

PROJECT TO SUPPORT EDUCATION REFORMS

(GU-0037)

EXECUTIVE SUMMARY

BORROWER AND GUARANTOR: Republic of Guatemala

EXECUTING AGENCY: Ministry of Education (MINEDUC)

AMOUNT AND SOURCE: IDB (OC): US\$15.36 million
Local Counterpart funding: US\$ 1.72 million
Total: US\$17.08 million

FINANCIAL TERMS AND CONDITIONS: Amortization period: 30 years
Disbursement period: 3 years
Grace period: 3 years
Interest rate: variable
Commitment fee: 0.75% annually on undisbursed balance
Inspection and supervision: 1% of loan amount
Currency: US Dollars - Single Currency Facility.

OBJECTIVES: The project objective is to improve the quality of education at the pre-primary and primary levels. The project will contribute to reducing average primary school repetition from 15.3% in 1996 to 13% in the year 2001, and the first grade repetition rate from 27.1% in 1996 to 22% in 2001. This loan is conceived as the first phase of what is expected to be a three-phase program of support whose general objective is to make quality preschool and basic education available to all Guatemalans.

Contingent on meeting indicators for the prior phase, the second and third phases would be presented in subsequent loan proposals. The second tentatively sets as its objectives: (i) making quality preschool education available to all five- and six-year old children; (ii) deepening quality improvements for primary education; and (iii) making six years of quality primary education available for all children between seven and twelve years old. The third phase tentatively sets as its objective making nine years of quality basic education available to all Guatemalans less than sixteen years old. At this time it is estimated that Bank financing for the entire program of support would be approximately US\$100 million.

- DESCRIPTION:** The first phase will improve educational quality mainly through technical assistance and the provision of teacher training, textbooks and other educational materials. The project contains three components. The first component (US\$10.9 million) will improve educational quality by integrating concepts of active learning, technical teaching skills, girls' education and intercultural values into teacher training, bilingual and Spanish textbooks, school and classroom libraries, and the curriculum. The second component (US\$2.2 million) aims to lower the high repetition rate in first grade by supporting an expansion of the accelerated pre-primary school program (CENACEP). The third component (US\$1.7 million) will support community participation in education and encourage the development and replication of educational innovations, principally at the local level.
- ENVIRONMENTAL CLASSIFICATION:** The CMA classified the project in Category II on May 30, 1995. At its meeting on September 19, 1997, the CESI/TRG commended the innovative aspects of the project and its special effort to address gender and ethnicity (cultural) factors. It also took note of the environmental content of the primary school curriculum.
- BENEFITS:** Analyses have demonstrated high rates of return to education in Guatemala, particularly for investments in primary education. More specific benefits from project-financed investments include: (i) increased equity through the provision of educational services and improvement in the quality of these services for the most vulnerable groups (girls, indigenous persons and the rural poor); (ii) reduced illiteracy due to improvements in the quality of primary education; (iii) increased internal efficiency in the education sector; (iv) greater efficiency in the delivery of educational services; and (v) help in complying with the educational mandates of the Peace Accords.
- RISKS:** Program execution. Timely execution of the project requires that the government: (i) take effective measures to improve its financial position and channel more resources to the social sectors, especially to education; and (ii) improve the public sector's institutional efficiency, especially in MINEDUC. In the past 15 years the government has not been capable of ensuring the timely execution of education projects financed by the World Bank and the IDB. However, three factors will help improve the execution of the proposed project: (i) the mandate in the Peace Accords to increase education expenditures; (ii) programs currently in preparation to modernize

the State; and (iii) measures to modernize the Ministry of Education. In addition, the execution of an operation in phases will allow the Government time to restructure MINEDUC during the first phase prior to assuming responsibility for a larger Bank loan.

Government commitment to education. Historically low expenditures for education coupled with longstanding weaknesses in providing educational services raise doubts concerning the commitment of the Government to education. The Government insists that this has changed. As evidence of a strong, new commitment to education, the Government can point to: (i) commitments in the Peace Accords (50% more public expenditures for education in the year 2000 as a percentage of GDP, commitment to provide bilingual education for indigenous children, and universal access to at least three years of school for all children 7-12 years old); (ii) initial increases in enrollment from the PRONADE Program; (iii) initial steps to improve the efficiency of MINEDUC (selection of departmental directors and reorganization of some central divisions of the Ministry); and (iv) MINEDUC preparation of an ambitious program for improving equity through greater coverage and improved quality in low-income rural areas.

**THE BANK'S
COUNTRY AND
SECTORAL STRATEGY:**

The Bank strategy, as stated in the Guatemala Country Paper (CP) approved in 1996 has four thrusts: (i) the incorporation of the poor, indigenous and rural population into a sustained process of development; (ii) the expansion and improvement of social services; (iii) the modernization of the State and (iv) the growth and development of the private productive sectors. The CP included the Project to Support Education Reforms. The project directly supports the first three strategic thrusts and indirectly supports the fourth through the education of citizens needed for the growth and development of the private sector.

As an extension to the Bank's strategy, the latter will incorporate the expected second and third phases of the education program in the Bank's tentative lending program. This means that the Bank is making a programming commitment to support the second and third phases of the program (See paragraphs 1.41 and 2.04).

PROCUREMENT:

Public international bidding will be required for goods over US\$250,000 and works over US\$1.5 million.

