two years behind schedule. It aimed at improving training for primary school teachers, strengthening the curriculum and structure of secondary education, and preparing a long-term plan for educational development. While technically sound, the development plan was not implemented due to difficulties encountered in managing its technical assistance component. Opposition from teachers and politicians precluded completion of the proposed reform of secondary education. A US\$8.0 million project (Loan 1142-DO), aimed at rationalizing the physical distribution of rural primary education, was approved in 1975. It financed the construction and equipment of rural community learning centers (RCLCs) and agricultural and vocational training centers. It also sought to upgrade the quality of teaching in the RCLCs. After a three year delay, the project created a number of RCLCs, a training program for primary teachers, and the National Institute for Vocational Training (INFOTEP). A third project, to improve rural primary education, was appraised in November 1981 but was dropped in 1983 by a new government because of a lack of willingness to borrow for social investment. A fourth operation, the Vocational Training Project, was approved in 1985 but was canceled in 1986 because of political differences between the President and the Board of INFOTEP, the project's beneficiary. The most recent operation is the ongoing Primary Education Development Project (Loan 3351-DO, US\$15 million). Its content, which centers upon teacher and supervisor training, student assessment, MIS development, school nutrition, facilities upgrading, and community participation, has been described in earlier sections of this report. Due to rapid and efficient implementation, the project will close two years ahead of schedule, in mid 1996.

2. The main lessons drawn from the mid-term review of the ongoing projects and earlier project implementation experience center on the importance of broad support among project stakeholders, appropriate technical designs and efficient implementation arrangements.

3. The success of the current projects assisted by the IDB and IBRD stems from strong government commitment and heavy investments in consensus-building by sector stakeholders. A relatively stable macro-economic environment also has contributed. These elements were lacking during implementation of the earlier projects, which foundered mainly on political differences between the government and the teachers' union, and unreliable counterpart financing. The proposed program would benefit from the momentum established under the Plan and ongoing projects and continued emphasis on maintaining broad support. Further support would accrue through the widespread participation of practitioners in the design of the new curriculum, administrator training, and the student assessment systems, and through expanded community participation at the school level.

4. Technical lessons have emerged from the implementation experience with the ongoing projects as well. Central among these is the need to retool curriculum, didactic materials, and school rehabilitation and maintenance components to account for the special needs of preschool education and multigrade classrooms. Institutionally and financially sustainable means for providing pre- and in-service training and educational materials of appropriate quality also would be necessary to replace temporary mechanisms based on loan financing. Further, early results suggest the need for strategic use of new information systems, including the student assessment, to strengthen monitoring and evaluation under the Plan.

5. Lessons drawn from project management experience also would be addressed in the proposed operation. Strong leadership from the Office of the Secretary of the SEEBAC, supported by competent project coordination units of the IBRD and IDB-financed projects, account for the success of implementation of the Emergency Phase of the Plan. However, institutional sustainability will depend upon the transfer of technical skills to the relevant central, regional and district offices of the SEEBAC. The proposed project would include support for effecting this transfer. Under the ongoing projects, the UNDP has executed the Bank's loan, and the IDB Resident Mission has provided close oversight of the SEEBAC's compliance with procurement and disbursement guidelines. These arrangements have speeded project execution and avoided problems stemming from SEEBAC's poor administrative apparatus. However, the complete separation of the Bank and IDB coordination units has unnecessarily increased overhead costs and limited coordination. Under the proposed operations, all project management functions would be integrated in one unit.

DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT
FRAMEWORK FOR DECONCENTRATED MANAGEMENT
OF BASIC EDUCATION

1. Recognizing the ill-effects of centralization, the SEEBAC is using a consensus-building approach to prepare the proposed Education law, intended for promulgation after the 1996 Presidential election. Under the proposed Law, administration and decision-making responsibilities would be divided respectively between (a) the SEEBAC staff at the school, district, regional and national level and (b) corresponding public councils, composed of the highest SEEBAC official at that level and elected representatives of parents associations, the teachers' union, civil society (e.g., churches, businesses, NGOs).
2. For schools, principals would be responsible for day-to-day management while the councils would prepare annual plans, programs, and operating and capital budgets. Parents associations would maintain their functions of teacher and student absenteeism supervision, procurement and labor for school rehabilitation and maintenance, and annual teacher evaluation. School council decisions would be submitted to their respective districts, which would become the SEEBAC/s primary axes for planning, programming, budgeting, supervision, technical assistance to schools, arbitrating conflicts within schools, coordinating school feeding services and in-service training to personnel with university and NGO providers, and recommending to the central government hiring and firing decisions for teachers and principals. Regional offices would recommend to the central government hiring and firing of SEEBAC district staff, consolidate the plans, programs, and budgets of their respective districts, and provide supervision and support to the districts. Consolidation of the national budget, payment of personnel, administration of the employment rosters, accreditation, curriculum, text book, and training design, and final arbitration of sub-national conflicts would remain at the central SEEBAC. The National Education Council, similar in composition to the district and regional councils, would approved the budget before its submission to the president for presentation to Congress.
3. In terms of the distribution and management of financial resources, each schools annually would receive a direct central SEEBAC appropriation to finance preventive maintenance, while parents would continue their responsibilities for managing school funds. The district offices would receive transfers to finance rehabilitation and classroom expansion. These transfers would be allocated in turn to the schools best meeting, in the district council's judgment, centrally-established targeting criteria. Regional offices would administer new school construction, while the central SEEBAC would perform audits and manage financial transfers. In short, (a) day-to-day management and investment decisions would be devolved down; (b) planning, programming, and budgeting would flow from bottom-up, and (c) establishment of standards, monitoring, and financing would flow top-down. While the SEEBAC has already made some progress in preparing for such a fundamental reform, substantial investments in planning, training, and equipment would be needed to implement is successfully.

