

SECONDARY EDUCATION MODERNIZATION AND TEACHER TRAINING PROGRAM

(UR-0132)

EXECUTIVE SUMMARY

Borrower:	Government of Uruguay	
Executing agency:	National Public Education Administration (ANEP) ¹	
Amount and source:	IDB: (OC)	US\$ 75 million
	Local:	US\$ 32 million
	Total:	US\$107 million
Financial terms and conditions:	Amortization period:	25 years
	Grace period:	5 years
	Disbursement period:	5 years
	Interest rate:	variable
	Inspection and supervision:	1%
	Credit fee:	0.75%
Objectives:	Currency:	U.S. dollars drawn from the Single Currency Facility
	<p>The program has two major objectives: (i) to attain universal coverage in the first cycle of secondary education,² known as the basic cycle (CB), thereby completing the nine years of compulsory schooling; and (ii) to revamp the second cycle of secondary education (SCEM), by laying the foundations for institutional and curricular reform aimed at providing an education that is more relevant to the needs of young people, the requirements of citizenship, and the world of work in the twenty-first century.</p> <p>The program will also include separate components aimed at achieving two cross-cutting objectives: strengthening and integrating</p>	

¹ In Uruguay, public education at the kindergarten, primary school and secondary school levels is administered by the ANEP, an independent State body, and not by the Ministry of Education.

² In Uruguay secondary education consists of six grades divided into two cycles of three years each: the first of these is known as the basic cycle (CB) and forms part of compulsory basic schooling; the second or upper cycle, which is not compulsory, consists of several branches or baccalaureate options seen as preparatory to university entrance.

the teacher training system, and making education system management more efficient.

Description:

The program has been organized into four components: (i) consolidation of the CB, including a new modality that targets young people who drop out of the education system after completing only primary school; (ii) reform of the academic and technical options offered; (iii) strengthening and consolidation of the teacher training system; and (iv) improvement of information processes and systems with a view to enhancing education system efficiency and management.

Component 1. CB consolidation (US\$43 million)

The purpose of this component is to achieve universal access, improve retention and enhance the quality of learning in the first cycle of secondary schooling (CB), thereby completing the nine years of compulsory basic education. This will build on the reform initiated by the previous stage financed by the Bank, known as Plan 96, which will be extended to all high schools offering the CB, including those in rural areas. This component will contain three subcomponents: (i) achievement of universal coverage and consolidation of CB reform, with funding for infrastructure, equipment and educational materials; (ii) enhancement of quality, through competitive funds for projects to improve pedagogical practices in high schools, and teacher training and development; and (iii) a reform of basic professional training.³ This will be turned into a more flexible CB arrangement aimed at young people who drop out of the system, to enable them to complete their compulsory basic schooling through a credit system, and also acquire a set of basic multipurpose skills to help them subsequently enter the labor market.

Component 2: Reform of the SCEM (US\$29.8 million)

The main objective of this component is to redefine the highly selective pre-university nature of the baccalaureates offered in the second cycle of secondary schooling (SCEM). A curricular reform process will be launched to offer high-quality learning opportunities that are relevant to the vast majority of young people, instead of just those destined for university. This will reduce school failure, repetition, and dropout rates. Three subcomponents will be funded to achieve these objectives: (i) technical bases and consensus building

³ At the present time, 14-18 year-olds who have dropped out of the school system after only completing primary school may attend technical schools under an arrangement known as "basic professional training". This offers training in specific occupations to help them enter the labor market.

for the reform: studies and evaluations will be funded to support public debate and consensus-building on the need for SCEM reform; (ii) steps to create the minimum conditions needed to bring about change and quality improvement, ensuring adequate time and space to implement the new curriculum. Funding will be provided for the adaptation and expansion of infrastructure to reduce crowding and move from three to two shifts in schools where the curricular reform will be launched; high schools will also be equipped with multi-resource learning centers, endowed with reference books, magazines and multimedia resources; and (iii) curricular reform of the SCEM: funding will be provided to set up a technical team, supported by consulting services and study visits, to design the new curricular structure and put new study programs in place. The new curriculum will be implemented gradually, year by year, starting with a set of high schools that will receive infrastructure investments, supplemented by in-service teacher training and purchase of teaching materials.

Component 3: Strengthening and consolidation of the teacher training system (US\$7.5 million)

The objective of this component is to increase the number and quality of secondary school fully-trained teachers, by improving the operation of teacher training centers (CFDs), and injecting greater diversity and flexibility into the present curriculum. To achieve this aim, a CFD network will be set up to incorporate and coordinate the different options and training modalities on the basis of common objectives. There will be three subcomponents: (i) institutional strengthening of teacher training centers, through network interconnection; the creation of learning resource centers in eight CFDs; construction of a new Regional Teacher Training Center (CERP), together with actions to improve infrastructure and equipment in the other centers; (ii) improvement of secondary school teacher training processes, with funding for a management and academic information system in each CFD; development of a national teacher training evaluation system, defining common standards to be achieved by all secondary school teachers; monitoring and evaluation of the CERP model, professional qualification and ongoing development for full-time teachers through part-time attendance modalities, and a competitive fund to support improvement projects focusing on curricular innovation and better teaching practices; and (iii) formulation of a professional development policy for trainers of teachers, including financing for consulting services, workshops, seminars and study visits abroad.

Component 4. Improvement of efficiency and management of the National Public Education Administration (ANEP) (US\$10 million).

The purpose of this component is to modernize ANEP management, at the Central Directive Council (CODICEN) and decentralized council level, and to strengthen institutional management in schools. This component will be divided into three subcomponents: (i) institutional strengthening of the strategic functions of CODICEN, the Secondary Education Council (CES) and the Technical-Professional Education Council (CETP), with support from external consultants and through studies and proposals for enhancing the regulatory and organizational framework, under current legislation; (ii) rationalization and re-engineering of five critical processes that have been identified as bottlenecks in improving the system's administrative, financial and human-resource management; and (iii) modernization of inspection work and strengthening of school management, introducing institutional self-assessment practices and indicators.

The Bank's country and sector strategy:

The Bank's strategy in Uruguay pursues three priority goals: (i) to support initiatives aimed at increasing the competitiveness of national production regionally and internationally; (ii) to provide support for deepening the State reform and modernization process, and enhancing governance; and (iii) to support efforts to improve social welfare and increase equity, drawing the most vulnerable groups into the development process and offering them a better quality of life. The proposed program is clearly consistent with this line of action, because the modernization and reform of secondary education is the main obstacle to increasing human capital among the poor and narrowing their education gap compared to the rest of the population; and raising labor productivity in line with the needs of society and economy in the twenty-first century.

Environmental and social review:

The program's civil works, entailing the construction of new high schools and expansion of existing ones, are not complex, and are not expected to have a significant impact on the environment (paragraph 4.13). With regard to gender, educational indicators will be collected and analyzed for both sexes. The program's economic evaluation indicates that it will improve employability among women even more than among men (see paragraph 4.14).

Benefits:

This operation will help consolidate the ongoing educational reform initiated in 1995 and extend it to the SCEM, thus achieving universal access and narrowing the relative educational deficit among the poorest members of society, by enabling them to complete

compulsory basic schooling. SCCEM reform will also significantly increase the percentage of students completing their secondary schooling. The program's educational benefits will translate into economic benefits for young people in secondary school, improving their employability and raising their expected incomes, as they attain the minimum schooling levels required by employers, and achieve mastery of the basic skills needed to enter the labor market.

Risks:

Reform of the SCCEM represents a major cultural change in a society where pre-university baccalaureates are a deeply rooted tradition. For this reason, the program will include steps to build technical foundations backed by social communications activities to generate the necessary consensus among society's main actors (families, teachers, young people, entrepreneurs) to meet this challenge. The rising educational demands of employers, together with social pressure arising from the democratization of secondary education, are powerful forces driving the need for change. There is also a consensus today among the main ANEP authorities regarding the need for change.

Special contractual clauses:

Conditions precedent to disbursement will require: (a) the program's Operating Regulations (OR) to be in force; (b) the annual operational plan (AOP) for the first year to have been presented; and (c) the accounting-financial management and internal control system for managing the program funds to have been implemented, as referred to in article 7.01 of the General Conditions (see paragraph 3.32).

Conditions precedent to disbursement of the individual components will include the following: (a) appointment and functioning of the SCCEM Reform Commission, along with its Technical Secretariat, will be a condition precedent to disbursement of the respective component; and (b) the first disbursement of financing for the "part-time in-service teacher training plan" will require a CODICEN resolution to be in force, barring new entries to the present "semi-open" training modality starting in 2003 (see paragraph 3.33).

Poverty-targeting and social sector classification:

This operation qualifies as a social-equity enhancing project, as described in the indicative objectives mandated by the Bank's Eighth Replenishment (document AB-1704). However, it does not qualify as a poverty-targeted investment (PTI), since the number of beneficiaries below the Bank's poverty line would be less than 50% of total beneficiaries (see paragraphs 4.11 and 4.12).

Exceptions to Bank policy:

An exemption will be arranged in procuring consulting services in an annual amount of up to US\$600,000 charged against the loan for up to 19 individual consultants now attached to the executing agency. This exception is justified because the program aims to provide continuity

to a successful ongoing reform process led by a team largely made up of these consultants, and whose technical and executive capacity the program seeks to preserve (see paragraph 3.29).

Procurement:

Procurement of goods and services and civil works will follow the usual Bank procedures, subject to the following discretionary limits: for international competitive bidding: US\$2 million for civil works, US\$350,000 for goods, and US\$200,000 for consulting firms. As requested by the borrower, tenders for goods and civil works in smaller amounts will be subject to thresholds and procedures agreed on with the Bank in the loan contract (see paragraph 3.27).

The Bank's prior nonobjection will not be required for procurement and contracts below: US\$750,000 for civil works; US\$100,000 for goods, services, and consulting firms; and US\$50,000 for individual consultants. The Bank's Country Office in Uruguay will perform an ex ante review of the first five contract award procedures in each category. At the discretion of the Country Office subsequent reviews may be performed ex post on a semiannual basis by sampling. In the case of consulting services selected on the basis of quality and cost, the relative weighting for the price variable in the evaluation criteria may not exceed 20%, and the technical or quality component of the bid may not be less than 80%.

I. BACKGROUND

A. Background

- 1.1 The Uruguayan economy enjoyed satisfactory growth and falling inflation during the past decade, leading to steadily rising living standards among the most socially vulnerable population groups. Between 1990 and 1999, inflation fell from three figures to single-digit levels, and the proportion of families living below the poverty line dropped from 12% in 1990 to 6% by 1998. Gross domestic product (GDP) grew at an average annual rate of 3.9% during 1990-1998, as a result of prudent fiscal-policy management, supported by a two-decade-long series of structural reforms, economic liberalization and favorable external conditions.
- 1.2 The economic situation deteriorated, however, starting in 1999, as a result of worsening terms of trade, that was compounded by the financial crises in South-East Asia and Russia that erupted in 1998, devaluation of the Brazilian *real* and the recession in Argentina. Real GDP contracted by 3% in 1999 and by a further 1.1% in 2000, and unemployment soared to 15% (July 2001). The consolidated public-sector deficit for 2000 came in at 3.7%, exceeding the target of 2.8% of GDP agreed with the International Monetary Fund (IMF), because of the effects of recession on tax revenue.
- 1.3 Historically, Uruguay's social development indicators have been amongst the highest in Latin America. The country's human development index (HDI) calculated by the United Nations Development Program (UNDP)¹ is the second highest in the region, and its levels of poverty and income inequality are the region's lowest. In fact, when per-capita income is adjusted by the Gini inequality index, Uruguay has the highest HDI in Latin America. Despite this outstanding record, the recession that began in 1999, and the ensuing increase in unemployment, have placed the issue of social exclusion at the center of public debate in a society that is used to viewing itself as a model of social integration, and which strongly supports public education as the mainstay of policies on equity and social mobility.
- 1.4 Social expenditure in Uruguay accounts for 68% of total public spending. Its composition by sector is dominated by the social security system, which accounts for three-quarters of the total and so limits resources available for other priority areas such as education. Nonetheless, the high priority given to education has gradually raised public expenditure on primary and secondary schooling from 2% of GDP in the early 1990s to 2.5% by the end of the decade. Total public expenditure on education represents 3.5% of GDP, a figure comparable with the Latin American and Caribbean (LAC) average of 3.6%, but well below the 5.4%

¹ The HDI is a compound indicator combining four variables: per-capita income, life expectancy at birth, the literacy rate, and the gross combined school enrollment rate in primary, secondary, and tertiary education.

average in member countries of the Organization for Economic Co-Operation and Development (OECD). Spending per pupil, at US\$850 per year, is lower than in other countries of the region such as Chile and Argentina. Spending per pupil graduating is substantially higher, given the high repetition and dropout rates in secondary education, especially in the upper cycle.

