



## 1. Project Data

Project ID P106208	Project Name BR Pernambuco Educ Results& Account.	
Country Brazil	Practice Area(Lead) Education	Additional Financing P148605
L/C/TF Number(s) IBRD-77110	Closing Date (Original) 31-Dec-2013	Total Project Cost (USD) 580,400,000.00
Bank Approval Date 14-Apr-2009	Closing Date (Actual) 30-Nov-2015	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	154,000,000.00	0.00
Revised Commitment	152,532,025.92	0.00
Actual	152,532,025.92	0.00

Sector(s)  
Other Education(95%):Sub-National Government(5%)

Theme(s)  
Education for all(67%):Public expenditure, financial management and procurement(33%)

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## 2. Project Objectives and Components

### a. Objectives

The development objectives of the project were "to improve the quality, efficiency, and equity of public education; and introduce management reforms that will lead to greater efficiency in the use of the Borrower's public resources in the education sector, all through the carrying out of interventions in Secretariat of Planning and Management (Secretaria Estadual de Educação [SEPLAG]), Secretariat of Administration (Secretaria Estadual de Educação [SEE]) and Secretariat of Administration Pernambuco (Secretaria de Administração do Estado [SAD])" (Financing Agreement p. 6; Project Appraisal Document (PAD) p.9).



b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

No

c. Components

There were two components:

1. Improvement of Basic Education contained four subcomponents (estimated US\$ 652.6 million; disbursement data not provided at closure):

- Basic Standards program, applied to all schools, which was to include rehabilitating infrastructure, developing libraries, providing teaching materials, and ensuring adequate teachers.
- Literacy program to train all teachers in low fundamental grades (1-5).
- Overage Correction program to support the later years of fundamental education (6-9) and secondary education students who were overage and literate. The methodology for acceleration is provided by the Roberto Marinho Foundation. This activity also was to promote basic literacy in the early grades.
- Monitoring and Evaluation, which was to finance the operationalization of the student assessment system so that these data would be used to provide feedback to classroom teachers to develop remediation measures, as well as inform parents.

2. Public Sector Management (estimated US\$ 3.6 million; disbursement data not provided at closure) contains two subcomponents:

- General Public Sector Management, to establish a good governance platform to improve expenditure quality; also to finance studies to understand the critical public sector management challenges.
- Education Sector Management Interventions to finance education sector-specific activities and technical assistance studies such as incentives for teaching professions, school transport, school safety, early education and reduction of late starters. Financing was also allocated to evaluation of the basic standards, early literacy, overage literacy, and acceleration activities within the operation.

This operation supported a set of ongoing programs and priorities of the Government of Pernambuco, and nearly all the Bank's financing (97%) disbursed under a Sector-Wide Approach (SWAp). Disbursements were based on budgeted and actual expenditures under the Government of Pernambuco's approved eligible expenditure program. This operation was modeled after another SWAp in Brazil and complemented an ongoing operation in the state. There were two types of indicators: (1) disbursement-linked indicators such as number of state schools meeting basic standards, share of students in the state system certified as literate at the end of the first cycle, and the number of overage illiterate students in the public system in the early years of fundamental education certified as literate; and (2) performance indicators that were monitored but were not linked to disbursements.

During the April 30, 2013 restructuring, some changes were made to the components. In component one, a new set of standards was applied to the program. In component two, more ambitious activities to improve public management were introduced that were consistent with the government's action plan for a computerized procurement management system, and the Program for Public Management Modernization was changed to the Government's revised strategic focus (i.e. Public Pact for Education).

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates

**Project Cost:** Total project costs were US\$751.86 million. The completion report did not provide actual costs by component and did not explain why costs were US\$95.23 million higher than planned.

**Financing:** IBRD provided a loan to the Government of Brazil totaling US\$154 million.

**Borrower Contribution:** The Borrower provided US\$597.86 million, which was higher than planned (US\$502.63 million).

**Dates:** There was a project restructuring on April 30, 2013 that changed the key performance indicators and made revisions to activities under components one and two. Across the life of the project there were four extensions from the original closing date of December 31,



2013. The first extension was granted for six months from December 31, 2013 to June 30, 2014 to allow time for the Government of Pernambuco to request Additional Financing from the Bank. The second extension was granted from July 1, 2014 to March 30, 2015 to permit time for the approval between the Government of Brazil and Government of Pernambuco for the Additional Financing. The third extension was granted from March 31, 2015 to June 30, 2015 to permit additional time for the Government of Brazil and Government of Pernambuco to sign the Additional Financing. The fourth extension was granted from July 1, 2015 to November 30, 2015 to provide additional time for the signing of the Additional Financing, which the Government of Brazil ultimately decided not to sign due to fiscal issues.