**DOMINICAN REPUBLIC
BASIC EDUCATION DEVELOPMENT PROJECT
PROJECT PERFORMANCE INDICATORS**

A. Development Objectives/Impact Indicators

Impact Indicator	Methodology	Level of Observation	Reviewed During	
			Annual Review	Mid-Term Review
<i>Objective: Expand Access at the Basic Level</i>				
Increase in net enrollment rate for basic education	Education Statistics System	System	Yes	Yes
Increase in the percentage of those students who finish 8th grade	Education Statistics System	System	Yes	Yes
<i>Objective: Improve the Quality and Effectiveness of Basic Education</i>				
Increase in academic achievement in core skills in Spanish and Mathematics	Analysis of Assessment results	System	Yes	Yes
Reduction in the dropout rate	Education Statistics System	System	Yes	Yes
Reduction in the repetition rate	Education Statistics System	System	Yes	Yes
Increase in class instruction time	Sample Survey	System	No	
<i>Objective: Increase Public Expenditure on Basic Education</i>				
Increase expenditures as share of GDP; in terms of overall public expenditure, in terms of per student expenditure, and in terms of personnel incentives	Finance statistics	National	Yes	Yes

DOMINICAN REPUBLIC
SECOND BASIC EDUCATION PROJECT
B. PROJECT MONITORING INDICATORS

OBJECTIVES	INDICATORS	VERIFICATION BY	ASSUMPTIONS
COMPONENTS A: EDUCATION INPUTS			
A1 Effective reform of the curriculum in preschool and basic education	Application of the curriculum guidelines and study programs in 40% of preschool and basic education classrooms by year three and 80% in year five 30% of preschool and basic education pupils have improved their attitude and approach to learning by year three and 60% by year five 40% of the administrative workers have a positive attitude of ongoing support for the process of curriculum reform by year three and 80% by year five	Training evaluations Summary of progress Sample study Surveys	SEEBAC dedicated and committed to making changes required to implement each component

DOMINICAN REPUBLIC
SECOND BASIC EDUCATION PROJECT

B. PROJECT MONITORING INDICATORS

OBJECTIVES	INDICATORS	VERIFICATION BY	ASSUMPTIONS
A2. Learning resources produced and distributed efficiently and on schedule	<p>40% of DGME technical personnel trained in technical guidelines by year three and 80% by year five</p> <p>90% of the materials produced and acquired by the end of year three</p> <p>75% of the preschool and basic education teachers effectively using the learning resources by year three</p> <p>90% of the materials called for in the component distributed correctly and systematically with community participation by year five</p> <p>20% of the pupils in preschool and basic education using the learning resources efficiently by year three and 40% by year five</p> <p>SEEBAC has an agency for the production and distribution of learning materials (improved Editorial Fund) from year one</p>	<p>Training evaluations</p> <p>Special studies financed by the program</p> <p>Data from SEEBAC's Statistical Department</p> <p>Summary evaluations and the final report</p> <p>Legal documentation and appointment of staff</p>	<p>Interest and motivation of enough teachers, school principals and supervisors in the objectives of the program</p> <p>SEEBAC dedicated and committed to making the changes required to implement each component</p> <p>Parents react positively to the activities of program</p> <p>An administrative structure with qualified personnel established</p>
A3. National Subsystem for the Training of Human Resources for the education sector functioning properly	<p>2,000 basic education teachers satisfactorily complete a teacher training program of 72 credits by year three and 3,600 by year five</p> <p>25% of basic education teachers are applying at least 85% of the basic content of the new curriculum by year three and 75% are applying it by year five</p> <p>30% of basic education teachers are applying at least 40% of the methodologies of the new model by year three and 75% are applying them by year five</p> <p>40% of textbooks and educational resources are in use by year three and 80% by year five</p> <p>20% of pupils in basic education are using strategies of the new curriculum by year three and 65% by year five</p> <p>25% of the pupils in basic education are actively participating in new learning strategies by year three and 75% by year five</p> <p>166 education system support staff are participating in refresher training programs by year five</p>	<p>Training evaluations</p> <p>Monthly summary progress reports</p> <p>Warning reports</p>	<p>Administrative structure and qualified personnel established</p> <p>Other components operating smoothly</p>
A4. National Testing System institutionalized	<p>26,000 grade-school teachers involved in national testing participate in three training workshops each year from year one to year five</p> <p>Ongoing training for 93 assistant supervisors from years one to five</p> <p>The San Cristóbal Training Center refurbished and in operation by end of year one</p>	<p>Training evaluations</p> <p>Progress reports</p>	<p>Teachers accept and opt for the new efforts</p>