- 1.5 In 2000, the total education budget amounted to US\$632 million of which US\$127 million was allocated to the Universidad de la República and the remainder (US\$505 million) to the National Public Education Administration (ANEP). Of that amount, ANEP administration expense absorbed 8%, with the remainder going to kindergarten and primary education (50%), secondary education (29%), and technical schools (12%). The distributive effect of public education expenditure is similar to that in other countries of the region—clearly progressive at the kindergarten and primary levels, and also in the basic cycle of secondary schooling (CB). The first two income quintiles account for 62% of total enrollment at these levels. In the second cycle of secondary schooling (SCM), the bulk of the enrollment comes from middle-class families. In contrast, expenditure on higher education is clearly regressive, with 56% of enrollment at this level provided by the two highest income quintiles, compared to just 22% from the two lowest.
- 1.6 Wages represented 80% of total public expenditure on education, with other current operating expenses accounting for 10%, and the remaining 10% earmarked for investment. Available investment funds average about US\$50 million per year, so the Bank loan (US\$107 million over five years), representing approximately 40% of that investment, would provide the lion's share of the funding needed for secondary education reform.

B. Education in Uruguay

1. Organization of the education system

- 1.7 In Uruguay compulsory education consists of two years' kindergarten followed by nine years of basic education—six at primary level (1st-6th grades) and three years in the first cycle of secondary education (1st-3rd year). Administratively, primary schools come under the Primary Education Council (CEP), high schools under the Secondary Education Council (CES), and technical schools come under the Professional-Technical Education Council (CETP). Each of these is a decentralized body administered by ANEP, an autonomous institution that runs the public education system at the kindergarten, primary and secondary levels.

Table I-1: Structure of primary and secondary education in Uruguay

Level	Age	Grades	Nature
Kindergarten or pre-school	4-5 years		Compulsory education
Primary school	6-11 years	1st to 6th.	
First cycle of secondary school CB	12-14 years	1st to 3rd.	
Second cycle of secondary school SCEM (Baccalaureates)	15-17 years	4th to 6th.	Non-compulsory education

- 1.8 The SCEM consists of two three-year cycles, the first of which is a transition from the CB and can be done either in high schools offering the academic option known as the Diversified Baccalaureate (BD), or in technical schools under the Technology Baccalaureate (BT) mode. Starting in the second year (5th grade of secondary school), BD pupils have to choose between different branches whose content depends on university academic requirements. BT students, however, follow a program that trains them in skills related to job categories in the labor market.

2. Assessment and government strategy

- 1.9 Uruguay was one of the first countries in the region to achieve universal access to primary education, which dates from the late 1950s. In recent years this major achievement has been followed up by large-scale investment at the pre-school level, rapidly making it possible to achieve universal access to this level of schooling for 4-6 year-olds. Apart from making access universal, Uruguay has invested decisively in improving quality and retention in primary schools, such that today nearly 90% of the population complete the six years of primary school, well above the regional average and almost on a par with developed country standards.
- 1.10 At the secondary level, the situation is different. Here Uruguay's educational indicators, despite being above the regional average, as shown in table I-2, are well below those of developed countries. Although significant progress has been made in widening access to the CB (gross coverage is about 85%), net coverage is only 70%, owing to high rates of repetition and low educational achievement. The low retention capacity means that only half the corresponding age group manages to complete the CB, and only one in every three students finally graduates from secondary school. It is therefore essential to continue improving the internal efficiency of the system. In addition, there are also quality problems, as shown by the results of standardized tests on which a high proportion of pupils achieve less than satisfactory scores, 40% in the language area and 44% in mathematics.

Table I-2: Uruguay: Educational indicators, international comparison

Indicator	Uruguay	LAC average	OECD average
Net school enrollment rates			
▪ Primary	95%	92%	97%
▪ Basic cycle, secondary education	70%	60%	86%
▪ Second cycle, secondary education	45%	35%	80%
▪ Tertiary	19%	15%	30%
Graduation rates at each level			
▪ Primary	90%	80%	99%
▪ Basic cycle, secondary education	50%	n.a.	n.a.
▪ Second cycle, secondary education	34%	30%	72%
▪ Tertiary	10%	12%	22%
Average years of schooling among 20-25 year olds.	9.7	6.5	11.5

Sources: ANEP, United Nations Education, Science, and Culture Organization (UNESCO), OECD and IDB.

- 1.11 Reform of the CB, which began in 1995 with Bank funding as “Plan 96”, has begun to produce encouraging results. The new curriculum and the lengthening of the school day from 3.5 to 5.5 hours of classes daily, together with teachers staying longer in a given school and significant investment in infrastructural improvements, textbooks and teacher guides, supported by new teacher training alternatives at this level, have made it possible to reduce repetition and dropout rates and to increase both coverage and student retention. Of every 100 students entering the first year of the CB under Plan 96, 54 complete it successfully, compared with 39 pupils who do so in high schools that still offer the pre-reform program.
- 1.12 Internal efficiency improvements in high schools operating under the new plan have been sufficient to offset the higher costs arising from the longer school day, new materials and new teacher training modalities. In fact, while current expenditure per pupil under Plan 96 is 20% higher than under the old plan, the cost per graduating student is 9% lower. The reform has been implemented in schools covering nearly 60% of total CB enrollment, encompassing over half of all high schools and all technical schools offering the CB. Consequently, Uruguay today is midway through the process of implementing the reform in all CB high schools and achieving effective universal coverage for the minimum nine years of compulsory basic schooling. This target, which is expected to be achieved during the next five years supported by the program, is the top priority of government educational policy.
- 1.13 At the SCEM level, the challenge is even greater, not only in quantitative terms, but mainly in terms of quality and equity. When only one out of every two young people have access to this level and one in every three manages to complete it, the system is clearly not responding to the needs of the majority of young people. The problem is even greater among young people from low-income families: whereas

63% of young people from the highest income quintile manage to complete secondary education, only 9% of those from the poorest quintile do so.

- 1.14 In Uruguay the three-year SCEM is designed as a series of parallel options known as diversified baccalaureates (BDs), the orientation and contents of which are seen as preparatory to study programs in the more traditional university faculties. This pre-university baccalaureate model, inherited from an extremely selective high school education system with a curriculum dating back to 1941, has failed to adapt to the profound changes that have occurred in the enrollment profile as result of increasing democratization of access, nor does it respond to the needs of a globalized society and economy. The curriculum combines many subjects in a very short space of time, subjecting the student to rigorous examinations, based on university requirements. In practice, this model now caters only to the needs of the 20% of the population who succeed in passing through it to enter university, while condemning to failure the majority of young people who need a good general multipurpose education that prepares them for life and job-market participation. On average, only one in every five young people entering the baccalaureate manage to finish it successfully. The vast majority drop out or take four or five years to complete the three grades.
- 1.15 At the present time the SCEM school year lasts between 31 and 33 weeks; with a school day of approximately 3 2/3 hours, for approximately 600 hours of school per year. International comparisons suggest that this amount of time devoted to learning is insufficient, since the average in developed countries is between 1,000 and 1,200 hours per year. Class time is a key variable when introducing a new curriculum and improving learning outcomes, so extending the school year and/or lengthening the school day will need to be considered. This will require consensus-building as well as investments in infrastructure and eventually the payment of additional teaching hours, similar to what happened when implementing the CB reform.
- 1.16 In this context, the ANEP authorities have proposed two major goals for secondary education over the next five years: to consolidate CB reform by achieving universal access and strengthening improvements in quality and retention; and to begin the process of transforming upper secondary school from the present highly selective model aimed exclusively at university entrance, to a more inclusive multipurpose education for young people, enabling those who so wish to continue studying, but also providing the general basic skills needed to enter the labor market for the vast majority who do not go onto university.
- 1.17 The authorities realize that to achieve these two major objectives it is essential also to continue making progress on two fronts that cut across the educational system as a whole: teacher training and education system management. The program will therefore tackle the coordination and improvement of the teacher training system and improvements to education system management efficiency in separate components.

- 1.18 On the teacher training front, there is a major shortage of teachers professionally qualified to teach in secondary school; this is more serious outside Montevideo and particularly in specific subjects such as mathematics, physical sciences and English, where the proportion of fully qualified teachers is under 20%. Over the last five years, the country has put a new teacher training modality into operation, namely regional teacher training centers (CERPs). These have proven to be an efficient way of responding to teacher training needs for the basic cycle of secondary education in the interior of the country, by enabling teachers to undertake full-time training, with a timetable load twice that of traditional alternatives and graduation in three years instead of four. The degree of acceptance of this new training model is reflected, among other things, in the significant growth seen in enrollment in such centers. In addition, the Montevideo Teacher Training Center has been inaugurated to provide in-service training.
- 1.19 The current range of training courses being offered involves a variety of institutions and mutually uncoordinated modalities for obtaining the professional secondary school teacher qualification. These differ in terms of time taken and curricular content, and in the approach to professional practice and management. In practical terms, the country needs a teacher training strategy that coordinates and integrates the different alternatives on offer, and standardizes the desired graduate profile in order to respond to the needs of the system as a whole. This program aims to assist in developing such a strategy and coordinating the alternatives currently being offered, including the development of partial attendance and distance learning alternatives.
- 1.20 As regards efficiency in operating the education system, the current administration aims to improve and integrate management information systems with those dealing with educational results, in order to move towards management by results. Managerial capacity and strategic planning functions among ANEP decision makers also need further strengthening, along with administrative and pedagogic functions in schools.

C. The Bank's strategy and justification for the operation

1. The Bank's strategy

- 1.21 The central aim of the Bank's strategy in Uruguay is to support government programs and policies to achieve sustained GDP growth and greater social equity, in a context of macroeconomic stability. Accordingly, the Bank's strategy focuses on supporting: (i) initiatives to enhance the competitiveness of national production both regionally and internationally, and to promote private investment incorporating modern technology to allow more effective integration into regional and international markets; (ii) a deepening of the State transformation and modernization process, including improvements in governance to increase efficiency; rationalize and target interventions, and cut back State involvement in

national goods and services production; and (iii) efforts to improve social welfare and increase equity, drawing the most vulnerable population groups into the development process and offering them a better quality of life.

- 1.22 The priority lines of action to improve social welfare and equity include consolidating and extending educational reform, together with programs that contribute to the formation of human resources, in order to nurture the skills and attitudes needed for successful labor-market participation in a competitive and globalized economy. The proposed program clearly fits in with these lines of action, by helping to consolidate and deepen secondary education reform, and adapting the SCEM model to the needs of society and the economy.

2. Previous Bank operations and lessons learned

- 1.23 Over the last decade, the Bank has financed two operations in the education sector in Uruguay: the UTU-IDB Technical Education Improvement Program (799/OC-UR), execution of which has been satisfactory with 95% of resources disbursed to date; and the Secondary Education Modernization and Teacher Training Program MESyFOD (922/OC-UR), implementation of which has been rated satisfactory by the Bank, with 87% of funds disbursed so far. The latter program was the first step in a secondary education reform process that the new operation aims to continue and deepen. The World Bank has also been funding improvements in primary and pre-school education, through the Primary Education Quality Improvement Program (MECAEP), which is set to conclude this year. A new operation to consolidate progress made at this level is currently being prepared.
- 1.24 The UTU-IDB program made significant progress in rationalizing the supply of technical-professional education, strengthening links between programs and labor-market needs, and making progress on institutional development and management modernization in the Universidad del Trabajo del Uruguay (UTU), which is the institution responsible for technical-professional training. A recent diagnostic study sponsored by the Bank, shows that UTU is now much better placed to meet the challenge of keeping its programs up to date and modernizing the work of the institution. Where little progress has so far been made is in creating greater managerial autonomy for schools, since they are subject to regulatory restrictions and a management culture that imposes centralized resource administration, thus restricting opportunities to improve administrative and pedagogic management in technical schools. This is a pending issue on the sectoral reform agenda to be addressed under the new program through actions to strengthen educational centers by means of training for directors, competitive project funds and the development of self-assessment indicators and practices.
- 1.25 MESyFOD is a genuine example of a program in support of an educational reform process, where implementation has fully met the development targets proposed. In just five years, this program managed to extend coverage of public secondary

education to over 20,000 new students, equivalent to a 15% expansion in gross coverage. The program also succeeded in cutting repetition and dropout rates, implementing a new organizational model for the first cycle of secondary school (CB), and introducing a new full-time teacher training model outside Montevideo (CERPs) and a new model for decentralized inspections by region.

