



**The World Bank**

Costa Rica Higher Education (P123146)

REPORT NO.: RES34036

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
COSTA RICA HIGHER EDUCATION  
APPROVED ON SEPTEMBER 27, 2012  
TO  
REPUBLIC OF COSTA RICA

EDUCATION

LATIN AMERICA AND CARIBBEAN

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**I. BASIC DATA**

**Product Information**

Project ID P123146	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 27-Sep-2012	Current Closing Date 31-Dec-2018

**Organizations**

Borrower Republic of Costa Rica	Responsible Agency CONARE
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**Project Development Objective (PDO)**

Original PDO

The objectives of the Project are to improve access and quality, to increase investments in innovation and scientific and technological development, as well as to upgrade institutional management, all in Costa Rica’s public higher education system.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-81940	27-Sep-2012	06-Nov-2012	31-Jul-2013	31-Dec-2018	200.00	173.36	26.64

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No

**II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES**



1. The proposed restructuring is in response to the Borrower's letter DM-2378-2018 dated October 18, 2018, requesting an extension of the closing date of the Project for twelve (12) months, from December 31, 2018 to December 31, 2019. This would be the second closing date extension, reaching a cumulative extension of 24 months. A Level II restructuring is thus proposed with no other changes.
2. The Project was approved by the Board on September 27, 2012 and became effective on July 31, 2013. The Project was restructured on August 9, 2017, extending the closing date by 12 months (until December 31, 2018) and adjusting indicators. The Project Development Objectives (PDO) are to improve access and quality, to increase investments in innovation and scientific and technological development, as well as to upgrade institutional management, all in Costa Rica's public higher education system. The Project has two components, Component 1: Institutional Improvement Agreements; and Component 2: Strengthening institutional capacity of quality enhancement.
3. During the most recent mission held in June 2018, the Borrower informed of the need for this extension, which is supported by the Bank's Team. The proposed extension would allow for the full completion of key pending infrastructure works, and the purchase of related equipment and furniture. The extension is justified given that most of these activities are already under implementation. The main outstanding activities, which will require additional time beyond the current closing date, are:
  - i. University of Costa Rica (UCR): completion of civil works for the "Cyclotron" and for the building for "Arts and TICs" (contracts already underway);
  - ii. National University for Distance Learning (UNED): The implementation of additional activities agreed in June 2018 to use remaining funds, which mainly comprise the construction of 2 buildings in the context of Sub-Project 1 ("Network of University Centers for innovation and local and national development"); and
  - iii. Across the four universities: the purchase of remaining equipment and furniture.
4. Most of the remaining processes will require less than six additional months to be completed, except for five contracts for civil works, namely (i) and (ii) above, which are expected to be completed during the second semester of 2019. Infrastructure works were delayed mainly due to the following factors: (i) contracts for six civil works were cancelled during implementation (due to firms' insolvency), which led to the launch of new biddings to complete the pending works; (ii) procurement of the "Cyclotron" involved a highly complex and long review process of technical specifications and an environmental management plan; (iii) complaints to the Comptroller (Contraloría General de la República) regarding bidding documents and awarding decisions; and (iv) in the particular case of UNED, addition of civil works to utilize US\$6.7 million in remaining funds, which resulted from lower than estimated prices in planned contracts.
5. The Project is performing well, with both progress towards achieving the PDO and overall implementation progress rated Moderately Satisfactory. The PDO continues to be achievable. Most intermediate results indicators are on track to achieve the planned targets, with some indicators having already surpassed the end of Project targets. Furthermore, the overall results for four of the five outcome indicators have achieved or have exceeded the planned targets, although achievement by university is uneven.
  - i. PDO Indicators 1 (number of undergraduate students) and 5 (yearly publication of the self-evaluation of the "Annual Operational Plan" on the websites) have already achieved end of Project targets.
  - ii. PDO Indicator 3 (number of officially accredited programs) has surpassed the end of Project target.



- iii. PDO Indicator 4 (resources invested in research and development) shows a positive trend towards achievement of the target.
- iv. PDO Indicator 2 (number of graduate students) is underperforming (7,029 in 2017 versus the target of 7,524).
  
- 6. Disbursements have reached 86% of the total Project amount, for a cumulative total of US\$171.2 million. Updated disbursement projections indicate that an additional US\$15 million will be disbursed by the end of calendar year 2018, while the remaining US\$14 million would be disbursed during calendar year 2019.
  
- 7. There are no outstanding audits.

### III. DETAILED CHANGES

#### LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-81940	Effective	31-Dec-2017	31-Dec-2018	31-Dec-2019	30-Apr-2020