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION PROJECT**

**ANNEX 4
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B. PROJECT MONITORING INDICATORS

OBJECTIVES	INDICATORS	VERIFICATION BY	ASSUMPTIONS
A5. School Meal Program (PAE) functioning properly for the neediest pupil population	<p>Chronic malnutrition rate in the pupil population reduced 10% by year five</p> <p>Vitamin A deficiency in the pupil population reduced 15% by year five</p> <p>Levels of anemia reduced 20% by year five</p> <p>250,000 children benefit from school meal programs by year three and 300,000 by year five</p> <p>300,000 children deparasitized by year three</p> <p>6,000 parents and friends of the schools trained in nutritional education by year three</p>		World Food Program
A6. Infrastructure and physical plant of preschool and basic levels built and/or rehabilitated in operation	<p>5,125 classrooms repaired by year five</p> <p>4,900 classrooms maintained for year five</p> <p>70 classrooms replaced in 40 schools by year five</p> <p>73 schools enlarged and rehabilitated by end of year one</p> <p>84 schools enlarged and rehabilitated by end of year two</p> <p>91 schools enlarged and rehabilitated by end of year three</p> <p>84 schools enlarged and rehabilitated by end of year four</p> <p>76 schools enlarged and rehabilitated by end of year five</p> <p>10 schools enlarged and rehabilitated by end of year six</p>	<p>Procurement reports</p> <p>Progress reports</p> <p>Accomplishments reports</p> <p>Reports of assistants for decision-making</p> <p>Monthly warning report</p>	<p>Executing Unit established</p> <p>Qualified personnel employed</p>
A7. Pilot program of support for private schools serving poor population in operation	<p>A study of options and criteria for attendance, during year one</p> <p>Method and criteria for implementation and three NGOs identified for administration of project in year one</p> <p>Number of NGOs and area served determined in year two</p> <p>25 technicians of the SEEBAC Private Schools Directorate trained for program by the end of year one</p> <p>500 private school teachers trained by end of year five</p> <p>150 directors and owners of private schools trained in school administration by year five</p> <p>200 private schools have new or repaired desks and blackboards by year five</p> <p>Support for 100 private schools for basic libraries by year five</p> <p>20% of private schools receive teaching materials by end of year five</p>	<p>Progress reports</p> <p>Report on requests for financing</p>	Acceptance of the program by the private schools

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION PROJECT**

**ANNEX 4
Page 5 of 6**

OBJECTIVES	INDICATORS	VERIFICATION BY	ASSUMPTIONS
B. ADMINISTRATIVE INPUTS			
B1. Institutional capacity of SEEBAC strengthened for development of preschool and basic education	1,000 education staff members trained by end of year three and 2,460 by end of year five, including 50 associated with execution of SEEBAC budget, to be trained through seminars/workshops 120 trainers trained by the end of year three and 480 by end of year five 118 local and international consultant-weeks by end of year five	Training evaluations, expediting procedures for budgetary execution Special studies	Teachers are interested in the training
B2. Education management information system implemented	100 schools have computer equipment by year three and 504 by year five 190 D1 schools have (limited) messenger and administration systems by year five 81 school districts and 11 school regions have computerized information systems by year five 150 district and regional employees trained in information systems by year three and 644 by year five 150 representatives of schools trained in information system by year three and 694 by year five	Training evaluations Monthly summary progress report	Continued interest at highest levels of SEEBAC and more participation by civil society in continuance of program
B3. Associations of Fathers, Mothers and Friends of the School (APMAE) strengthened and actively supporting the education process	1,000 School Boards established for year three and 5,036 for year five 4,901 classrooms maintained for year five 15,108 members of the APMAE trained by end of year one 25 community projects completed by end of year three and 110 by end of year six Average of 30 schools under Assistant Supervisor for Community Participation from year two A National School for Community Participation in Education ("open classroom concept") in operation from the second half of year one 4,000 members of school maintenance committees trained in school building maintenance techniques by year three and 10,072 by the end of year five 820 members of district boards of directors trained in assessment and project preparation by end of year three 20,000 parents and friends volunteer to help with the education process by year five The school supervision plan for assistance to children and teachers established in 90% of schools by year five	Training evaluations Special studies	Motivation and better recognition of the participative role of parents Independence from political manipulation