- 1.26 The main lesson to be drawn from the program's success stems from the comprehensive approach used in the reform process. It encompasses not only design of the proposed new curriculum but also creation of the necessary conditions for its effective implementation in high schools and technical schools, by increasing the class time needed to improve learning outcomes and creating the spaces and organizational conditions in schools to enable teachers to make the most of the training and materials that support the reform. The program funded a full range of improvements to assure the minimum conditions needed to put curricular reform in practice: expansion and improvement of infrastructure in order to move from three daily shifts to two, construction and equipping of suitable spaces for science teaching and new curriculum areas such as informatics and technology, guaranteeing the provision of textbooks to students and teaching guides for teachers. The final outcome is an investment-intensive program that is clearly cost-effective.
- 1.27 The most controversial aspect of the program was the management style and speed at which change was introduced. The process was marked by decisive leadership from the ANEP board but provided very few opportunities and little time for participation by the actors involved, or for generating the necessary consensus. Despite this, it is widely acknowledged today that the types of change implemented have been successful, and the results point to the need to consolidate the reforms that have been started. Nonetheless, new political circumstances and the realignment of political actors and parties in the current government, are making it necessary to rethink the consensus-building process for implementing the new stage of reform.
- 1.28 The least progress was made in modernizing education system management; the actions carried out and progress achieved here failed to come up to the expectations formed when the component was designed. This was partly due to the emphasis on curricular and institutional reform at the school level, and the weaker embrace of management issues by ANEP. Nonetheless, there is also an implicit lesson to be learned on pragmatism and realism in the objectives set when transforming management in systems characterized by major institutional and regulatory rigidity, a long tradition, and an institutional culture that cannot be radically changed within the span of a single investment project. Consequently, the new operation proposes a more realistic approach, with more modest goals that are considered achievable within the existing institutional and regulatory framework, and on the basis of consensus.

3. Rationale for the operation

- 1.29 Given this diagnosis, the current operation aims to support the government strategy for consolidating the CB reform that began under the previous loan, and deepening it by starting to revamp the SCEM.
- 1.30 Taking into account the lessons highlighted in the previous section, the proposed operation will combine two complementary strategies: First, it will continue to fund comprehensive quality improvement actions that consolidate the CB reform and create the minimum conditions for embarking on curricular reform in the second cycle. Secondly, the program will introduce new proposals for change: a new more flexible CB modality will be implemented, to address the needs of students that have dropped out of the system. This will entail redesigning current basic vocational training courses, for a target population that fails to attain the minimum compulsory schooling levels but is too young to enter the labor market. In the second cycle, the program will generate the technical bases and consensus needed to initiate curricular change in the baccalaureates, aiming at an educational model that is more in line with the needs of the young people it serves and of the new Uruguayan economy.
- 1.31 The starting point and pace of reform processes in the CB and in the second cycle are different: the CB reform involves consolidating a successful model that has been defined and implemented in over half the corresponding schools; the second cycle reform is a matter of laying foundations, both technical and political, to initiate the curricular reform process, while creating the necessary conditions for implementing it. The conceptual scheme of the operation is summarized in the following table:

Table I-3: Conceptual scheme of the program

Objectives	Improvement actions	Transformation actions
1. Universal coverage of secondary education basic cycle (CB)	Consolidation of Plan 96	New CB modality, redefining Basic Vocational training
2. Revamping of SCEM	Improvement actions in secondary and technical baccalaureates	SCEM curricular reform

II. THE PROGRAM

A. Objectives and description

- 2.1 The program has two main objectives: (i) to consolidate universal coverage of the CB, thereby completing the nine years of compulsory schooling; and (ii) to restructure the SCEM and lay the foundations for its institutional and curricular reform, thus offering an education that is more relevant to young people's needs, the demands of citizenship, and the world of work in the twenty-first century.
- 2.2 At the same time, the program will also include separate components aimed at two cross-cutting objectives: strengthening and integrating the teacher training system, and improving education system management efficiency. In the case of the former, the program will seek to integrate the different teacher training modalities currently in existence, and define a new secondary school teacher profile based on the requirements of the ongoing reform. As to improving systemic management, the program will work on two fronts: in the short run, it will identify critical processes in which efficiency can be substantially improved with the help of information systems and management by results; in the medium-term, it will seek to strengthen strategic planning functions at the central level, and start to deconcentrate or delegate routine operational functions to decentralized bodies including schools themselves, within the existing legal framework. Alongside this, it will seek to strengthen school management, by providing training for their directors, channeling resources through competitive project funds, and developing indicators for the self-assessment of educational results, together with inspections.

B. Program structure

- 2.3 The program has been organized into four components: (i) consolidation of the CB, including a new modality aimed at young people who drop out of the system after completing primary school; (ii) transformation of the SCEM, in terms of the academic and technical alternatives offered; (iii) strengthening and consolidation of the teacher training system; and (iv) improvements in information processes and systems with a view to enhancing systemic efficiency and management.
- 2.4 Table II-1 summarizes the program's main investment categories by component, showing the type of impact indicators to be used in evaluating it. A logical framework was agreed on with the government during preparation of this operation, which is presented in Annex II-1.

Table II-1: Main investments and program impact

Components and investments	Impact indicators
<i>Consolidation of CB</i> <ul style="list-style-type: none"> ▪ Infrastructure and equipment ▪ Teacher training ▪ School textbooks and curriculum guides ▪ Technology classrooms ▪ Competitive project fund 	<ul style="list-style-type: none"> ▪ Increase in net school enrollment rate in the age 12-14 year group: <u>2000</u>: 70%; <u>2006</u>: 85% ▪ Increase in students completing the CB within the expected time frame (3 years): <u>2000</u>: 40%; <u>2006</u>: 60% ▪ Improved learning outcomes in language and mathematics. <u>2000</u>: 53.1%; <u>2006</u>: 65%. ▪ 100% of CB high schools functioning with two shifts and longer school day (2006).
<i>Transformation of SCEM</i> <ul style="list-style-type: none"> ▪ Infrastructure and equipment ▪ Design of new curriculum ▪ Training and study visits ▪ Textbooks and curricular guides ▪ Seminars, workshops and studies 	<ul style="list-style-type: none"> ▪ 40% of high schools offering 6th year have implemented curricular reform, with longer school day by 2006. ▪ 40% of SCEM students with new curriculum (36,200 students) by 2006 ▪ Rate of graduation in 6th year in high schools with new curriculum: Base year 1999: 19%; Target year 2006: 50% ▪ Increased coverage of technological baccalaureates (BTs): 2000: 5,142 students, to 8,000 students (2006).
<i>Strengthening and consolidation of teacher training system</i> <ul style="list-style-type: none"> ▪ Informatics connectivity ▪ Infrastructure and equipment ▪ Distance education ▪ Competitive project fund 	<ul style="list-style-type: none"> ▪ 70% of CES and CETP teachers, between 30 and 50 years of age, professionally qualified for secondary school teaching by 2006. ▪ 100% of CB teachers trained in Plan 96.
<i>Improvement of ANEP efficiency and management</i> <ul style="list-style-type: none"> ▪ Computerization of administrative management ▪ Training for directors ▪ Campaign to disseminate and promote educational reform ▪ Competitive project fund 	<ul style="list-style-type: none"> ▪ Five critical management processes rationalized and systemized. ▪ Information system operating, with external evaluation of results. ▪ 100% of currently serving directors and inspectors trained for their jobs.

2.5 The expected improvements in educational indicators stem from the program's investments, 70% of which focus on creating the conditions needed to guarantee consolidation of CB reform and a successful start to revamping the second cycle. In the first case, wider coverage and greater internal efficiency reflect improvements in high schools already operating with Plan 96 (see paragraphs 1.10 to 1.12), with this successful model being extended to the remaining high schools. Nearly half of the program's infrastructure investments are destined for this. In the case of SCEM restructuring, the program's targets are premised on strong demand growth generated by universal coverage in the basic cycle, and on the radical change being pursued in the orientation of the baccalaureates. High schools applying the new

curriculum will no longer be basically a university selection filter, where only one in every five students eventually completes the level. Instead they will provide an empowering and multipurpose education for all, with levels of internal efficiency similar to those of other countries in the region. To support this major transformation, the bulk of the investments focus on creating suitable conditions (space and time) for implementing the reform in 40% of SCEM high schools, and on expanding supply in technological baccalaureate specialties that are having to apply an entrance test to deal with sustained growth in demand.

1. Component 1: CB Consolidation (US\$43 million)

- 2.6 This component will aim to achieve universal access, improve retention rates and enhance learning outcomes in the CB. To this end, Plan 96 will be extended to the entire country, including rural schools. There will be special emphasis on deepening actions to improve high school management and institutional evaluation, including the development of self-assessment indicators and practices. In addition, an educational alternative will be developed for young people who quit the system after primary school along with secondary-school dropouts, redesigning what is known today as Basic Vocational Training, to create what is effectively a new CB modality. This component will have three subcomponents: (a) universal coverage of the basic cycle; (b) quality improvement programs; and (c) redesign of Basic Vocational Training.

a. Universal CB coverage (US\$40 million)

- 2.7 The encouraging results achieved by Plan 96 make it possible to set the goal of universal coverage and consolidation of the secondary school CB reform. This implies major investments in infrastructure and furniture, and the provision of educational materials for pupils and teachers. This subcomponent will pursue two lines of action: (i) *Infrastructure and equipment*, to move the remaining high schools from three to two shifts, with a longer school day; funding will be provided to build 16 new high schools, 80 classrooms for technology workshops, 60 informatics classrooms, 50 sports fields and 20 multipurpose areas, all with their respective equipment and furniture. (ii) *Educational materials for pupils and teachers*: the program will finance the procurement of educational materials to support the work of teachers and pupils in the CB (manuals, curriculum guides, worksheets, textbooks and other items); technology spaces will be set up, and libraries will be equipped with books, magazines, didactic materials, audio cassettes, videos and computer software, among other things.

b. Quality improvement programs (US\$1.6 million)

- 2.8 The aim of this subcomponent is to improve the quality of education in the CB, and the following lines of action will be implemented to that end: (i) *Monitoring and curriculum evaluation of Plan 96*: consolidating successful innovations and

adapting unsuccessful ones. For this purpose, the program will finance consulting services, research and evaluation of pedagogic practices in high schools and in the classroom, the results of which will be published and disseminated throughout CB high schools and technical schools; there will be continuous follow-up and supervision of curriculum implementation, with adjustments being made as necessary. (ii) *improvement projects for teachers and pupils*: in order to foster professional development among teachers and stimulate initiative and leadership among young people. A competitive fund will provide finance for about 450 pedagogic improvement projects developed by teachers, relating to improved educational practices and the use of new technologies for pedagogic purposes; and up to 150 projects carried out by young people (e.g. science clubs, promotion of sporting or artistic activities). (iii) *Professional development groups* among teachers: the objective of this is to optimize the use of the *coordination period*, a time assigned for collective work among teachers working in the CB. Working meetings led by the school director will be held, supported by the inspection team, and funding will be provided for a set of educational materials and specialized modules in the different areas of learning, together with self-assessment modules and audiovisual and informatics support, among other items.

c. Redesign of basic vocational training: new skills-based basic cycle option (US\$1.4 million)

- 2.9 This subcomponent will enable young people of between 14 and 18 years of age, who have dropped out of the school system, to complete the compulsory CB program through a flexible education alternative in line with their interests and aptitudes; and to provide them with a set of basic technology skills that can be applied across a variety of job categories, thereby improving their employment prospects. This involves designing and implementing a new educational modality incorporating a credit system, with a skills-based curriculum that awards credits for a student's previous experience. This new modality will be implemented gradually, starting with a pilot plan in 2002 in three to five schools. This is expected to expand to as many as 25 schools by 2006—18 in departmental capitals within the country and six in Montevideo and the metropolitan area. The program will finance the following lines of action: (i) *Design of the new skills-based curricular modality*, using credits and a modular system to allow flexible self-learning (the open classroom modality); adaptation of the regulatory framework to allow previously acquired skills to be recognized; and negotiation of contracts with public and private bodies to implement internships and study-work options. (ii) *Training and refresher courses for teachers* in applying the new modality and for their work as tutors in the flexible education (open classroom) alternative. (iii) *Textbooks and other educational materials for teachers and pupils*, including study guides, modular materials and software support for self-access learning activities. (iv) *Research and development of strategies dealing with young people at risk*: The program will finance consulting services to identify and develop effective strategies to collaborate with schools dealing with young people living in situations of social

exclusion. (v) *Monitoring and evaluation* to make it possible to monitor the educational outcomes being produced, identify achievements and difficulties, and make adjustments as necessary. Funding will be provided for a diagnostic study at the outset of preparations for the curricular proposal, and for monitoring and supervision during implementation thereof and measurement of its achievements, the results of which will be disseminated throughout all schools applying this new modality. (vi) *Dissemination and communications*, of the new modality and its educational outcomes.