### 3. Relevance of Objectives & Design

#### a. Relevance of Objectives

At the time of appraisal, progress on education-related indicators (such as educational attainment, student learning, repetition, and illiteracy) was weak in the state of Pernambuco. More than 80 percent of fourth grade students scored in the unsatisfactory level on national assessments in 2005 (ICR p. 10). Other weaknesses in the state education system included a large stock of overage children in the fundamental grades (FE) (i.e. grades 1-5 and grades 6-9) due to late entry into first grade and many having had no preschool education. The system also had inefficiencies in terms of high repetition and drop-out rates.

Capacity at the State Secretariat of Education to address the previously noted issues was limited. Likewise, public sector management was weak. For example, there was limited capacity to collect revenue, and the budget was heavily weighted toward salaries due to a heavy administrative structure, thus limiting potential investment for public services. Within the Secretariat there were some functions that were over-staffed, while others were in shortage (PAD p. 32).

The Government of Pernambuco's strategic plan (2007-2011) promoted the importance of quality education as measured by the Basic Education Development Index (i.e. Índice de Desenvolvimento da Educação Básica, IDEB) as a means to increase social inclusion and establish responsible citizens (ICR p 7). Consistent with this focus, the Bank's Country Partnership Strategy (FY08-FY11 and FY12-15) at the time of preparation and closure emphasized the social sector's contribution to the equity agenda.

There were two areas of focus within the development objectives: education and public sector management. The Government of Pernambuco had partnered with the National Institute for Managerial Development to modernize the public sector and the efficiency of its operations in the hopes of improving the quality of services, increasing revenue collection without increasing taxes, establishing new career paths for public employees, and controlling public expenditures. Thus, the specific objectives had substantial relevance throughout the life of the operation, as systematic country diagnostics also noted the need for increased efficiency of spending and improving educational quality within the education system.

The previous discussion is also relevant to the restructured period, as the objectives themselves were not revised, only measures of achievement of the objectives.

Rating  
Substantial

Revised Rating  
Substantial

#### b. Relevance of Design

The operation directly linked public sector management and the education sector through the e-Fisco and PE-Integrado (computer solutions for public administration) to support the government's implementation of results-based management in education. Improvements in education quality would be anticipated from the basic standards program, literacy program, and use of student assessment data (to develop remediation strategies). Efficiency would be addressed by the literacy and overage program, but inadequate attention was devoted to the important underlying issue of skills of teachers. The ICR (p.14) noted a culture of repetition that permeates the system. This operation complemented another operation that worked on the whole education sector. Project design as outlined in the PAD did not have activities to improve equity in education, nor did it describe how project activities would be targeted to areas with higher rates of poverty; however,



the Project Team later added that equity criteria were developed by the implementing agency for selection of schools to receive support.

Design recognized the desirability of utilizing and strengthening country systems, and therefore no separate implementation unit was established. Likewise, monitoring results was central to design and so technical assistance was provided to strengthen management, monitoring, and financial systems. However, design lacked specific activities to address the educational challenges and institutional inefficiencies that led to wastage of human and financial resources.

While the operation was a specific investment loan, it was structured as a sector-wide approach with disbursements linked to 19 pre-defined Eligible Expenditure Programs in education and disbursement-linked indicators to build upon the Government of Pernambuco's own results-based management mechanism for the public sector. Disbursements were to be made based on indicators from the Government's program and against performance-related conditions.

The activities were largely unchanged in the restructuring; thus, what was previously noted remained applicable.

Rating  
Substantial

Revised Rating  
Substantial

## 4. Achievement of Objectives (Efficacy)

### Objective 1

**Objective**

Improve the quality of public education:

**Rationale**

Outputs:

The Basic Standard program was provided in schools lacking the necessary education inputs.

The SAEPE student learning assessment was developed and tested in 2005. This operation financed its application and use with all students in grades 2, 4, 8, and the one grade in secondary education in all state and municipal schools, which exceeded the target of application in 90 percent of schools. Results from SAEPE are disseminated to all parents and students. A website on SEE was created to disseminate the results. Kits and materials were prepared for schools and parents.

All schools that developed School Plans also developed a plan for remediation (target of 80% was exceeded).