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION PROJECT**

**ANNEX 4
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B. PROJECT MONITORING INDICATORS

OBJECTIVES	INDICATORS	VERIFICATION BY	ASSUMPTIONS
B4. Monitoring and evaluation system operating efficiently	<p>The Executing Unit set up and operating from the first half of year one</p> <p>90% of the program personnel using the monitoring subsystem from the first half of year one</p> <p>80% of senior SEEBAC staff using the monitoring subsystem for spot decisions on the program from the first half of year two</p> <p>A system of achievement and warning reports set up from the second half of year one</p> <p>4 training evaluations are performed yearly from year one</p> <p>A summary evaluation at the end of year five</p>	<p>Training evaluations</p> <p>Monthly summary progress report</p> <p>Warning reports</p>	<p>Professional staff qualified for work appointed</p> <p>Project Execution Unit set up</p>

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION PROJECT
PROJECT COST SUMMARY**

ANNEX 5

	Component A: Educational Development							Management Development						
	National Curriculum Reform	Educational Materials and Resources	Human Resources Development	National Student Assessment	School Nutrition Programs	School Facilities	Pilot Program to Support Low-Income Population of Private Schools	Institutional Strengthening	Management Information System	Community Participation	Monitoring and Evaluating System	PCU	FIV	
I. Investments Costs														
A. Civil Works														
Rehabilitation						33,900.0								
Minor Repairs				415.8			884.5							
Expansion									14.0					
Subtotal Civil Works				415.6		33,900.0	884.5		14.0					35,214.1
B. Goods														
Vehicles			19.3		225.4			783.0	51.5		25.6	142.4		
Printing	866.9	5,129.7	408.4	21.1	652.5					95.9	11.4			
Didactic Materials	79.4	6,911.7	563.8	608.7			227.6			890.8				
Computer Equipment	18.8	34.3	4.6	152.8	74.9		32.5	355.9	2,653.6	7.2	36.0	92.5		
Office Equipment		4.2	34.4					337.8	301.7	0.7		57.1		
School Furniture						3,390.0								
Office Furniture	2.5		23.9		13.6		721.0				20.6	38.0		
Subtotal Goods	965.6	12,079.9	1,055.4	782.6	966.4	3,390.0	981.1	1,476.7	3,006.8	994.6	93.6	330.0		26,122.7
C. Training, Technical Assistance & Studies														
Training	1,172.2	9.2	7,388.2	1,145.4	326.5		1,495.4	1,800.3	323.0	482.4	90.2			
Technical Assistance	1,075.8	311.2	130.5	628.8	999.6	3,023.4	20.6	269.4	659.3	289.6	1,654.3	3,390.0		
Studies	133.4	18.8					54.2							
Travel & Subsistence		11.0	14.0	164.5	16.3					142.9	140.1	95.3		
Subtotal Train., TA, & Studies	2,381.4	350.2	7,532.7	1,938.7	1,342.4	3,023.4	1,570.2	2,069.7	982.3	914.9	1,884.6	3,485.3		27,475.8
D. Incentives														
E. FIV													520.0	
Total Investment Costs	3,347.0	12,430.1	8,588.1	3,136.9	2,308.8	40,313.4	3,435.8	3,546.4	4,003.1	1,909.5	1,978.2	3,815.3	520.0	88,812.6
II. Recurrent Costs														
A. Recurrent Costs														
Salaries														
Maintenance					6.7	7,829.4	281.8		21.7	606.5				
Operating Expenses														
Office Supplies & Consumables										2.1	129.8	641.9		
Micronutrients & Vitamin Supplements					1,149.2									
Subtotal Recurrent Costs					1,155.9	7,829.4	281.8		21.7	608.6	129.8	641.9		10,669.1
B. Supervision (Viáticos)														
Total Recurrent Costs					1,155.9	7,829.4	281.8		21.7	608.6	129.8	641.9		10,669.1
Total PROJECT Costs	3,347.0	12,430.1	8,588.1	3,136.9	3,464.7	48,142.8	3,717.6	3,546.4	4,024.8	2,518.1	2,108.0	4,457.2	520.0	100,001.7
Taxes	77.3		94.2											

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT**

**IBRD Disbursements by Semesters
(US\$ millions)**

Calendar Year/Semester		IBRD	
		Amount Disbursed	Cumulative
1996	1	2.3	2.3
	2	2.3	4.6
1997	1	4.1	8.7
	2	4.1	12.8
1998	1	4.8	17.6
	2	4.8	22.4
1999	1	4.0	26.4
	2	3.0	29.4
2000	1	3.0	32.4
	2	2.5	34.9
2001	1	2.1	37.0
		37.0	

**DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT
TERMS OF REFERENCE FOR PROJECT REVIEW AND
SUPERVISION SCHEDULE**

1. The composition and staffing level of the supervision program for each year of project implementation are presented in Table 1. The supervision teams will be carefully planned, and will consist of the Task Managers, IBRD and IDB staff, and consultants with expertise in the areas of education (evaluation, teacher training, textbooks and curriculum), community organization, information communication, management and institutional development, procurement and project implementation. Supervision missions will normally be conducted twice a year, in February and July, beginning in July of 1996. All missions will involve discussions with project officials in SEEBAC headquarters, as well as field visits, on the basis of which the mission will evaluate the project. A project launch mission is included in the first year.

2. Project Launch Seminar. A Project Launch Seminar will be conducted to: (a) review implementation of the project's rules and procedures manual, and familiarize SEEBAC with the project's monitoring procedures and changes in the banks guidelines and procedures on procurement, disbursement and auditing requirements; and (b) review the project requirements for progress reports on the implementation of the Annual Work Programs.

3. Annual Review. The purpose of the annual review is to assess project performance against specific objectives and targets, primarily through the analysis of two documents: (a) the Project Implementation Report for the year under review; and (b) the Project Plan for the next calendar year. Annual Reviews will take place in February of each year.

4. In Preparation for the Annual Project Review, the PCU Coordinator, in coordination with responsible units, will prepare and present to the Banks, no later than February 1st of each year, the following documents.

- (i) compliance with the Project Operations Manual;
- (ii) compliance with the covenants of the banks Loan Agreements;
- (iii) information pertaining to all Project Monitoring and Impact Evaluation Indicators; and
- (iv) status of procurement of goods and services;
- (v) highlights of findings, lessons learned and problems pertaining to the technical, institutional, administrative or financial implementation of the project.

Project Action Plan for the next calendar year, covering;

- (i) program of activities for each subcomponent of the project;**
- (ii) schedule of activities for each subcomponent of the project;**
- (iii) detailed procurement plan;**
- (iv) detailed budget by source of funds and uses, for each quarter, specifying counterpart funds;**
- (v) specific reports when needed.**

5. Project Mid-Term Review. This review will be carried out in early 1999 jointly by the Government, IDB and IBRD. The focus of the review is to ascertain to what extent the project has achieved its development objectives. The PCU Coordinator will prepare the same reports for the Project Mid-Term Review as for the Annual Project Reviews. However, if special issues warrant more detailed analysis, additional studies will be carried out.

6. Modifications to Project Design and Implementation Plans. During Annual Project Reviews and the Project Mid-Term Review, there is the opportunity to update project targets and discuss changes needed in project design or implementation plans. In this context, IBRD and IDB may require that SEEBAC prepare an action plan for the Banks' review and approval within two months following the completion of the Project Review. SEEBAC will incorporate the changes agreed upon in the Project documents, including the Project Operations Manual if warranted. The PCU Coordinator will be responsible for organizing the Mid-Term Project Review and ensuring that agreed follow-up actions, satisfactory to the Banks, are taken in a timely manner.

DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT
Table 1: Supervision/Project Launch and Annual Reviews

	TRAINING	SUPERVISION TEAM	STAFFING (in weeks)	
			IBRD	
1996	January Project Launch Workshop	Task Manager(s) Educator Nutritionist Community Org. Specialist Procurement Specialist Implementation Specialist Institutional Development Specialist Logical Framework Specialist	1 1 1 1 1 1 1 1	
	February (Annual Review)	Task Manager Educators (Textbooks, Teacher Training and Evaluation Specialist) Nutritionist Procurement Specialist Implementation Specialist Information System Specialist Institutional Modernization Specialist Communication Specialist	1 2 1 1 1 1 1 1	
	July	Task Manager(s) Educator Nutritionist Community Organization Specialist Institutional Development Specialist Communications Specialist	2 1 1 - 1 -	
1997	February (Annual Review)	Task Manager Educators Nutritionist Community Organization Specialists Implementation Specialist Procurement Specialist Communication Specialist	2 1 1 1 2 1 -	
	July	Task Manager Educators Nutritionist Community Organization Specialist Institutional Modernization Specialist Communication Specialist	2 2 1 - 2 2	
1998	February (Annual Review)	Task Manager Educator-Training and Evaluation Specialist Community Organization Specialist Procurement Specialist Institutional Modernization Specialist Financial Specialist	2 2 2 1 1 1	
	July	Task Manager Educators Nutritionist Community Organization Specialist Institutional Development Specialist	2 - 1 1 2	
1999	February (Mid-term Review)	Task Manager Educators/Eval. Expert Nutritionist Community Organization Specialist Implementation Specialist Procurement Specialist Institutional Development Specialist Communication Specialist	2 3 1 1 1 1 2 -	
	July	Task Manager Educator - Training Specialist Nutritionist Community Organization Specialist	2 - 1 1	
2000	February and November (Final Annual Review and Completion)	Task Manager Educators/Eval. Expert Nutritionist Community Organization Specialist Implementation Specialist Procurement Specialist Institutional Development Specialist Communication Specialist Unidentified Field Financial Analysts	2 2 1 1 1 1 2 1 2	

DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT
Educational Financing: Trends and Projections¹

1. **Overview.** The evolution of public expenditure on education in the Dominican Republic shows a pattern of decline over the 1980s: public expenditure on education as a share of GDP declined from 1.9 to 0.9 percent between 1982 and 1991; and public expenditure on education as a share of total public expenditure fell from about 13 percent in 1985 to 5 percent in 1991 (Annex Table 1). These levels of public expenditure were very low, as compared with those in other countries in the region (Annex Table 2).

2. With the onset of the Ten-Year Plan, the Government began to reverse the expenditure trend for education. The importance placed on improving public education, especially basic education services, is expected to continue over the foreseeable future. The shift is demonstrated in increases in salaries for teachers and SEEBAC staff since 1991, and in the share of the discretionary Presidential Fund directed to school investments. With GDP conservatively estimated to grow at 3 percent over the next five to 10 years, Plan targets for increasing public expenditure on education to 2.9 percent of GDP and about 16 percent of total public expenditure by 2000 appear to be reasonable. (Annex Table 1).

Table 1: Education Financing: Overview

Item	GDP (Nominal)	Public Expenditure (% of GDP)	Public Education Expenditure (% of GDP)	Public Education Expenditure (% Pub. Exp.)	SEEBAC Expenditure (% Publ. Ed. Exp.)
85	-	12.1	1.5	12.7	89
90	65	11.1	1.1	7.5	76
91	100	10.2	0.9	5.1	56
92	112	15.0	1.3	5.9	66
93	121	16.9	1.7	6.6	67
94	141	16.3	1.8	7.6	67
95	145	16.6	1.9	12.5	68
96	149	16.8	2.0	13.8	70
97	154	17.1	2.1	14.2	72
98	158	17.4	2.2	14.8	74
99	163	17.7	2.3	15.3	76
00	168	18.1	2.4	15.5	78
01	173	18.4	2.5	15.4	80
02	178	18.7	2.7	15.5	82
03	184	19.0	2.8	15.5	84
04	189	19.4	2.9	15.6	86
05	195	19.7	3.1	15.7	88
06	201	20.0	3.2	15.8	90

Notes: Assumes 3% growth in GDP. The difference between SEEBAC Expenditure and Public Education Expenditure is explained mainly by the financing provided through the Presidential Fund.

Source: For Tables 1, 3, 4 and 5: Ceara, Miguel. Estudio Financiero- El Gasto Público en Educación 1985-94 y Proyecciones para 1995-2006; CIECA, June 1995.

¹ This Annex is drawn from: Ceara, Miguel; Estudio Financiero: El Gasto Público en Educación 1985-94 y Proyecciones para 1995-2006; CIECA, June 1995. The study was carried out as part of preparation for the proposed project. The detailed assumptions underlying the projections for financing are described in the study.

Table 2: Comparison: Public Education Expenditure

	Public Expenditure As % GDP (1989)	Government Exp. On Educ. As % Public Exp.	
			Year
Costa Rica	4.4	19	1991
El Salvador	2.0	14	1989
Guatemala	1.8	20	1990
Honduras	4.6	15	1992
Nicaragua	3.9	18	1992
Mexico	3.8	14	1991
Panamá	6.2	17	1992
Dominican Republic	1.1 (1990)	5	1991

Source: UNDP, 1992; IBRD.

3. The average share for basic education in public expenditure for education reached a high of about 81 percent in 1994 and is expected to level off at about 70 percent by 2005, which is appropriate for preschool through grade 8 (Annex Table 3). The allocation of expenditure on basic education by type shows a relatively high share for capital expenditure through 1995. This is explained by the share of expenditure attributable to the Presidential Fund. Projections incorporate a decreasing demand for such expenditure at the end of the Plan period and beyond, when the backlog of major physical requirements will have been met. They also assume continuing increases in salary and non-salary incentives for teachers and gradual incorporation of off-budget financing into the regular SEEBAC budget.