2. Component 2: Restructuring of SCEM (US\$29.8 million)

- 2.10 The main objective of this component is to change the highly selective nature of the SCEM into a general education model for young people, offering relevant and high-quality learning opportunities to a heterogeneous clientele, in order to expand coverage and reduce school failure rates. To achieve these objectives, the intention is to implement gradually a three dimensional strategy: generating consensus-based proposals for an SCEM reform agenda; improvement actions to create the conditions needed to implement the reform; and preparation and implementation of a new curriculum. Three subcomponents will be funded for this purpose: (a) foundations for analysis, debate and generation of consensus-based proposals on the need for change; (b) quality improvement programs; and (c) SCEM curricular reform.

a. Foundations for analysis, debate and consensus-based proposals (US\$400,000)

- 2.11 Considering the scale and significance of the SCEM reform for Uruguayan society, this subcomponent aims to work in the education sector and in other segments of society (politics, business and public opinion) on the need for far-reaching reform of the current structure and curriculum of the baccalaureates in the Uruguayan education system. A dual strategy has been devised for this: first, research will be conducted to assess the current SCEM situation; and secondly, a process involving communication, debate and construction of a shared view of the need for and desired orientation of change. Two lines of action will be financed to that end: (i) *Studies and evaluations* to produce information relevant to public debate on the need for reform and its orientation. The program will finance consulting services to systemize the findings of previous studies undertaken in Uruguay, together with new research and studies to be commissioned on the following topics: (a) curricular structure and functions of the SCEM; (b) educational experience in typical SCEM schools (ethnographic study); (c) sample analysis of learning outcomes; (d) teachers' opinions concerning the curriculum, teaching and evaluation in the baccalaureates; (e) evaluation and promotion in the SCEM; comparison with learning opportunities in international equivalents; (f) evaluation of SCEM internal efficiency; (g) educational and occupational situation of young people and evaluation of their perceptions of the SCEM; and (h) evaluation of SCEM external

efficiency. (ii) *Communications debate and creation of a shared proposal* in order to generate a solid base of support for the changes to be introduced in the SCEM. Funding will be provided for: (a) dissemination and communication of research results; (b) events for communication, debate and construction of a shared vision; and (c) internships abroad to gain knowledge of other secondary education curricular structures.

b. Quality improvement programs (US\$24.5 million)

- 2.12 This subcomponent aims to create the minimum conditions (sufficient time and space) needed to implement curricular reform in high schools where gradual implementation is set to begin. At the same time, strategic investments will be made that have a major impact on quality (such as modern well-equipped libraries) which are independent of whatever curriculum is ultimately defined. The following lines of action will be funded: (i) *School infrastructure* to guarantee the minimum conditions needed to implement the reform, enabling high schools to operate in two day-time shifts with an extended school day, thereby easing enrollment in schools suffering from overcrowding. For this purpose, investments will be undertaken to renovate and expand 21 high schools, and six new buildings will be constructed. (ii) *New buildings and expansion of Technological Baccalaureates*. Investments will include physical works to construct five polytechnical schools offering Technological Baccalaureates (BTs); and infrastructure will be adapted and expanded in BTs where enrollment has been growing significantly and there is a shortage of physical space. (iii) *Adaptation of existing library spaces* to permit implementation of the new multi-resource learning spaces (ERMAs). (iv) *Provision of ERMAs* to provide schools participating in the SCEM reform with a modern library that operates as a space that stimulates the teaching and learning process. This will be endowed with a wide variety of books and didactic materials, audiovisual materials, software support, together with scientific and pedagogic magazines for pupils and teachers. Procurement will be made in several stages, so that once the new curriculum is defined, materials can be supplemented accordingly, and an evaluation of the functioning and use of the ERMAs will be made by students and teachers. (v) *Equipping and strengthening of technological baccalaureates*, complementing investments in infrastructure with the equipment needed by the most popular technological specialties, and developing a systematic policy to link educational institutions with the country's social and productive apparatus, both locally and regionally. The program will finance a study of the existing regulatory framework, the results of which will identify adjustments needed to strengthen links between BTs and the production system. Meetings and seminars will be held with entrepreneurs, and an information system will be set up for users concerning internships, employment vacancies and job search.

c. Upper secondary education curricular reform (US\$4.9 million)

- 2.13 This subcomponent presupposes the goals of the first subcomponent are achieved, and aims to design and implement a new SCEM curriculum. It consists of three phases with corresponding results: (i) definition of a new SCEM curricular structure; (ii) preparation of study plans and programs to complete the new structure and its curricular variants; (iii) implementation of these new plans and programs, together with related teacher training processes, didactic materials and various types of support for putting these new objectives and contents into practice. A start will be made with approximately 30 high schools whose size and geographic representativeness ensure the reform's impact and visibility in the system, covering approximately 40% of enrollment in the second cycle. The subcomponent consists of the following lines of action: (i) *Design of a new SCEM curricular structure*, including preparation by a central top-level team of the defining elements of the second cycle curricular reform, combining the results of research and international best practices, and drafting a proposal to be discussed with the main institutional stakeholders. To accomplish this aim, financing will be provided to set up a central team of technical experts to act as technical secretariat responsible for proposing the new curricular guidelines. (ii) *Preparation of new study programs*, envisaged as a multi-stage process that advances year by year. This will begin by designing programs for SCEM 4th grade during the second half of 2002, to start implementation in the 2003 school year; and it will culminate with the design of study programs for 6th grade in March 2005, resulting in a cohort of graduates within the program horizon. Working subcommissions of teachers and inspectors will be set up in each subject, and these will be joined by qualified specialist consultants in the disciplinary and pedagogic-didactic fields. The program will finance consulting services, and the production and dissemination of the programs prepared. (iii) *Teacher training*, to foster acceptance of the new curriculum by directors and teachers in the selected schools. Seminar-workshops will be organized in close coordination with the main institutional stakeholders. (iv) *Didactic resources and support materials for implementing the reform*: this entails procurement of laboratory materials, didactic equipment and complementary educational materials for the ERMA, based on the needs generated by the new curriculum in each subject. (v) *Monitoring and evaluation of the proposal*, through classroom observation and assessment in high schools where it is introduced; and the development of tools for collecting and processing such information for the purpose of feedback and fine-tuning as necessary for application in the remainder of the system.

3. Component 3: Strengthening and consolidation of the teacher training system (US\$7.5 million)

- 2.14 The objective of this component is to improve the quality of initial and ongoing training of secondary school teachers, and to work towards a general professional standard for all qualified teachers. To achieve this goal, a network of teacher

training centers (CFDs) will be set up, linked through a computer network that includes and coordinates managerial, academic and administrative aspects. Integration of the teacher training system needs to be based on a diversity of curricular delivery alternatives (distance, part-time, and full-time) and the need for ongoing teacher training within the framework of shared objectives and high academic quality. Lastly, new teacher training alternatives will incorporate information and communications technologies in the training processes. The use of distance learning modalities combined with part-time strategies will make it possible to expand access opportunities and achieve a larger number of professionally qualified secondary school teachers. This component will have three subcomponents: (a) institutional strengthening of teacher training centers; (b) consolidation of curricular innovation processes; and (c) professional development for trainers of teachers.

**a. Institutional strengthening of teacher training centers (CFDs)
(US\$3 million)**

- 2.15 This subcomponent will set up a network of teacher training centers linking the Profesor Artigas Institute (IPA), the six CERPs, the Instituto Normal de Enseñanza Técnica (INET), the Instituto Normal de Montevideo, and 21 teacher training institutes (IFDs) to create an academic community forming the basis of a coordinated teacher training system. At the same time, the idea is to enhance the physical conditions of CFDs by upgrading their infrastructure and equipment. This component has three lines of action: (i) *Development of a network of CFDs* to coordinate the different alternatives on offer, based on a professional teacher profile and standards consistent with the requirements of the secondary education reform. A computerized network of CFDs will be established to include academic, managerial and administrative aspects. Funding will be provided for the design and development of an educational portal to serve as a basis for interconnection between centers, and both trainers of teacher trainers and technical staff responsible for maintaining the website will be trained in the pedagogic use of new communications technologies. (ii) *Creation of learning resource centers (CRAs)*: this will involve adapting spaces and providing educational materials and support elements to 16 CRAs; and 750 teachers from CFDs will receive training so that such materials can be incorporated into their teaching strategies. (iii) *Improvement of CFD infrastructure and equipment*, expanding the current supply of training slots offered by the CERPs by building a new center in Florida and expanding other CERPs if necessary. Funding is also expected to be provided for infrastructure improvements in the IPA and to provide new computer equipment for CFDs engaged in secondary school teacher training.

b. Consolidation of curricular innovation processes (US\$4 million)

- 2.16 The aim of this subcomponent is to provide institutional and academic strengthening for CFDs responsible for training secondary school teachers. The aim

here is to improve the quality of regular teacher training and raise the number of students graduating through complementarity agreements between CERPs and IFDs. New initial teacher training strategies will be developed in the part-time in-service modality, to address the needs of unqualified teachers who have gone into secondary school teaching on a large scale without the pedagogic qualifications to teach at that level. The tasks of the IPA will be strengthened and a new qualitatively different alternative for INET will be designed. The aim is to offer training alternatives that are more relevant and efficient, with strategies to improve training centers institutionally and academically. This subcomponent includes the following lines of action: (i) *Development of a managerial and academic information system in each CFD*; the program will finance the design, implementation and evaluation of an information system to be installed in the CERPs, IPA and INET, which will contain academic and managerial indicators, including information on students, (their academic record), graduates (their employment history and their performance as teachers), as well as on the institutional profile of the CFDs concerned. (ii) *National teacher training evaluation system*: this will finance a proposal to be discussed with relevant actors to gradually implement a system for evaluating teacher training in the country. The gradual and consensual nature of the system will be emphasized, and the initial task will be to put the topic on the country's educational agenda. (iii) *Monitoring and evaluation of the CERP model*. Funding will be provided to hire a local consultancy team to monitor and evaluate the curricular design of this teacher training system, and to suggest actions aimed at improving and enhancing the proposal. (iv) *Improvement projects* focusing on curricular innovation and better pedagogic practices, based on a critical reflection by trainers of teacher trainers on their own professional practices. Funding will be made available, competitively, for 70 projects designed by teachers from IPA, the CERPs and INET. The proceeds (an average of US\$5,000 per project) will be paid directly to the CFDs. The program will also finance workshops and materials for monitoring and disseminating the results of this line of action. (v) *Partial attendance plan for initial training and qualification of technical teachers from INET*. This will begin by financing internships abroad (in Spain, Brazil and Canada), in order to gain knowledge of other innovative experiences in training technical teachers. On this basis, a plan will be designed to coordinate initial training with the transitional plan for in-service teacher qualification, implementation of which will start with a pilot scheme in two localities outside Montevideo. The program will finance the team responsible for designing the proposal modules (pedagogic-didactic, thematic specialties and teaching practice areas). (vi) *Part-time plan for in-service qualification of teachers from CES and CETP*. This plan's target population consists of unqualified serving teachers between 30 and 50 years of age. The program will be delivered in a flexible partial- attendance manner, using a credit and module system, alternating between tutorials via e-mail/teleconferencing, and discussion forums and other sessions requiring student presence. As part of the proposal design, five internships abroad will be funded in academic centers yet to be defined. Consultants will be hired for the general design of the proposal, together with thematic specialists

responsible for preparing the proposal's modules (didactic-pedagogic, thematic specialties and teaching practice). An international and national seminar is also expected to be held on distance training for teachers. (vii) *Program to train and update Plan 96 teachers in a partial attendance modality*. A central team will be set up to design, monitor and evaluate a training and refresher program for Plan 96 teachers. The aim is to provide training to 100% of teachers in the proposed plan. (viii) *Plan to support and monitor the professional work of recent CFD graduates*. The program will finance the design of a pilot plan to monitor and supervise their performance, to be implemented directly by school directors and inspectors.

c. Professional development for trainers of teacher trainers (US\$500,000)

- 2.17 The aim of this subcomponent is to improve the professional development of trainers of teacher trainers and teaching practice supervisors. Local consulting services will be financed to define the profile of the teacher trainer and the teaching practice supervisor, which will then be subject to discussion with the CFDs. An international teacher training congress will be organized and a network of professional trainers of teacher trainers will be set up. Funding will be provided for virtual congresses and regional meetings on this topic, in order to strengthen the network, and the results of their exchanges will be published. In addition, an education system policy of group internships and study visits abroad will be implemented, with explicit responsibilities for disseminating the experiences gained.