Outcomes:

The rate of literate students at the end of the first cycle of low fundamental education grades increased from 55% at baseline to 86% at the end of the project, exceeding the target (65%). The ICR did not state whether this figure includes the program supported by the federal government.

Rating  
Substantial



Revised Objective  
Improve the quality of public education

The April 30, 2013 restructuring did not alter the objectives, but it changed key outcome indicators and their targets. Consistent with harmonized criteria, this review will assess achievement of this objective under the original and revised targets over the course of the operation and weight based on disbursement before and after project restructuring.

Revised Rationale

Revised Outcomes:

Table 1 Performance of students in state test scores at all levels (2008-2014)

	2008	2014
Portuguese low FE (grade 1-5)	163	188
Math low FE (grade 1-5)	171	199
Portuguese high FE (grade 6-9)	214	238
Math high FE (grade 6-9)	226	239
Portuguese Secondary Education	226	250
Math Secondary Education	247	256

The ICR (p. 13) notes that these results represent large increases, and implies that the targets established in the appraisal document (more than twenty-five percent increase in Portuguese scores) were too high to be achieved in the project's lifetime. The ICR did not provide information to interpret the changes to understand progress made by the group, such as the percentage of students scoring in the unsatisfactory and satisfactory levels. The ICR does not discuss whether other factors also contributed to the changes.

Table 2: Comparison of Performance among Schools Receiving and Not Receiving Basic Standards Program

Level and Subject	Basic Standards Program	No Basic Standards Program
Portuguese in high fundamental education grades	217 in 2009 (+17) 234 in 2014	223 in 2009 (+15) 238 in 2014
Math in high fundamental education grades	223 in 2009 (+11) 234 in 2014	231 in 2009 (+9) 240 in 2014
Portuguese in secondary education grades	238 in 2009 (+11) 249 in 2014	242 in 2009 (+19) 261 in 2014
Math in secondary education grades	243 in 2009 (+9) 252 in 2014	248 in 2009 (+20) 268 in 2014

While the ICR (p. 13) notes that performance was greater in schools receiving the Basic Standards program, Table 2 shows that the gains were similar and, in the case of secondary education, gains were more pronounced in schools not receiving the standards program. The ICR does not describe whether there are other characteristics that made the two types of schools different. The Project Team later clarified that, though the comparison group also consisted of low-performing schools, its initial achievement levels were higher than those schools impacted by the project, and that the project's interventions appear to have narrowed the gap between the two groups of schools at the fundamental education level.

Revised Rating  
Substantial

## Objective 2

Objective  
Improve the efficiency of public education



Rationale

Outputs:

8,443 illiterate children participated in the overage program and were subsequently certified as literate. The original target (20,000) was changed (to 7,000) and was met. The ICR notes that the scale of the literacy program was reduced. The federal government initiated its own interventions with municipalities related to literacy and overage students, including scholarship and other benefits to teachers, and so the project-financed programs competed directly with demand for state-run programs (ICR p. 13).

4,994 overage illiterate children were certified as accelerated from the program or promoted. The original target (10,500) was changed (to 4,600) and was met.

5,671 overage students in high fundamental grades were certified as accelerated or promoted. The original target (27,000) was changed (to 6,000) and was not met.

14,405 overage students in secondary education were certified and completed the cycle. The original target (36,000) was changed (12,000) and was met. ICR notes that the scale of the overage program was reduced.

Outcomes:

The repetition rates in low fundamental education grades increased from 11% in 2008 to 12% in 2014. The repetition rate in high fundamental education grades decreased from 21% in 2008 to 13% in 2014. The repetition rate remained the same in secondary education (9%).

There was a reduction in the dropout rate, which is a sign of improved efficiency. In low fundamental education grades the dropout rate decreased from 4% in 2008 to 2% in 2014. In high fundamental education grades the dropout rate decreased from 14% in 2008 to 2% in 2014. In secondary education the dropout rate decreased from 20% to 4%. The ICR does not describe other factors outside the project that could have contributed to the result, such as federal programs or changes in definition of indicators and data collection.

Changes in repetition and dropout rates were larger in schools receiving the Basic Standards program financed by the project (ICR pp. 14, 26, 27) at the low and high fundamental education grades and secondary education.

The State's rank on the secondary education index improved. The State occupied the 4th position in 2013, as a result of declining dropout rates (ICR p.17). The index is a composite based on data from learning assessments and student progression, and improvements in the index are the result of the improvement in dropout and repetition rates during the period. There has been substantial improvement in both upper secondary education and high fundamental education, and as a result the age-grade distortion has declined from 2010 to the end of the project (ICR p. 37) The State had one the highest rates across the country and is now closing this gap (ICR p. 38).