4. Total public expenditure per student (capital and current) in basic education rose by a factor of 3 during the period 1990-94 (to about US\$102) and is expected to increase by an additional 55 percent by 2000 (to US\$169) and a further 16 percent by 2005 (to US\$196) (Annex Table 4). Over the period 1995-2005 enrollment in basic education is expected to grow by 250,000 (20 percent) as shown below:

Number of Students

1995	1.27 million
2000	1.48 million
2005	1.52 million

5. **The Project.** The proposed project forms a share of overall Plan expenditures as projected through 2000. The incremental recurrent costs incorporated in project financing are relatively low, averaging US\$2.3 million per year, principally as a result of the manner in which these costs are defined. They incorporate mainly operating expenses for the PCU and materials for routine maintenance of classrooms. Other high cost components, including educational materials, teacher training, the national assessment, construction and rehabilitation of facilities, as well as monitoring and evaluation and the management development component (including institutional, MIS and community participation support) are considered to be investment items.

To sustain financing for project inputs beyond the implementation period an estimated US\$12 million in incremental recurrent financing would be required annually. Annex Table 5 shows that during project implementation the project would represent annually from 7 to 14 percent (average 10 percent) of total expected public expenditure on education and from 9 to 18 percent (average 14 percent) of expected public education expenditure on basic education. Beginning the year after project completion, the incremental financing requirement attributable to project inputs would represent 4 and 5 percent, respectively, of public education expenditure and public expenditure on basic education.

Table 3: Structure of Public Expenditure on SEEBAC Program (%)

	Basic	Secondary	Normal*	Tech.	Adult	Total
1990	75	16	1	3	5	100
1995	80	13	-	2	5	100
2000	73	20	-	2	5	100
2005	71	21	-	2	6	100

* For normal schools (teacher training institutions) the share is less than 0.5 percent in 1995-2005.

Table 4: Basic Education: Per Student Expenditure by Type (%)

	Total (1994 RD\$)	Personnel		Materials & Supplies	Capital	Total
		Salary	Non-Salary			
1990	422	70	5	1	24	100
1995	1480	65	6	5	24	100
2000	2220	73	7	6	14	100
2005	2568	77	6	6	11	100

DOMINICAN REPUBLIC
SECOND BASIC EDUCATION DEVELOPMENT PROJECT

**Table 5: Financial Impact of the Project on Projected Resources Available
for SEEBAC Programs (1994 prices)**

	1994	1995	1996	1997	1998	1999	2000	2001
Public Expenditure on SEEBAC Programs*								
In RD\$ mlns.	2147	2050	2157	2315	2524	2753	3010	3321
In US\$ mlns..	164	156	164	176	193	210	230	254
Public Expenditure on SEEBAC Basic Ed.								
In RD\$ mlns.	1738	1633	1693	1690	1924	2073	2240	2444
In US\$ mlns.	133	125	129	129	147	158	171	187
Total Project Cost In US\$ mlns.			12	22	26	22	18	
Project Costs as % **								
Public Expend. on SEEBAC Programs*			7	12	14	10	8	
Public Expend. on SEEBAC Basic Ed.			9	17	18	14	10	
Project Annual Incr. Cost post-implementation (US\$ mlns.)								9
As % Public Expnd. on SEEBAC Programs								4
As % Public Expnd. on SEEBAC Basic Ed.								5

Notes: *Actual (1994) and projected SEEBAC resources incorporates SEEBAC's budget as well as funds from the current Presidential Fund.

**Project costs incorporate IDB, IBRD and Government contributions, investment and incremental recurrent outlays.

DOMINICAN REPUBLIC SECOND BASIC EDUCATION PROJECT

Economic Benefits of the Project

1. Available data permit only general estimates of selected benefits that would accrue as a result of expenditures under the Ten-Year Development Plan, of which the project forms a share. These estimates of potential economic benefits are presented below.
2. During the first half of the Plan period (1991-95), key indicators of efficiency within basic education, for student repetition and completion, improved; these indicators are targeted to improve further by the end of the Plan period (2000).

	1991	1995	2000
Repetition (Annual %)	20	13	10
Completion (% for a cohort completing grade 8)	20	45	50

The changes in repetition and completion rates demonstrate a response to Plan expenditure as a whole, indicating improvements in school effectiveness. Data currently available do not permit attribution of particular improvements to particular inputs. With improved salaries and training, teachers should be providing an improved quality of education. Materials are also being provided for students on a regular basis as is school nutrition for the rural and urban poor. Classroom facilities and sanitation conditions have improved. In line with available research findings, these school inputs help to improve both student performance and attendance, and especially for the poor, to mitigate non-school factors impinging on participation. The introduction of the national assessment and increased involvement of parents at the school level is also expected to increase accountability among teachers and school directors, resulting in both quality improvements and in gains in efficiency of use of school resources. Over the medium-term, the addition of the preschool year to basic education should also have an impact on school quality and efficiency by improving student achievement in the early grades where repetition is highest.

3. **Savings from Reduced Repetition.** Improvements in school quality are assumed to explain a substantial share of the reduction in student repetition achieved and targeted. Related reductions in the number of years required to produce a graduate of basic education constitute a savings for the system.