4. Component 4: Modernization of systemic management (US\$10 million)

- 2.18 The purpose of this component is to modernize the work of ANEP at all levels in order to improve the efficiency and quality of educational and administrative services, and to strengthen school management. A strategy will be developed that emphasizes service to the end user (i.e. the student), improving performance throughout the system and in each school, together with transparent communication and management. This component will have the following three subcomponents:

a. Strategic strengthening of the educational system (US\$1.3 million)

- 2.19 The aim here is to modernize administrative and human resource management in the Central Directive Council (CODICEN) and in the decentralized councils (CES and CETP). Institutional change support groups (GATIs) will be established to identify processes, carry out diagnostic studies, and propose and implement changes. Two lines of action will be funded: (i) *a review of regulations* governing ANEP processes and decision-making; an agenda will be drawn up to improve strategic management and to deconcentrate functions, with a corresponding action plan to be approved by CODICEN prior to implementation; and (ii) *modernization*

of non-teaching human resources, in which a census will be carried out, then occupational profiles will be designed by competency, and a review will be made of the system of selection, hiring, evaluation and incentives for non-teaching human resources in ANEP, based on profiles for specific functions. In addition, a permanent training strategy will be introduced for non-teaching staff, along with a management training strategy for ANEP decision-makers at the different levels.

**b. Rationalization and computerization of management systems
(US\$5.7 million)**

- 2.20 The objective of this subcomponent is to improve the administration of five critical processes in secondary school administration: caretakers (high school administration), human resources management, document administration, accounting and budget, and goods and services. The actions in this subcomponent will be guided by a strategic action plan to be drawn up by ANEP and approved by CODICEN. As part of this plan, the consulting services to be financed by the program will analyze work processes and make recommendations for their adjustment or redesign, and subsequent computerization. Two lines of action will be implemented: (i) *Re-engineering and computerization of the five processes*. Consulting services will be hired to analyze the five critical processes and propose improvements and/or restructuring (at the level of CODICEN, CES, CETP and the Teacher Training Directorate - DFD), and funding will be provided for computerization and for training staff in their new functions and in the use of the new tools. (ii) *Information and management monitoring systems*. The program will finance the creation and permanent updating of two information systems: a system of educational indicators encompassing basic educational statistics and evaluations of learning outcomes; and a budgetary and administrative management information system to permit planning by programs and projects, and the development of an integrated budgetary programming system applicable to the different ANEP subsystems. Lastly, funding will be provided for a communication strategy to publicize systemic performance throughout ANEP and to the general public.

**c. Strengthening of school management and inspection
(US\$3 million)**

- 2.21 The purpose of this subcomponent is to modernize and strengthen school management and inspections carried out in secondary education. New performance profiles will be designed for managerial staff and inspectors in schools, and a training plan will be implemented to bring those occupying such posts, and others who could potentially fill vacancies, up to date. In addition, management by projects will be technically and financially encouraged in schools, specifying commitments towards continuous improvements in educational quality, along with responsibility for results (self-assessment indicators), community participation and linkages between these institutions and other sectors of society (productive, labor-market and social). This subcomponent consists of two lines of action: (i) *Definition*

of the new profile and training for serving principals and inspectors. The aim here is to improve leadership and inspection expertise and skills based on their new professional profile. Funding will be provided for a part-time training plan to bring serving teachers up to date. This is expected to benefit approximately 350 principals and vice principals and 40 inspectors, along with 800 teachers eligible to apply for this latter function. (ii) *Development of a system of self-evaluation indicators.* Linked to the strengthening of school management and definition of the new profile for directors and inspectors, a participatory process will be carried out to develop and disseminate a system of institutional self-assessment indicators, to enable schools to better target the impact of self-assessed educational activities, in order to link management quality to accountability for results. (iii) *Development and funding for school projects* aimed at improving institutional and pedagogic management and strengthening links with the local community. Funding will be provided for training activities for this purpose, and execution of up to 400 winning projects over the five-year period. Projects will be competitive and last for a maximum of three years.

5. Cost and financing

- 2.22 The total cost of the program is US\$107 million, of which US\$75 million will be financed with funds from the Bank's ordinary capital (OC), and US\$32 million with counterpart funds drawn against the ANEP five-year budget. Funding will be distributed between the different components approximately as follows: (i) CB consolidation (40%); (ii) SCEM restructuring (28%); (iii) strengthening and consolidation of the teacher training system (7%); and (iv) improvement of ANEP efficiency and management (9%). The remainder will be used to support management and supervision of the operation (3.4%), financial costs (12.1%) and contingencies (0.1%). The cost table is set out below:

Table II-2. Program costs (US\$000s)

	IDB/OC	Local	Total	%
Management and supervision	2,500	1,100	3,600	3.4%
Program coordinating unit	2,300	900	3,200	
External evaluation and monitoring	200	200	400	
I. Consolidation of CB	30,000	13,000	43,000	40.2%
1. CB universal coverage	28,500	11,500	40,000	
2. Quality improvement programs	900	700	1,600	
3. Redesign of Basic Vocational Training: skills-based CB	600	800	1,400	
II. Restructuring of SCEM	21,150	8,650	29,800	27.9%
1. Foundations for analysis, debate and consensus-building	200	200	400	
2. Quality improvement programs	18,250	6,250	24,500	
3. SCEM curricular reform	2,700	2,200	4,900	
III. Strengthening and consolidation of teacher training system	4,300	3,200	7,500	7.0%
1. Institutional strengthening of teacher training centers	2,000	1,000	3,000	
2. Consolidation of curricular innovation processes	2,000	2,000	4,000	
3. Professional development for trainers of teacher trainers	300	200	500	
IV. Modernization of systemic management	5,300	4,700	10,000	9.3%
1. Strategic strengthening of education system	600	700	1,300	
2. Rationalization and computerization of management systems	3,400	2,300	5,700	
3. Strengthening of school management and inspection	1,300	1,700	3,000	
Contingencies		100	100	0.1%
Subtotal	63,250	30,750	94,000	87.9%
Financial expenses	11,750	1,250	13,000	12.1%
Interest	11,000		11,000	
Credit fee		1,250	1,250	
Inspection and supervision	750		750	
Program total	75,000	32,000	107,000	100.0%

III. PROGRAM EXECUTION

A. Borrower and executing agency

- 3.1 The Republic of Uruguay will be the borrower of the loan for the “Secondary Education and Teacher Training Modernization Program” (UR-0132), with ANEP in charge of execution.
- 3.2 ANEP is an autonomous body with legal status, as established in the Constitution of the Republic and created by the 1985 Education Act (Law 15.739). It has responsibility for preschool and primary education, as well as secondary school in both variants (secondary and technical-professional), and for teacher training. In accordance with the Constitution of the Republic (article 220), as an autonomous body ANEP formulates and manages its own budget. Under the national budget, the legislature approves budgetary items covering ANEP payroll expenses and investments for the five-year government term. The basic institutions comprising ANEP are the Central Directive Council (CODICEN) and three decentralized education councils: primary (CEP), secondary (CES) and technical professional (CETP).
- 3.3 CODICEN consists of five members (a national director of public education, a vice-director and three representatives), appointed by the President of the Republic in cabinet, subject to prior approval by the Senate. CODICEN is organized into three general management divisions: educational planning and management, economics and finance, and programming and budget. The central level has the task of leading and coordinating the education process throughout country, while the decentralized councils are responsible for teaching at their respective levels and for managing the services and dependencies under their purview. CODICEN also has responsibility for teacher training services through the Teacher Training Directorate (DFD).

B. Program execution strategy

- 3.4 In the strategy for implementing the program two aspects of ANEP management will help achieve its objectives and subsequent sustainability. Firstly, as regards internal or “back office” management, active participation in the program by all relevant institutional actors and ANEP staff will be encouraged, in order to ensure levels of commitment, intra-institutional coordination and ownership of the program’s actions and results, in order to guarantee their sustainability. An example of this is the creation of institutional change support groups (GATIs) in the management modernization component. Secondly, in terms of external or “front office” management, strategies and mechanisms will be devised for communicating the program’s objectives, actions and results to the public, together with procedures ensuring feedback to help legitimize the outcome of the changes taking place.

- 3.5 From the operational point of view, the program's strategy aims to generate flexible execution conditions enabling necessary adjustments to be made throughout program execution, as the objectives of the operation are fulfilled. Annual administration missions will be undertaken during which ANEP and the Bank will review fulfillment of the targets set out in the logical framework, incorporate the experience gained from program execution, and refine and agree the detailed plan of actions for the following year, through annual operational plans (AOPs).
- 3.6 ANEP acted as co-executor of loan 811/OC-UR (social area strengthening) now concluded, and is currently implementing loans 799/OC-UR on technical education strengthening and 922/OC-UR on secondary education modernization, which are both nearing completion. Given the success of previous programs, and to ensure institutional viability, this program will have a similar execution structure. Leadership functions and strategic management will be concentrated in CODICEN, in keeping with its role as governing body for non-tertiary education. *Executive responsibilities*, based on CODICEN guidelines, will be assumed by the decentralized councils and the Teacher Training Directorate, acting through a program coordinating unit (PCU) reporting to the National Director of Public Education. *Ad-hoc* coordination meetings will be held for intra-institutional coordination, to ensure *technical coordination* among the program's actions.
- 3.7 *Strategic orientation function.* CODICEN will fulfill its role in the program through the following functions: (a) strategic direction of the program, via review and final approval of the AOPs, semiannual progress reports and participation in the annual program review with the Bank; (b) supervision and general control of the work of the coordinating unit and program components; (c) support for the program to use maximum diligence in managing funds and fully comply with commitments undertaken; (d) contribution to adequate coordination of the program at the inter- and intra-institutional levels; (e) periodic dissemination of results achieved by the program, both within educational administration and to society at large; and (f) safeguarding of the values, objectives and interests of education administration.
- 3.8 *Operational coordination.* CODICEN will delegate responsibility for supervision and the technical administrative coordination of program implementation to a PCU, with the following main functions: (a) to draw up AOPs and prepare semiannual progress reports on program execution; (b) to comply with Bank procedures on civil works contracting, goods procurement and the hiring of consulting services financed with loan proceeds, and authorize payments subject to compliance with such procedures; (c) to transmit to the Bank loan disbursement requests, obtain counterpart funds and conduct the financial management of the program; (d) keep accounting records and supporting documentation, and prepare the program's financial statements; (e) coordinate execution, monitoring and subsequent evaluation of program activities; (f) ensure that the program is executed as contractually agreed between the Bank and the borrower; and (g) provide advisory

support and report to CODICEN on the program's progress and its compatibility with strategic guidelines and policies established by the education authorities.

- 3.9 The PCU is headed by a general coordinator and organized into three working areas: (i) a technical area in charge of four component coordinators; (ii) an administration and finance area, responsible for the program's accounting and procurement; and (iii) an infrastructure and furniture area, in charge of the design and supervision of civil works. The program's Operating Regulations (OR) set out the functions of the PCU in detail, along with terms of reference for its staff. The cost of the PCU may not exceed 3% of the total program budget.
- 3.10 *Execution.* The PCU will execute the program in the areas that are functionally responsible for the actions to be carried out in each case (CES, CETP, DFD, etc.). Technical teams formed to carry out program activities will act in these areas, consisting of Administration staff, and possibly also specialists and/or consulting firms contracted by the PCU to deal with technical matters as necessary.
- 3.11 In order to ensure adequate coordination between these technical teams, the staff in each field and the PCU will appoint a coordinator for each program component, with responsibility for operational planning and undertaking the activities needed to achieve the agreed objectives and targets. In some special cases it may be advisable for execution to be centralized in the PCU, in which case the working teams are likely to contain technical experts from each of the areas functionally involved. The OR defines levels of responsibility and jurisdiction in carrying out the different program activities, and establishes coordination mechanisms and ANEP units to act as counterpart to the PCU in each subcomponent and line of action.
- 3.12 *Intra-institutional coordination.* In order to strengthen ANEP and contribute to program sustainability, the PCU will coordinate its actions with the specific ANEP units responsible for the different topics, as detailed in table 3-1 of the Operating Regulations. Periodic coordination meetings will be held for this purpose.

C. Program execution scheme

- 3.13 The program's actions will be implemented in accordance with ANEP guidelines and coordinated by the PCU. The execution scheme by component is as follows:
- 3.14 *CB consolidation.* Actions to extend and consolidate the CB, including civil works and procurement of equipment, didactic material and books, among other items, as well as the running of teachers' and students' projects, will be the responsibility of the PCU in conjunction with the CES, the CETP and the ANEP investment management department acting through its general economic-financial management division.