Rating

Substantial

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Revised Objective

To improve the efficiency of education

Revised Rationale

Same as above, as only output (not outcome) targets were revised.

Revised Rating

Substantial



### Objective 3

Objective

Improve the equity of public education

Rationale

Outputs:

221 state schools met basic standards at project closure, while in 2000 there were none meeting this standard. 63 schools were rehabilitated and, at the end of the project, provided a full-time education program instead of a shift operation. These full-time secondary education schools had higher infrastructure index scores than the average for the State. This index showed a decline in inequality in the provision of infrastructure (0.142 to 0.126) between 2009 and 2014. There was a concentration of the program in the metropolitan region of Recife (ICR pp. 39-40).

School development plans were developed, and 80 percent of these schools were monitored annually by the State Secretariat of Education. The ICR indicates that these plans were to include activities to improve teachers' practices and develop remediation strategies for children.

Management reforms contributed to more equal allocation of resources to schools such as deployment of teachers and basic standards in schools (ICR p. 15), but no data were provided to demonstrate changes.

Outcomes:

The ICR provides no data (for learning, repetition, or dropout) disaggregated by socio-economic status, rural versus urban areas, zones with higher poverty rates, or gender to demonstrate improved equity of education. However, the education quality measure showed improvement in the bottom of the distribution, contributing to increased equity with regard to education inputs across the state system (ICR p. 42-43) as a result of the standards program. Schools with the standards program and full-time school day had a higher pass rate. However, the ICR (p. 46) does not explain whether comparison schools had other initial differences.

Rating

Modest

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Revised Objective

Improve the equity of public education

Revised Rationale

Same as above

Revised Rating

Modest

### Objective 4

Objective

Introduce management reforms

Rationale

Outputs:



An action plan for financial management and procurement was developed and implemented. A computerized accounting and management system was implemented to bring greater efficiency and transparency in the bidding process. The new system was intended to monitor suppliers, generate more bidders, and lower prices (ICR p. 31). However, no data are provided on contractors and pricing.

Outcomes:

The ICR reports that the reforms in financial management and procurement led to more efficient use of the state government's resources within education and other sectors. For example, the time to procure goods previously took five to six months and at closing took twenty days (on average), and direct contracting (that previously took three months) took 12 days at the end of the project (ICR p. 15).

The percentage of SEE personnel delivering education services in school increased from 50 percent in 2008 to 88 percent in 2013, exceeding the target (83%), suggesting that at the end of the project more resources were directly utilized by schools rather than for administrative and oversight functions.

Rating  
Substantial

Revised Objective  
Introduce management reforms

Revised Rationale  
same as above

Revised Rating  
Substantial

## 5. Efficiency

The appraisal document estimated the economic rate of return based on the overage program, which was a small activity that was subsequently further reduced in scale and support. The estimate of the rate of return was 25%. The net present value of the project was estimated at R\$3.3 billion, in the optimistic scenario using a discount rate of 10 percent. In the more conservative estimate, the net present value was R\$1.9 billion. The overage program was expected to lower dropout and repetition rates, which are reasonable assumptions. The appraisal document also noted high returns to the individual from education, which provided the economic rationale for the operation.

The completion report updated the initial estimate and included the Basic Standards program, literacy program, overage program, and monitoring and evaluation. The estimate of NPV at closing ranged from \$176 million to R\$110 million, and the estimated economic rate of return ranged from 14% to 18%. The updated estimates were more conservative and did not include all possible benefits. Assumptions (at preparation and closure) and methods were appropriate. However, the calculation did not discuss the increasing government resources devoted to education and its contribution to the results.

The public sector management reforms were expected to lead to efficiencies in resource allocation within the education sector (and others), as well as more equitable allocation across schools. The ICR notes that procurement was faster following the project's interventions.

The largest portion of the operation (Basic Standards program) disbursed on time. However, the project was extended four times. There were other inefficiencies as a result of the time it took for procurement and as a result of staff rotation policy. On balance, the efficiency of the



operation is rated substantial.

Efficiency Rating  
Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	25.00	20.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	18.00	90.00 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

Relevance of objectives and relevance of design were both rated Substantial. Three objectives (quality, efficiency, and introduction of management reforms) was rated Substantial, and one objective (equity) was rated Modest. Efficiency was rated Substantial. Ratings under revised indicators/targets were the same as under original indicators/targets.

