The Government of Panama (GoP) has identified the deficient access to and quality of education services in Panama as a significant obstacle to poverty reduction and sustainable economic growth. While 90 percent of primary school-age children and 56 percent of secondary school-age children are enrolled in schools, access to school is inequitable across the school-age population.

Inequities in access and completion of primary and basic education are most acute for children living in indigenous, rural and marginal urban communities. For instance, approximately 17% of indigenous children aged 6 - 11 are not enrolled in school. In rural areas, many students who complete their primary education are unable to continue with the remaining basic grades (7-9), because there are no lower secondary schools in their communities.

To address this issue, the GoP established as its goal to improve education outcomes through a series of actions that will target the nation’s poorest population. To achieve this end, the GoP requested support from the World Bank to prepare the Second Basic Education Project, for a total amount of US$35 million.

Despite early delays, the Project has successfully fulfilled or surpassed its development targets. To build on this success, on August 2, 2007, the Board of Directors approved a request for Additional Financing (AF) equivalent to US$5 million to increase the Project’s impact through the expansion of all activities related to the three components of school quality, early childhood education, and institutional strengthening, as well as the continuation of project coordination.

What is the second project for basic education?

The Second Basic Education Project aims to correct inequities in social spending by targeting investments in early and basic education and ensuring that educational programs reach the most destitute groups of Panamanian society, many of whom live in conditions of relative isolation and neglect in indigenous, rural and marginal urban communities. The Project’s main objectives are: a) to improve the quality and efficiency of basic education; b) to improve equity of access to preschool and basic education; c) to expand coverage of preschool and initial education; and d) to strengthen the planning, supervision and policy-making formulation capacity of MEDUCA.

The main indicators selected to verify the impact of the actions are the following:

- Replace all shanty schools (escuelas ranchos);
- Rehabilitate 1,515 classrooms;
- Establish and ensure operation of 30 pilot Telebasica schools;
- Distribute textbooks and other education materials to approximately 240,000 students from different grades and 40,000 lower secondary students;
- Distribute bilingual materials (Spanish – native language) to students in indigenous communities (37,000);
- Community and Family Centers for Initial Education (CEFACEI) will enroll 12,000 new children, and 6,000 rural parents will be trained by 400 new mother leaders in home-based initial education.

Components of the project

**Component I – Quality Improvement of Basic Education (US$44.95 million)**

This component seeks to enhance the quality of the teaching and learning environment in primary and secondary schools located in rural
and urban marginal communities.

Sub-components:
- Provision of educational materials;
- Scholarship Programs - Instituto para la Formación y Aprovechamiento de Recursos Humanos (IFARHU);
- Pilot Project for Distance Education (Telebasica);
- Rehabilitation of Educational Infrastructure;

**Component II – Expansion of Pre-school Non-Formal Education (US$6.20 million)**

This component supports the creation of 600 new community initial education centers (CEFACEI) and 400 home-based initial education program groups, as well as training of promoters in rural and marginal urban areas, to provide better education opportunities to children under six who live in the poorest communities in the country.

**Component II – Institutional Strengthening (US$5.20 million)**

This component supports the decentralization process at the regional and school levels through training and technical assistance to decentralized offices of MEDUCA and for expansion of the management information system and the national assessment system.

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**Project Financing**

The project is implemented by MEDUCA, through the Project Coordination Unit (PCU). As of May 2007, 74% of the total project funds were disbursed and committed. See the following chart:

<table>
<thead>
<tr>
<th>Components</th>
<th>Original Estimated Investment (in million of US Dollars)</th>
<th>Committed and Executed (as % of the corresponding component)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Loan</td>
</tr>
<tr>
<td>I. Improvement of the Quality of Basic Education</td>
<td>44.95</td>
<td>28.3</td>
</tr>
<tr>
<td>II. Expansion of Pre-School Non-Formal Education</td>
<td>6.2</td>
<td>3.1</td>
</tr>
<tr>
<td>III. Institutional Strengthening</td>
<td>5.2</td>
<td>1.8</td>
</tr>
<tr>
<td>IV. Administration of the Project</td>
<td>2.65</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59</strong></td>
<td><strong>35</strong></td>
</tr>
</tbody>
</table>

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**Results by Component:**

After a relatively slow start, the Project has made great strides in stepping up disbursements and carrying out activities, having disbursed US$8.9 million in 2006, as compared with US$5.3 million in 2005 and US$2.9 million in 2004. Furthermore, the majority of the proposed activities have already surpassed their output targets, most notably in the production and distribution of education materials, in the creation of distance education centers, and in the establishment of non-formal preschools and home-based early childhood education groups.

**Component 1: Improvement of the Quality of Basic Education.**

The project has fully carried out the scholarship subcomponent, awarding 34,893 scholarships (as compared to a goal of 24,000) totaling over US$11.0 million. It has distributed over 260,000 sets of materials to multigrade students, distributed bilingual language materials to all first- and second-grade students in the three target indigenous areas of Kuna, Ngöbe and Emberá (a total of 25,040 sets of materials), and provided training to all first-grade indigenous teachers. It has also established 80 distance education centers (compared to its goal of 30), which have served a total of 7,701 students over the course of the project. Within the infrastructure subcomponent, 227 educational infrastructures have been completed, and 89 of the 316 proposed infrastructures are still in the process of construction.
**Component 2: Expansion of Preschool Education.**

Through this component, the project has established 868 non-formal preschools (CEFACEIs) and 554 home-based early education programs in rural, indigenous and marginalized urban areas, serving a total of 112,018 children and surpassing its goal by more than 40 percent. The success of this component is evidenced by the scope of its coverage and evidence of its quality, as illustrated in two evaluations of this component. Since project inception, enrollment of 4- and 5-year-olds has risen substantially, increasing from 38 percent in 2001 to 60 percent in 2006—an achievement to which the existing project has made a significant contribution. About 32 percent of all children enrolled in preschool programs attend CEFACEIs, up from 7 percent in 2001. Furthermore, the most recent results of an evaluation of both early childhood modalities show that in addition to expanding coverage of preschool and early childhood education, such coverage has been expanded with quality, and has contributed to children's success in the first and second grades as evidenced by test scores on Spanish language and Mathematics.

**Component 3: Institutional Strengthening.**

The project has supported the creation and implementation of a computerized human resources information system (SIAREH) for the management and administration of teachers at the national level. The system has increased the efficiency of teacher hiring, transfers, and payments, reducing the number of official teacher complaints from 35 percent to 1 percent of all cases. It has also facilitated other types of human resource transactions via Internet, such as the generation of letters and certificates, vacation requests, maternity and study leave requests, and incorporation into the retirement program, and would eventually house a digital documentation center. The system has been developed simultaneously with the creation of the MEDUCA website which would act as a portal for SIAREH.

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**Frequent Questions**

*What is the Additional Financing for the basic education project?*

The AF consists of an additional US$5 million in financing from the World Bank and US$2 million from the Government of Panama (GoP). The additional resources are needed for the GoP to scale up the activities already in progress under the Second Basic Education Project. Its execution period will be 12 months and will focus on strengthening all the activities related to improving the quality and efficiency of basic education; improving the equality in access to pre-school and basic education, expanding coverage for pre-school and early education; and strengthening MEDUCA’s institutional capacity.

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