- 3.15 The redesign of basic professional training, including curriculum and pilot plans, will be the responsibility of CODICEN and CETP, with technical support from the PCU and in coordination with it.
- 3.16 *Revamping of the upper secondary education.* The implementation of curricular reform to enhance education quality in upper secondary education will be carried out jointly, and in coordinated fashion, by the PCU, CES, CETP and the general educational planning and management division in each area. The component coordinator will work closely with the Secondary Education Reform Commission. This commission will report directly to CODICEN, and its members will be appointed by the latter organization. This mechanism will be assisted by a technical secretariat in charge of designing, orienting, coordinating and implementing this transformation process. The secretariat will have high-level technical-professional staff with credibility in the education field, and it will be supported by the PCU. Infrastructure investments will be carried out by the PCU, subject to directives from CES or CETP, and in coordination with the ANEP investment management department, through the general economic-financial management division.
- 3.17 *Strengthening and consolidation of the teacher training system.* Activities relating to teacher training (the CFD network, new initial and in-service training modalities, improved pedagogic practices, preparation of trainers and strengthening of training centers (IPA, CERP, INET) will be the responsibility of the DFD and the Teacher Training Secretariat (SCD), which reports to the general educational planning and management division, supported by the PCU. The latter will be directly responsible for infrastructure investments. The SCD will be in charge of running teacher training courses throughout the program.
- 3.18 *Modernization of management.* This component will be supervised by the PCU in coordination with the CODICEN general management divisions. It will receive technical support from a component coordinator financed by the PCU, together with specialists for the different areas. Three GATIs will be set up for CODICEN, CES, CETP, together with an inter-institutional group to deal with the coordination of actions to be undertaken, taking into account the ANEP system as a whole. These groups will promote and facilitate the administrative and institutional changes generated in order to put modernization activities into effect. Each GATI will consist of members from the subsystem concerned, together with external consultants. Inspection and center strengthening activities will be coordinated with DFD, CES and CETP.
- 3.19 In order to support the work of the PCU in preparing and initiating program execution, the Japan Special Fund has approved nonreimbursable technical-cooperation funding (TC-01-01-07-4-UR) of US\$597,000.

1. Operating Regulations

- 3.20 The activities of the program in their operational, eligibility and financing, administrative and financial aspects will be governed by the program's Operating Regulations (OR). Among other things, the OR contains: (i) the program organization and the resource allocation mechanism; (ii) a description of the decision-making process at the different levels, and how these are coordinated; (iii) technical eligibility criteria for investments to be financed by the program; (iv) eligibility criteria for using the loan proceeds or local counterpart funding; (v) mechanism to be followed for program execution, disbursements, monitoring and evaluation to ensure legal and administrative authorization of project expenditures, and in carrying out the program's activities; and (vi) other aspects governing operational implementation.

2. Use of program funds

- 3.21 The resources will be used to finance the inputs needed to carry out its activities, in accordance with the plan of operations for each year of the program and the initial program report. The activities will be grouped according to the project to be implemented, and the outcomes expected from them. The OR establish eligibility criteria for investments to be included in the AOP. The results expected from executing the program's activities are set out in the logical framework (see Annex II-1).
- 3.22 The loan proceeds can be used to finance the infrastructure works contained in the program's investment plan, together with associated equipment, as well as procurement of books, texts and didactic material, the full cost of training courses, highly specialized and qualified external consulting services and outlays in foreign currency outside the country for seminars, courses and other events.
- 3.23 The local counterpart funding can be used as supplementary financing for the inputs referred to above, and, in particular, for financing the full cost of technical and administrative support staff, salary bonuses for ANEP staff participating in the program in addition to performing their normal duties, PCU administrative and equipment costs, dissemination activities, subscriptions to publications and other expenditures on materials and supplies. Criteria and limits will be applied as set out in the following table, to decide the applicable funding source (loan or local counterpart) according to the nature of the different expenditures that are eligible for the program.

Table III-1

Investment	Criterion
Civil works	Civil works: Loan: Investments costing more than US\$30,000. Additional works included. Local: Minor repairs, works expansions and any expense under US\$30,000. Works supervision: Local
Educational equipment and material	Equipment and furniture: Loan: Purchases for over US\$30,000. Local: Other procurement. PCU equipment and furniture: Local Didactic material and books: Loan: Purchases for over US\$30,000. Local: Other procurement.
Training, projects and studies	Courses, seminars, workshops and other similar events: Loan: Up to 70% of the cost of the event, excluding items that are not eligible for Bank financing. Local: Any other eligible items. Center projects: Loan: Up to 70% of the cost of the project, excluding items that are not eligible for Bank financing. Local: Remaining balance. Studies, evaluations, censuses or similar items: Loan: 100% of eligible expenses.
Consulting services	Individual consultants and local counterpart staff: Loan: Technical consulting service contracts with staff external to ANEP for an annual amount of US\$15,000 or above, and contracts with international consultants. Local: Other external hirings and all salary bonuses paid to ANEP staff. Human resource expenditure to be financed by the program in executing the components may not exceed US\$10 million, or US\$ 3.2 million in the case of the PCU. Consulting firms: Loan: Total cost before VAT. Local: VAT
Other	Dissemination expenses and insurance on goods: Local Publications: Loan: Total cost excluding VAT, provided the value is over US\$10,000. Local: VAT and publications costing under US\$10,000.

D. Disbursements, accounting and special conditions

1. Disbursements

3.24 ANEP will request disbursements from the Bank in accordance with IDB procedures, as a revolving fund, reimbursement or payment instruction to third parties. To this end, ANEP will open a special account in the name of the program, at the Banco de la República Oriental del Uruguay, to deposit funds in foreign currency disbursed by the Bank. A second account will be opened in local currency for the proceeds of local counterpart funding. Given the nature of the program and the variety of actions it is expected to finance, a revolving fund equivalent to 5% of the loan amount is recommended.

- 3.25 The total disbursement period is expected to last five years, including the time needed to satisfy eligibility conditions for the first disbursement. The following table sets out the program investment timetable.

**Table III-2 Timetable of investments and disbursements
(US\$ thousand)**

	2001	2002	2003	2004	2005	2006	TOTAL
IDB	5,500	13,500	17,000	18,000	18,000	3,000	75,000
Local counterpart	2,500	6,200	7,500	8,000	7,000	800	32,000
TOTAL	8,000	19,700	24,500	26,000	25,000	3,800	107,000

2. Works contracting and goods and services procurement

- 3.26 Bidding processes for civil works contracting and the procurement of goods and services, including consulting services, will follow Bank procedures. International competitive bidding will be required in contracts valued at US\$2 million or more in the case of civil works, US\$350,000 or more in the case of goods and US\$200,000 or more in the case of consulting firms. In view of the large numbers of goods procurements, and contracts for works and consulting services involving small amounts required by the program, and in order to streamline execution, the Bank's nonobjection will be required only in contracts or procurements above US\$750,000 for civil works; US\$100,000 for goods, services and consulting firms; and US\$50,000 for individual consultants. The Bank's Country Office in Uruguay will review the first five contract award processes in each category *ex ante*, after which it may carry out *ex post* sample checks every six months. If substantial discrepancies in procedures are found, the Bank will not recognize the expenses concerned as part of program costs, and it will revert to a system of prior review. In addition, before awarding the civil works contracts, ANEP must demonstrate to the Bank that it has legal possession of the corresponding land and has contracted for works supervision.
- 3.27 For civil works, goods, and related services below the thresholds established for international competitive bidding, the procedures set out in national legislation will apply. At the request of the borrower, represented by the Budget and Planning Office and the executing agency (ANEP), the following thresholds have been agreed on for procurement established in national law. These thresholds are specified in the loan contract as follows:
- a. For works contracts between US\$150,001 and US\$1,999,999 and for the procurement of goods or related services between US\$150,001 and US\$349,999, "Local Competitive Bidding" will apply.

- b. For works contracts or goods procurement between US\$30,000 and US\$150,000, a "Shortened Bidding Procedure" will be used.
 - c. Contracts for works or goods valued at less than US\$30,000, will be awarded by "Direct Contracting", with invitations to submit quotes being sent to at least three participating firms.
- 3.28 Program funds may be used to reimburse expenditures (made or to be made) deemed eligible by the Bank, as from 1 January 2001, in respect of civil works, goods or consulting services up to the following amounts: (a) charged against the Bank loan, US\$3,750,000; and (b) using local counterpart funding, US\$2,500,000.
- 3.29 The hiring of consulting services will adhere to standard Bank procedures, except in the case of individual consultants that have already been working with the executing agency during the previous six months. These consultants are not on the ANEP staff but have been working in the PCU of the previous program funded by the Bank, and are expected to continue performing coordination and administration functions for the new program. There are 19 such posts involving a total of US\$600,000 per year to be charged to the financing. This exception is justified because the program aims to continue a successful reform process that has been led by a team consisting largely of the staff mentioned. Renewal of their contracts will ensure that leadership and technical capacity are not undermined by unnecessary staffing changes. In cases of quality- and cost-based selection of consulting firms, the relative weighting for price as an evaluation criterion may not exceed 20%. The procurement plan is set out in Annex III-1.

3. Accounting and audit

- 3.30 The PCU will maintain records of program expenses in accordance with the chart of accounts approved by the Bank, and must demonstrate that it has implemented suitable systems of accounting, administrative and financial control to the Bank's satisfaction (see paragraph 3.32 on special conditions). The program's financial statements will be certified annually by the Comptroller General of the Republic, and presented within 120 days following the end of the program execution period.

4. Inspection and supervision

- 3.31 The Bank, acting through its Country Office, will supervise and monitor the program during execution, paying special attention to compliance with conditions precedent to disbursement, and it will review periodic progress reports and AOPs. This task will be supported by annual administration missions, as mentioned in paragraph 3.5, during which the Bank will review the status of program execution, monitor reform measures, and assess progress made toward meeting the logical framework targets.

5. Special conditions

- 3.32 *Special conditions precedent to program disbursement.* The first disbursement of the program will be made when the Bank has received and approved evidence that ANEP has: (a) approved and implemented the program's Operating Regulations; (b) submitted the first-year AOP; and (c) implemented the accounting-financial management and internal control system for managing program funds, referred to in article 7.01 of the General Conditions.
- 3.33 *Conditions precedent to component disbursement:* (a) the appointment and implementation of the SCEM Reform Commission together with its technical secretariat will be a condition precedent to disbursement of the corresponding component; and (b) disbursement of funding for the "part-time in-service CES/CETP teacher training plan" will be subject to a CODICEN decision barring new applicants from entering the current "semi-open" modality starting in 2003.

6. Maintenance of investments

- 3.34 ANEP undertakes to do everything in its power to ensure that the program's works and equipment are maintained in the same operating conditions as they were in upon completion of the program, within limits compatible with the services they are expected to provide and in accordance with generally accepted technical standards. If the inspections carried out by the Bank, or reports received by it, indicate that maintenance has fallen below the agreed levels, the borrower and the executing agency will take the necessary steps to fully rectify any such shortcomings.

E. Program monitoring and evaluation

- 3.35 Program monitoring and evaluation will include two types of evaluation and reports—a continuous internal assessment and an external one. In addition, the executing agency undertakes to retain all information relating to the monitoring of program outcomes, and make this available should it be mutually agreed between the Bank and the borrower to carry out an *ex post* evaluation of the program.
- 3.36 Internal evaluation will be done through periodic reports from the PCU, and will include monitoring of physical-financial execution, together with indicators of the program's educational outcomes. The periodic reports to be presented by the PCU will include an initial report, followed by six-monthly progress reports (as of 31 May and 30 November each year). The six-monthly reports at the end of each year of program execution will also include: (i) the annual operating plan (AOP) for the following year; (ii) a report on the main procurements carried out during the previous year and those scheduled for the following one; and (iii) a report on progress made towards achieving the targets and educational results indicators set out in the program's logical framework (see Annex II-1). These annual reports will serve as a basis for the administration missions mentioned in paragraph 3.5, in

which the Bank and the executing agency will jointly review the status of program execution and agree on the adjustments needed to ensure the operation's objectives are achieved. In addition, on 30 April each year, the PCU will submit a financial report giving details of the program's financial execution. These financial statements will be audited. All such reports will be studied and approved by CODICEN.

- 3.37 External evaluation will include a mid-term assessment and a final evaluation of the program's impact and results. The external evaluation will be done by independent consultants, coordinated by the ANEP Education Evaluation and Research Management. The terms of reference and methodology to be used will be agreed with the Bank. This evaluation will include the possibility of evaluating the results of the teacher training and development programs on the basis of a student's academic performance. The mid-term assessment will be presented once 50% of the program's funds have been committed, or 36 months after the effective date of the loan contract, whichever comes first.