Outcome is therefore rated Satisfactory, indicative of only minor shortcomings in the project's preparation and implementation.

a. Outcome Rating  
Satisfactory

## 7. Rationale for Risk to Development Outcome Rating

The ICR notes several factors that mitigate the risk to the development outcome. Programs implemented as part of the operation continue. The Government of Pernambuco remains committed. The introduction of financial and procurement management processes/tools has been extended to all state secretariats and agencies. Reforms such as the student assessment system, results-based management, and performance bonuses for teachers implemented before and during the project are included in the strategic plans of the government that took office in January 2014. The results-based framework has a consultative mechanism, which should give voice to stakeholders and provide important feedback to the process. The country's financial crisis and political challenges have the potential to impact the state; however, considering all the other factors, the risk to the development outcome is low.

a. Risk to Development Outcome Rating  
Negligible

## 8. Assessment of Bank Performance



a. Quality-at-Entry

The Bank had a long-standing relationship with the Government of Brazil and Government of Pernambuco. There were several closed projects that the Bank was able to draw upon to gain insights for this operation, such as FUNDESCOLA II, Recife, Pernambuco Rural Economic Inclusion, and Development Policy Operations. The Bank had knowledge and experience in both public sector management and education. Previous diagnostic work about the state's education system was reviewed. A Public Expenditure and Financial Accountability Framework had been applied in other operations. Moreover, the sector-wide approach with results-based management was also used in other Brazilian states. However, insufficient diagnostics were applied at preparation to understand the bottlenecks within the system. Likewise, there were shortcomings in the results framework and selection of indicators. Risks were appropriately identified and mitigated, but in a few cases understated. The ICR (p. 19) also notes the lack of anticipation of the "rapid municipalization of education with the transfer of the provision of low fundamental education."

Quality-at-Entry Rating  
Moderately Satisfactory

b. Quality of supervision

Active supervision was provided by the Bank team through on-site missions, telephone calls, video conferences, email, and other means (i.e. instant messaging). Progress was monitored by a multi-disciplinary team. Field trips to schools were held during missions. Problems were resolved quickly through dialogue. The Bank helped to rebuild capacity when a staff rotation policy was implemented and provided new fiduciary training to government staff. The Bank team provided feedback related to the results of Interim Financial Reports and monitoring and evaluation data to make improvements. Some of the initial shortcomings in relation to monitoring and evaluation were addressed during restructuring, but others remained.

Quality of Supervision Rating  
Satisfactory

Overall Bank Performance Rating  
Moderately Satisfactory

## 9. Assessment of Borrower Performance

a. Government Performance

The Government of Brazil and the Government of Pernambuco exhibited strong commitment to the operation. Mechanisms, policies, and priorities of the Government were supported in the operation. For example, the results-based management model was part of the operation and was strongly supported by the Governor. The project launch was attended by a wide group of actors involved in the project, including some from the State Attorney General's Office.

There were three changes in administration in Pernambuco during the operation, but commitment was steadfast over the life of the operation. Financial resources were provided continuously.

A government rotation policy resulted in loss of all secretaries relevant to the project and every government official involved in preparation and implementation. This impacted institutional memory and resulted in a need to rebuild capacity and hold another project launch. The shortage of funds from the Government of Pernambuco to fully cover consultant services was one reason why the target for the overage program was reduced (the other reason was the launch of the parallel federal program) (ICR p. 30).

Government Performance Rating  
Moderately Satisfactory

b. Implementing Agency Performance

The operation required coordination among the SEE, SAD, SEPLAG, and its Secretariat for Program Monitoring. Specific duties for



each agency were specified. SEPLAG assumed implementation responsibilities such as Government and Bank coordination, monitoring and evaluation, and implementing Bank procedures and reporting to the Bank. SEE implementing the education activities such the overage and literacy program and Basic Standards.

The project promoted the multi-year plan of the SEE, which promoted ownership. Project launch was held within three months after project effectiveness.

While implementation was delayed, it was smooth and no issue with corruption was noted (ICR p. 20). However, there were procurement delays that were eventually resolved by project closure (see Section 11b). There was staff turnover and lack of continuity of staffing, which impacted institutional memory, but did not have severe consequences on implementation. Staff in the implementing agency were responsive and open to the Bank's technical inputs.