	Students Enrolled (Grades 1 - 8)*	Students Repeating	Student-Years Saved
1990	948,000	189,600	-
1995	1,180,000	153,400	36,200
2000	1,356,000	135,600	17,800

* excludes preschool students

The aggregate savings, based on recurrent cost per student, amounted to about US\$4.05 million per year by 1995 and would rise to US\$6.05 million by 2000 (about 3 percent of projected expenditure on SEEBAC programs).

4. **Benefits from Completing Basic Education.** Benefits resulting from completion of basic education compared with non-completion are represented by additional earnings. These benefits, calculated using a rate of return model (Psacharopoulos and Ng) are:

Private	15 percent (for students completing grade 8 compared to those completing grade 4)
Social	14 percent (for students completing grade 8)

The benefits would accrue increasingly as the share of students completing basic education rises. The earnings differential is of the order of US\$23 per month (40 percent) for the age group 13-50. The estimated annual benefit would be of the order of US\$120 million for the cohort completing grade 8 in 2000 (as completion rates increase from 20 percent in 1992 to 50 percent).

5. **Other Benefits.** Quantified savings from anticipated management improvements and from higher employment and productivity rates for graduates of basic education of improved quality are not quantified here; and no attempt is made to quantify the benefits of community participation. In combination with improved school inputs (e.g., student and teacher materials, teacher training), however, the increased local participation of parents is expected to significantly improve school effectiveness. Results of a recent pilot to monitor teacher and student attendance through parent associations were positive. As parents become more involved, they could be expected to create pressure for raising school quality and accountability at the school level.

**DOMINICAN REPUBLIC
BASIC EDUCATION DEVELOPMENT PROJECT**

**ANNEX 10
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PROJECT IMPLEMENTATION SCHEDULE

Activity	1995				1996				1997				1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
A. Curriculum Reform																								
1. Dissemination																								
2. Implementation Support																								
3. Support to Innovation and Studies																								
4. Management Support																								
B. Learning Resources																								
1. Production and Procurement of Materials																								
2. Staff Training																								
3. Institutional Strengthening																								
4. Distribution																								
C. Human Resources																								
1. Institutional Strengthening																								
2. Teacher Training Design																								
3. Teacher Training																								
4. Degree Programs																								
5. Technical and Support Staff																								
D. National Assessment																								
1. Institutionalization																								
2. Strengthening Design																								
3. Strengthening Administration																								
4. Dissemination of Results																								
E. School Nutrition																								
1. Training																								
2. Nutritional Supplementation																								
3. Parasite Eradication																								
4. Institutional Strengthening																								
5. Inf. Education/Communications Program																								
F. Physical Infrastructure																								
1. Preparation																								
2. Phase I																								
3. Phase II																								
4. Phase III																								

**DOMINICAN REPUBLIC
BASIC EDUCATION DEVELOPMENT PROJECT
PROJECT IMPLEMENTATION SCHEDULE**

**ANNEX 10
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Activity	1995				1996				1997				1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
G. Support to Private Schools																								
1. Management Strengthening, C.P.																								
2. Upgrading Teachers																								
3. School Improvement																								
4. Information System for C.P.																								
II. Institutional Strengthening/Training																								
F.1. Strengthening																								
F.2. Training																								
1-3. Workshops																								
4-5. Training																								
6. Technical Assistance																								
7. Studies																								
I. Information System																								
1. Basic Information																								
2. Network Development																								
3. Network Integration																								
4. Strengthening Human Resources																								
5. Network Consolidation																								
J. Community Participation																								
1. Establishment of School for Participation																								
2. Departmental Strengthening																								
3. Strengthening APMAE																								
4. Support for Community Participation																								
5. Promotion																								
6. Congresses, Meetings & Evaluation																								
K. Management of Project																								
K.1. Management																								
K.2. Monitoring																								
1. Administration																								
2. Monitoring																								
3. Evaluation																								

DOMINICAN REPUBLIC
BASIC EDUCATION DEVELOPMENT PROJECT**DOCUMENTS AVAILABLE IN THE IBRD PROJECT FILE****A. Project Preparation Documents**

1. Curriculum Transformation
2. Learning Resources
3. Human Resources Formation for Education System
4. Preschool Education
5. Support to Poor Private Schools
6. Nutrition
7. Information System for Education Management
8. Infrastructure
9. National Tests Systems
10. Institutional Strengthening
11. Educational Management Training
12. Community Participation
13. Program Administration
14. Study: Monitoring and Evaluation System
15. Study: Community Participation
16. Study: Financial Analysis
17. Study: Socio-Economic
18. Study: Rotatory Funds
19. Study: SEEBAC Education Statistics

B. Other Government Documents

1. *Plan Decenal*
2. *Pacto Social*
3. Mid-Term Review -Loan 3351-DO