IV. VIABILITY AND RISKS

A. Institutional viability

- 4.1 ANEP is responsible for program execution, acting through its secondary education and teacher training programs executing unit, which has been implementing loans 922/OC-UR and 799/OC-UR for secondary education, teacher training and technical-professional education respectively. Successive administration missions in connection with these programs, together with the recent portfolio evaluation, have rated execution as satisfactory in both cases, in terms of the speed of disbursements and the achievement of development objectives.
- 4.2 ANEP has recently been restructured at the central level, with three management divisions being set up to enable CODICEN to provide strategic orientation and facilitate appropriate inter- and intra-institutional coordination of the program. Working groups have been set up to carry out each component with ANEP line staff and PCU technical experts, thereby favoring ownership and sustainability of the program by the executing agency.
- 4.3 The actions envisaged in the program's systemic management modernization component aim to strengthen the strategic functions of central bodies and management divisions. These institutional strengthening actions are complemented by funding for information systems and the re-engineering of a number of critical processes where streamlining is considered essential to make administrative management of the system more efficient (see paragraph 4.17).

B. Socioeconomic viability

1. Methodology

- 4.4 A cost-benefit analysis was undertaken to estimate the economic benefits in terms of employment prospects and labor productivity, as a result of achieving the program's educational targets. Program costs were also estimated, both direct investment costs and indirect ones, including opportunity and recurrent incremental costs arising from the increased enrollment anticipated in the program's educational targets, and also the additional teaching hours resulting from curricular reform and a longer school day. The following section summarizes the economic value of the program's main educational benefits, and estimates their social rate of return. Finally, based on household survey data and the program's educational targets, its distributional impact is evaluated, and the benefits for lower-income groups are estimated.
- 4.5 The following table summarizes the program's main benefits and costs. Benefits arising from improvements in learning quality are not considered, nor are those

relating to improvements in ANEP management and the teacher training system, which are difficult to quantify.

Table IV-1. Main benefits and costs of the program

Educational benefits	Socioeconomic benefits	Costs
I. CB universal coverage <ul style="list-style-type: none"> Increased coverage Increased proportion of students completing CB Better learning outcomes Lower dropout rate Increased years of schooling in the population as a whole and among the poorest sectors 	<ul style="list-style-type: none"> Private benefits (better employment prospects and higher wages) Cost saving per graduate (greater internal efficiency) Greater equity (increased years of schooling and CB coverage among the poorest quintiles) 	Costs for the program as a whole <ul style="list-style-type: none"> Investment costs Recurrent incremental costs (additional wages and operating costs arising from extension of coverage; additional teaching hours arising from longer school day) Opportunity costs (wages foregone by spending longer time in secondary school)
II. New basic professional training option <ul style="list-style-type: none"> Increased years of schooling among young people over 14 Fewer young people dropping out of education without completing the CB, especially in the poorest quintile. 	<ul style="list-style-type: none"> Private benefits (better employment prospects and higher expected wages) Greater equity (higher percentage of young people completing CB, particularly from the poorest quintile) 	
III. SCEM restructuring <ul style="list-style-type: none"> Adaptation of infrastructure for curricular reforms (less crowding and better physical conditions) Longer school day Curricular reform Extension of BT Increase in population leaving school with SCEM complete Fewer over-age students 	<ul style="list-style-type: none"> Cost savings per graduate (greater internal efficiency) Better employment prospects and higher wages Greater equity in access by the two poorest quintiles to the SCEM Fewer over-age students in poorest quintiles 	

2. Expected program benefits and social return

4.6 Conservative estimates of the program's rate of return, including all direct and indirect costs together with the main quantifiable benefits, show that the program as a whole has a high private and social rate of return. The most conservative estimate of the social rate of return, which includes only those benefits flowing from higher anticipated salaries, is 11.3%. By incorporating the systemic benefits attributable to higher internal efficiency in the CB and BD, social rate of return rises substantially to as much as 19%. The private rates of return on completing the CB (nine years) and the baccalaureate (12 years) are 14% and 18.4%, respectively. These rates of return² are higher than those seen in other countries of the region, which reflects the extremely selective nature of secondary education in Uruguay. The following table summarizes the program's main educational results: a higher percentage of 20-25 year-olds completing each level and an increase in years of schooling.

² These rates of return represent expected wage differentials between students completing the nine years of schooling and those who exit the system without completing the CB (with eight years of schooling on average); and between those completing 12 years compared to those dropping out of the system without completing the baccalaureate (with ten years of schooling on average).

Table IV-2. Main educational outcomes of the program

Educational benefits of the program	Initial situation		Expected results	
	Average	Poorest 20%	Average	Poorest 20%
• Coverage of CB:	67%	52%	85%	65%
• % of 20-25 year-olds completing:				
• CB	56%	30%	80%	50%
• SCEM	28%	9%	35%	20%
• Years of schooling among 20-25 year-olds	9.7	7.9	10.6	9.0

- 4.7 The table above highlights two results expected from the program: firstly, progress toward effective universal CB coverage, attaining a net coverage of 85%, and an 80% completion rate at that level. Secondly, there will be a significant reduction in the educational deficit of the poorest population quintile, which will attain access levels close to today's average for the population as a whole, and extend its average years of schooling to complete the nine years of compulsory basic education. These results, together with the higher rates of return on secondary education described above, redound in significant economic and equity benefits for the population, which can be summarized through two labor-market indicators: higher probability of finding paid employment (employability), and an increase in expected wages as a result of a higher educational level. These indicators, broken down by gender, are shown in the following table.

Table IV-3. Indicators of results (by gender)

Estimated economic benefits for the 20-35 year-old population	Initial situation		Expected results	
	Men	Women	Men	Women
Increase in employability of labor: (% employed/EAP) in age group				
• For those completing CB	88.1%	70.7%	88.4%	77.7%
• For those completing SCEM	87.7%	80.3%	91.6%	85.8%
Increase in expected wage (men with primary school complete = 100)				
• For individuals completing CB	130	91	149	104
• For those completing SCEM	174	120	206	142

- 4.8 The table above shows the following: (i) completing the CB does not significantly increase the chances of finding work in the case of men, but it does for women (a 7% increase); (ii) expected wages rise significantly (18%) on completing the CB, for both men and women; (iii) completing the baccalaureate (SCEM) increases employment prospects by 4% for men and by 5.5% for women, and raises expected wages by 14% for both sexes; (iv) data show that female labor-market participation in Uruguay is much higher than in other countries of the region; the downside of this is pay discrimination against women who accept jobs at wages between 42%

and 45% below those of men with similar schooling and experience: This differential is not reduced by completing the baccalaureate.

C. Social, environmental and gender impact

1. Social impact

- 4.9 The program will have significant effects on equity, both by improving educational levels among the poorest quintiles and by helping to reduce the labor income gap between these groups and the population average. The following table summarizes the population's main educational indicators by income level, according to the latest household survey data (Continuous Household Survey – ECH 2000). The program's logical framework includes indicators to measure the program's impact on social equity.

Table IV-4. Educational indicators, by income quintile

Beneficiary population	% of age group attending school (coverage) ³		Breakdown of enrollment by income level		% of 20-25 year-olds completing each cycle		Average years of schooling among 20-25 year-olds
	CB	SCEM	CB	SCEM	CB	SCEM	
Q1 (poorest 20%)	50%	25%	36%	19%	30%	9%	7.9
Q2	61%	48%	25%	25%	56%	23%	9.5
Q3	65%	61%	17%	23%	65%	31%	10.2
Q4	66%	77%	13%	20%	74%	43%	11.0
Q5 (richest 20%)	64%	85%	9%	14%	86%	63%	12.4
Total	58%	49%	100%	100%	56%	28%	9.7

- 4.10 This table shows that the main beneficiaries of universal CB coverage come from the two poorest quintiles (61% of enrollment) and particularly those belonging to the poorest 20% of the population, who tend not to complete the nine years of compulsory basic schooling. The main beneficiaries of SCEM reform are the three middle quintiles (68% of enrollment). The reason for lower participation by the higher quintiles in public secondary education is partly because they have fewer school-age children than the poorer quintiles, and also because higher-income groups tend to choose private education.
- 4.11 **Impact of the program on equity:** the program's actions are clearly aimed at improving social equity, since reducing education gaps will have a progressive impact on income distribution. As mentioned in the previous section, the program will afford the poorest 20% of the population similar levels of access to the CB as the population average today, while also increasing the proportion of students

³ The figures refer to students attending public schools, and the age group (the denominator) includes over-age pupils. Accordingly, the coverage rate shown is below that obtained using enrollment figures for the educational system as a whole.

completing the CB from 38% to 50%, and raising average years of schooling from 7.9 to 9 years. This is a significant achievement in itself, because it effectively means the universalization of compulsory basic education. It also means that the CB will no longer be the bottleneck that today obstructs access by the poorest sectors to the SCEM—and hence to better opportunities either by continuing to study or by entering the labor market in a productive manner. At the SCEM level, where most students come from the middle quintiles, redesign of the highly selective pre-university baccalaureate model, towards a general, inclusive and multipurpose education model for young people, will respond better to the needs of the majority who do not go university, and so enhance social equity.

- 4.12 **Poverty classification:** despite clear social-equity benefits, the program as a whole is unlikely to classify as a poverty-targeted investment (PTI), since less than 50% of total beneficiaries would be below the Bank's poverty line. There are two reasons for this: in Uruguay the incidence of poverty is relatively low, with under 6% of homes classified as poor in relation to the Bank's poverty line; in addition, the level of schooling achieved by the poorest sectors (7.9 years on average) is such that they do not normally complete compulsory basic education and so do not reach the SCEM level. Given that the program targets both cycles of secondary education, its beneficiaries will come from both the poorest and middle-income quintiles, so the number of beneficiaries below the poverty line (absolute poverty) is much less than the number of beneficiaries in the two poorest quintiles (relative poverty).

2. Environmental impact

- 4.13 The program's civil works, involving expansion of existing schools and the construction of new ones, will not be complex, so no significant environmental impacts are expected. The country has developed and is applying a series of standards relating to the location, construction and operation of schools, to be applied to Bank loans. During the initial stage, visits were made to a sample of high schools under construction, and the corresponding environmental analysis was carried out. Two manuals were produced as a result of this: one on "standards for the design of school buildings", and another on "school building maintenance". These standards guarantee the necessary measures to deal appropriately with environmental impacts caused by school construction. During preparation of the new program, the effectiveness of these standards will be assessed, and the necessary safeguards will be included in the Operating Regulations. Profile II was approved by the Committee on Environment and Social Impact (CESI) on 20 April, and no issues or recommendations were left pending.

3. Impact on women

- 4.14 Women have equal access to secondary education in Uruguay, as in other countries of the region such as Argentina and Brazil. In addition, repetition and dropout rates among young people are proportionately higher among boys than girls. As a result,

there are relatively more women completing secondary education and entering higher education than men. The country's educational statistics allow for a gender split, and the socioeconomic analysis of the project evaluated the economic benefits for men and women separately, concluding that the program would bring significant economic benefits to women. First, it will generate significant increases in expected wages, similar to the increases expected for men; in addition, the improvement in employment prospects resulting from higher levels of education are greater for women than for men (see table IV-3 and paragraph 4.8).

D. Risks

4.15 Two main risks are associated with preparation and execution of this operation:

4.16 **The need for consensus on baccalaureate reform:** a desire to reform the SCEM has existed in the country for over 20 years, and the diagnosis presented here is not new. So, the reasons why the model has not been revamped before now, as has happened in other countries of the region, need to be investigated. In Uruguay, the issue involves cultural change and the balance of public opinion between two opposing positions: first, pilot experiences of baccalaureate reform that have been started in the past have not been successful; there is also resistance to this type of change from a tradition that is reluctant to abandon the concept of a pre-university curriculum. For this reason, the program will build technical foundations and carry out social communications activities among the main stakeholders (families, teachers, young people, employers). The growing educational demands made by the labor market, together with social pressure arising from the democratization of secondary education, are powerful forces driving the need for change. In addition, there is a consensus among the main ANEP authorities on the need to initiate change now.

4.17 **ANEP organizational structure and management:** the organizational structure of ANEP, consisting of several decentralized bodies and councils, results in slow decision-making processes based on consensus. In addition, the management tradition and culture is highly centralized with few opportunities for autonomy at the school level. These characteristics form the reality in which the program is set. The program envisages funding for information systems and the re-engineering of a number of crucial processes where streamlining is considered fundamental to improving the efficiency of systemic administrative management. In addition, within the management component, strategic functions will be strengthened in central administrative divisions and bodies, and school management will be strengthened through training for directors, together with development of self-assessment indicators and practices and project work to make the school accountable for its educational performance.