Implementing Agency Performance Rating  
Moderately Satisfactory

Overall Borrower Performance Rating  
Moderately Satisfactory

## 10. M&E Design, Implementation, & Utilization

### a. M&E Design

The results chain provided a logical link between activities and each objective, but lacked explicit definition of outcomes to measure achievement of all four objectives (i.e. quality, efficiency, equity, and introduction management reforms). The original and revised results framework contained no indicators to measure improvements in equity and introduction of management reforms. Some of the original key performance indicators for outcomes were downgraded to intermediate indicators. Targets related to the overage and literacy program were reduced, as the scale of the State program was reduced once the federal program was initiated that directly competed for the same demand.

### b. M&E Implementation

During the operations, several intermediate indicators were revised to align with changes made to some project activities. For example, less emphasis was placed on the overage literacy and accelerated learning programs, while activities and technical assistance were expanded in relation to public sector management. However, these changes only partially addressed the inadequate measurement of achievement of the objectives.

Data collection was the responsibility of the SEE and SAD. SEPLAG provided data from other secretariats to the Bank. Improvements were made to the monitoring system during the operation. Several studies were commissioned, including status of early childhood education in Pernambuco, assessment of educational policies implemented by SEDUC, and classroom observations. Researchers evaluated the impact of the teacher bonus schemes implemented in the operation. Findings from these studies were not drawn upon in the ICR.

### c. M&E Utilization

Data from the student assessment system were reviewed, as well as the composite index (IDEPE) for the State. Schools received incentives based on school performance recorded in the assessment.

M&E Quality Rating  
Substantial



## 11. Other Issues

### a. Safeguards

The project did not trigger any of the Bank's safeguard policies. The project was classified Environmental Category C.

### b. Fiduciary Compliance

The state's financial management and procurement systems were utilized. The State Attorney General's Office was responsible for reviewing and approving the purchase of goods and services. Adequate arrangements were maintained for planning, budgeting, accounting, internal control, funds flow, and financial reporting and auditing throughout the operation. Compliance with these procedures provided reasonable assurance that the loan proceeds were used for the intended purposes. Audit reports were of acceptable quality, but some were late. Reports were unqualified, except the first one because of inadequate information.

The time to complete procurement was lengthy, taking more than one-third more time than other loans that applied Brazilian guidelines. However, this did not affect project performance.

The staff turnover (see Section 9) created problems with procurement and resulted in delays; eventually these activities were financed with counterpart resources under local procurement guidelines.

By the end of the project, procurement staff were confident with Bank procurement procedures.

### c. Unintended impacts (Positive or Negative)

None reported.

### d. Other

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## 12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Risk to Development Outcome	Negligible	Negligible	---
Bank Performance	Satisfactory	Moderately Satisfactory	Moderate shortcomings in preparation, including in the selection of indicators and targets.
Borrower Performance	Satisfactory	Moderately Satisfactory	Issues with staff turnover and procurement delays.
Quality of ICR		Substantial	---

### Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.



### 13. Lessons

IEG summarizes the lessons presented in the ICR (p. 21) as the following:

- **Adequate institutional coordination arrangements for project implementation contribute positively to achievements, capacity building, and sustainability.** This operation required coordination among the SEE, SAD, SEPLAG, and its Secretariat for Program Monitoring. Since SEPLAG has the responsibility in the State for coordinating and monitoring the Results-Based Management strategy, it was well poised to coordinate among all the involved agencies and implement the operation. It was able to develop strong partnerships among the agencies, which led to smooth flow of information and implementation. This model can be utilized by other projects in the state.
- **Measuring achievement of objectives requires the specification of appropriate key performance indicators.** Indicators should be kept simple and well articulated. When composite indicators are used, setting realistic targets is difficult.
- **The adoption of state-sponsored education assessment can positively affect schools' and students' performance and provide information to parents.** It is not the assessment itself, but rather the use of the data that brings about improvement. When school and student performance data are used to develop action plans to improve teachers' practices, that is when improvements are noted in student learning. The dissemination of student performance data to parents helped to increase parental participation in the education system in this operation.

### 14. Assessment Recommended?

Yes

Please explain

The ICR provides several unique lessons to explore related to public financial management, student assessment systems, and disbursement-linked indicators.

### 15. Comments on Quality of ICR

The quality of the ICR is substantial. The ICR provides a concise description of the project, its activities, and the factors affecting implementation. More discussion regarding achievement of the objectives would have been beneficial, as the ICR instead focuses on changes in indicators. It was necessary to find these details in the Annexes. The ICR correctly calculates the outcome rating, based on OPCS guidance on rating outcomes of projects with formally revised objectives (OPCS Guidelines Appendix B).

- a. Quality of ICR Rating  
Substantial