4.18 The program's execution strategy (see paragraphs 3.4, 3.6, 3.7, and 3.8) seeks to strike a balance by giving the PCU a certain amount of latitude and a rapid response

capacity on operational aspects of execution, while keeping CODICEN decision-making levels informed through annual operating plans and other management tools that facilitate strategic leadership and education policy decision-making affecting the program. In addition, the structure and functions of the PCU have been streamlined, enabling it to concentrate its staff on tasks inherent to program execution, and strengthen coordination with the ANEP structure through mixed teams in which the program's consultants work directly with counterparts from the system. These steps will result in greater acceptance and sustainability of the program's actions.

E SUMMARY ECTIVES	OBJECTIVELY VERIFIABLE INDICATORS								MEANS OF VERIFICATION	ASS
	Indicators	2000	2001	2002	2003	2004	2005	2006		
ss, retention, educational ed in ation (basic e).	1. Net enrollment rate in 12-14 age group.	70.8%	73%	75,5%	78%	80,5%	83%	85%	1. Statistics from National Institute of Statistics (INE) and ANEP. 2. Supervision and evaluation report prepared by coordinating unit.	1. 2.
	2. % of students completing the basic cycle in the expected three years.	40%	43%	45%	48%	52%	56%	60%		
	3. % of students completing the basic cycle, including repeats.	71%			76%			85%		
	4. % of 15-20 year-olds that have completed the CB, according to ECH.									
	• National average	48%						65%		
	• Poorest 20%	24%						50%		
	5. % of 20-25 year-olds that have completed the SCEM, according to ECH.									
	• National average	28%						40%		
	• Poorest 20%	9%						20%		
	6. Average years of schooling among 20-25 year-olds, according to ECH.									
	• National average	9.7						10.7%		
	• Poorest 20%	7.9						9.0%		
	7. Gross terminal efficiency of SCEM ¹	19.1%					40%	50%		
	8. Net terminal efficiency of SCEM ²	10.8%					20%	25%		
	9. % of high schools offering 6th year that have implemented the curricular reform and longer school day.				25%	30%	35%	40%		
	10. Number of classroom hours per year in SCEM high schools introducing curriculum reform	600			900 to 950					
	11. % of students in upper cycle of secondary education applying new curriculum.				15%	25%	35%	40%		

of students promoted with no subjects pending in the 6th year of SCEM, as a proportion of total 4th year enrollment among the same year group. Calculated for the curricular reform is being implemented.

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OBJECTIVELY VERIFIABLE INDICATORS								MEANS OF VERIFICATION	AS
Indicators	2000	2001	2002	2003	2004	2005	2006	1. Statistics from INE and ANEP. 2. Execution, monitoring and evaluation report from Program Coordinating Unit. 3. Tests to evaluate academic achievement.	1. 2.
1.1 % of schools offering basic cycle that are functioning with Plan 1996.	61%	66%	70%	75%	80%	85%	100%		
1.2 Number of new classrooms built destined for basic cycle technical schools, in order to separate CB schools from polytechnics.			18	36	63	72	80		
1.3 Cumulative number of classrooms with technology equipment for CB schools.			4	8	12	16	20		
1.4 Total number of high schools reducing from three to two shifts per day.			5	10	15	20	28		
1.5 Number of student projects implemented per year.			18	33	33	33	33		
1.6 Number of technical schools offering new skills-based basic cycle.	0	0	3	8	13	18	25		
1.7 % of 15-18 year-olds having completed basic cycle.		48%					58%		
1.8 Ranking in the program for international student assessment (PISA) ³ in: <ul style="list-style-type: none"> Mathematics Language Sciences 				Benchmark			Second measurement		

will be the first time that Uruguay participates in a test of this kind, the initial measurement (2003) will serve as a benchmark and the second (2006) will gauge the progress. Ranking in the second test is expected to be approximately 5% higher than in the first.

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SUMMARY YES	OBJECTIVELY VERIFIABLE INDICATORS								MEANS OF VERIFICATION	ASSUMPTIONS
Second cycle education	Indicators	2000	2001	2002	2003	2004	2005	2006	1. Execution, monitoring and evaluation reports from Program Coordinating Unit. 2. Reports from Secondary Education Council. 3. Reports from general educational planning and management division. 4. Tests to evaluate academic achievement	1. Educational business union represents continuing need for secondary education. 2. Support parents' students of secondary education reform. 3. Access to quality technical professional consumption curriculum content reform
2.1 Seven studies undertaken, published and disseminated, dealing with upper secondary school.		3	4							
2.2 10 seminars and forums held in 2001-2002 to generate a consensus on the contents of upper secondary education reform.		4	6							
2.3 Cumulative number of high schools moving from 3 to 2 shifts per day to start curricular reform of SCEM.				26	39	43	44			
2.4 Number of students per year enrolled in technological baccalaureate (BT).		7,100	7,750	8,350	8,950	9,550	10,150			
2.5 % of SCEM schools with ERMA's operating.			25%	30%	35%	40%	50%			
2.6 % of teachers trained in new curricular plan.			20%	50%	85%	95%	100%			
2.7 Document on structure of new curriculum for SCEM.			•							
2.8 New plans and programs for SCEM: first year designed and approved by September 2002; second year by September 2003; third year by September 2004.			•	•	•					
2.9 Benchmark for 6 th year achievement of BT established in 2002 and a new measurement taken in 2005.			•			•				
2.10 Establishment of a benchmark for 6 th year achievement in SCEM in 2002 and a new measurement in 2005 of a sample that includes schools that have introduced the new curriculum vis-à-vis schools that have not yet done so.			•			•				

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SUMMARY /ES	OBJECTIVELY VERIFIABLE INDICATORS								MEANS OF VERIFICATION	ASSUM
	Indicators	2000	2001	2002	2003	2004	2005	2006		
	2.11 Establishment of a benchmark to measure retention rate upon completion of SCEM in 2002 and subsequent measurement in 2005 of a sample that includes schools that have introduced the new curriculum vis-à-vis schools that have not yet done so.			•			•			

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SUMMARY VES	OBJECTIVELY VERIFIABLE INDICATORS								MEANS OF VERIFICATION	ASSUM
ing and on of teacher stem.	Indicators	2000	2001	2002	2003	2004	2005	2006	1. Execution, monitoring and evaluation reports from Program Coordinating Unit. 2. Reports on training plan of the Teacher Training Secretariat and the Teacher Training Directorate.	1. Teac supp parti train mech
3.1	Sixteen learning resource centers operating in the six CERPs, IPA, INET and 8 IFD.				4	4				
3.2	Management and academic information system operating in all CFDs.				•					
3.3	Standards for the national teacher training evaluation system defined and approved.				•					
3.4	National teacher training evaluation system (IPA, CERPs and INET) operating on the basis of pre-established standards.						•			
3.5	Curricular design of CERP modality revised and updated.				•					
3.6	Number of competitive pedagogic innovation projects financed per year: 30 in IPA; 30 in CERPs and 10 in INET.				20	20	20	10		
3.7	Cumulative number of teacher training centers interconnected.			31						
3.8	Training plan for teacher qualification approved.			•						
3.9	% of teachers from CES and CETP between 30 and 50 years old qualified.	35%				50%	60%	70%		
3.10	% of teachers in basic cycle trained in Plan 96.				70%	80%	90%	100%		

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	OBJECTIVELY VERIFIABLE INDICATORS								MEANS OF VERIFICATION	ASSUMPTIONS
	Indicators	2000	2001	2002	2003	2004	2005	2006		
ent of ciency ement.	4.1 Review of ANEP's regulatory and policy-setting framework, mentioned in paragraph 2.14 to Annex A, completed in 2002. Action plan approved by CODICEN in 2003 and implementation of the plan evaluated in 2006.			•	•			•	1. Monitoring and evaluation reports of Coordinating Unit.	1. Inter-institutional communication on gender and for the management of educational policy bodies. 2. ANEP's personnel system receives streamlined management procedures.
	4.2 Census of nonteaching human resources in 2002. Establishment of skills-based professional profiles in 2004 and new selection system based on these profiles introduced in 2006.			•		•		•		
	4.3 Five critical management processes rationalized and systemized in 2005 according to strategic action plan approved by CODICEN in 2002.			•			•			
	4.4 High school secretariat information system (SECLI) implemented as pilot project in 2001 and in all high schools in 2003.		•		•					
	4.5 Educational information system based on personal history information and indicators (enrollment, repetition, dropout, mobility, etc.) operating.					•				
	4.6 Management information system generating budgetary control and cost indicators operating.				•					
	4.7 Standards and parameters for evaluating schools established.			•						
	4.8 % of currently serving directors and inspectors trained for their job, based on the new profiles established in 2002.			•	25%	50%	100%			
	4.9 % of secondary schools participating in management improvement projects (institutional, pedagogic, community).			20%	40%	60%	80%	100%		

Program procurement plan

Procurement	Year I			Year II			Year III			Year IV			Year V			Year VI			
	ICB		Local Leg.	ICB		Local Leg.	ICB		Local Leg.	ICB		Local Leg.	ICB		Local Leg.	ICB		Local Leg.	
	No.	Amount		No.	Amount		No.	Amount		No.	Amount		No.	Amount		No.	Amount		
New building (1)	—	—	1,600,000	—	—	8,360,000	—	—	8,870,000	—	—	7,700,000	—	—	3,100,000	—	—	—	2
Alterations and extensions	—	—	2,400,000	—	—	1,420,000	—	—	3,230,000	—	—	3,700,000	—	—	3,850,000	—	—	1,400,000	1
Furniture	—	—	250,000	—	—	690,000	—	—	810,000	—	—	860,000	—	—	840,000	—	—	110,000	
Informatics (2)	1	500,000	—	2	653,000	—	3	1,165,000	—	3	1,116,000	—	3	1,116,000	—	1	176,000	—	
Technology(3)	—	—	—	—	—	268,000	2	520,000	—	—	—	293,000	2	545,000	—	—	—	92,000	
	—	—	—	—	—	—	—	—	900,000	—	—	—	—	—	830,000	—	—	1,200,000	
	—	—	—	—	—	75,000	2	800,000	125,000	1	400,000	125,000	—	—	325,000	—	—	175,000	
	—	—	—	1	141,000	564,000	1	216,500	866,000	—	330,300	1,321,200	—	357,000	1,428,000	—	—	240,000	
	1	500,000	4,250,000	3	794,000	11,377,000	8	2,701,500	14,801,000	4	1,846,300	13,999,200	5	2,018,000	10,373,000	1	176,000	3,217,000	6

	Year I		Year II		Year III		Year IV		Year V		Year VI		TOTAL
	Internat.	Nat.	Internat.	Nat.	Internat.	Nat.	Internat.	Nat.	Internat.	Nat.	Internat.	Nat.	
(7)	35,000	1,151,500	175,000	2,625,300	180,000	2,640,000	165,000	2,567,000	145,000	1,862,000	0	160,000	11,705,800

cycle schools (CB), 10 upper secondary schools (EMS) and one teacher training center (CFD).

ent for 73 CB informatics classrooms; 35 informatics classrooms for technological baccalaureates (BTs); equipment for caretakers in the Technical-Professional Education Council (CETP) and teacher training centers (CFDs);

relations systems in CETP, CFDs and Secondary Education Council (CES); equipment for CES accounting system and for the High School Secretariat System (SECLI); equipment for the teacher training document administration system.

ent for 20 CB technology classrooms and 29 sets for BTs.

textbooks for four areas + 8,000 for the technology area in the first year of CB; 63,000 textbooks for four areas + 8,000 for the technology area of second year and 62,000 textbooks for 6 areas + 7,500 for the technology area in third year of C

of didactic material (physics, chemistry and biology laboratories and various other items) and didactic material for 25 "open classrooms" in the new professionalizing basic cycle.

ent and educational materials for 148 learning resource spaces for EMS schools and 15 teacher training centers, and 67 sets of educational materials for hyper-micro centers offering EMS. Bidding will be

s and audiovisual equipment components.

ulting services are envisaged for the following lines of action: professional development groups; new curricular plan for professionalizing basic cycle; reform of EMS; temporary plan for teacher qualification;

ment of third level trainers; modernization of system management; preparation of managerial profiles and self-assessment indicators.

PROPOSED RESOLUTION

**URUGUAY. LOAN /OC-UR TO THE REPUBLICA ORIENTAL DEL URUGUAY
Program for Modernization of Secondary Education and Teacher Training**

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the República Oriental del Uruguay, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Modernization of Secondary Education and Teacher Training. Such financing will be for the amount of up to seventy five million dollars of the United States of America (US\$75.000.000), which are part of the Single Currency Facility of the Ordinary Capital resources of the Bank, and will be subject to the "Special Contractual Conditions" and the "Financial Terms and Conditions" of the Executive Summary of the Loan Proposal.