**EXCEPTIONS TO
BANK POLICY:**

1. The Director of the Project Coordinating Unit (PCU) to be used for this project is currently responsible for carrying out the World Bank-financed Basic Education II Project and its recently approved Basic Education Reform Project (Paragraph 3.7). The Government has requested a waiver of IDB contracting procedures in order to contract with the same person without a new competitive selection process to direct the PCU which will jointly carry out the World Bank and IDB-financed education projects (Paragraph 3.15).

2. The expertise for incorporating Guatemalan intercultural materials and educational innovations into new pre-primary and primary school texts is unlikely to be found other than in firms, NGOs, and universities in Guatemala. The Government requests that the Board allow that these services, which will cost about US\$250,000, be procured through nationally advertised competitive selection, thereby waiving the requirement of internationally advertised competitive selection for consulting services over US\$200,000 (paragraph 3.15).

**SPECIAL
CONTRACTUAL
CONDITIONS:**

Special conditions for the first disbursement:

- (a) Establishment of a Project Coordination Unit to manage the project (See paragraphs 3.8 and 3.9)
- (b) Entry into effect of the Project Coordination Unit's operating manual (paragraph 3.11).

Special conditions for the first disbursement of funds to support educational innovations:

- (a) Entry into effect of criteria satisfactory to the Bank for the use of resources to support educational innovations (paragraph 2.28).

**POVERTY
TARGETING:**

The project conforms to the high priority accorded to poverty reduction under the Eighth Replenishment, and automatically qualifies as poverty-targeted because it supports primary education (Document GN-1964-2). Moreover, more than 50% of project resources are expected to support education in rural and low-income urban areas of the country where poverty is most prevalent.

I. BACKGROUND

- 1.1 Following years of underfunding and neglect, education in Guatemala is at a crossroads. The peace process, that concluded at the end of 1996, assigns a high priority to education. Key elements in the Peace Accords mandate a dramatic expansion in educational coverage, better quality, expansion of bilingual education, a sharp increase in the education budget, equity among genders, and wider community participation in education. This loan supports the educational mandates of the Peace Accords. It seeks to improve the quality of primary education, with particular focus on activities that are designed to benefit indigenous groups, girls and the poor.

A. Socioeconomic background

- 1.2 Guatemala has a high incidence of poverty and some of the least favorable social indicators in the western hemisphere. The sociodemographic survey of 1989 indicates that 75% percent of the population lives below the poverty line and 58% is in extreme poverty. Poverty affects 86% of the rural population and 96% the rural indigenous population. ^{1/}
- 1.3 Guatemala's public sector is relatively small and inefficient with shortcomings in its ability to design and execute investment programs to expand and improve the coverage and quality of public services. Investment projects frequently suffer delays and problems as a result of fiscal constraints, complicated procurement procedures, institutional weaknesses and fragmented responsibilities among competing agencies.
- 1.4 Macroeconomic policies compound the difficulties in implementing investment projects. Low tax revenues (about 8.5% of GDP in 1996) coupled with rigid and highly centralized financial management contribute to low social sector expenditures and underexecution of programmed investments.
- 1.5 However the Peace Agreement offers new optimism for Guatemala by ending more than 35 years of civil war and committing the Government to programs aimed at benefitting the rural poor, women and indigenous groups. In addition peace has facilitated renewed commitments of support from the international community. The Peace Accords oblige the Government to undertake far-reaching improvements in education (See Box 1.1).

^{1/} About 40% of Guatemala's population is indigenous. The country has at least 23 indigenous languages, including 21 of Mayan origin plus Xinca and Garifuna. About 85% of the indigenous population speaks the four languages: Q'eqchi', Mam, Kaqchikel and K'iche'.

BOX 1.1

PRINCIPAL REFERENCES TO EDUCATION IN THE PEACE ACCORDS

- Educational reform: A reform of the education system will: (i) constitute a basis for the culture of peace which means affirming and disseminating moral, cultural and democratic values, as well as promoting protection of the environment and mechanisms for community participation; (ii) avoid the perpetuation of poverty and discrimination against women, ethnic groups, and against rural areas; (iii) incorporate scientific and technical progress to enable the country to compete in the world economy; (iv) decentralize education such that it can adapt to specific linguistic and cultural needs; and (v) improve educational content to incorporate the above-mentioned objectives as well as to support the identity and rights of indigenous groups.
- Coverage: The Government is committed to: (i) providing at least three years of school for all children from ages 7-12 by the year 2000; (ii) raising literacy to 70% in the same year; and (iii) increasing educational services at all levels (including adult education and training), especially bilingual education in rural areas.
- Women: Women are guaranteed access to schooling and training; education should serve to eliminate discrimination and stereotypes against women.
- Educational expenditures: The Government is committed to raise executed expenditures on education by at least 50% in the year 2000 as a percentage of GDP in relation to the year 1995.
- Community participation: In order to bring and keep children in the educational system, communities and parents should participate in the diverse aspects of educational and training services, such as educational content, hiring and removal of teachers, and setting the school calendar.
- Bilingual education: The Government is committed to: (i) further developing bilingual intercultural education; (ii) contracting and training bilingual teachers and administrators for indigenous communities; and (iii) supporting and consolidating the Ministry's bilingual intercultural program, DIGEBI, as well as the Escuelas Maya (schools operated in several regions of Guatemala by CEDIM, Centro de Documentación e Investigación Maya).

B. The education sector

1. Synthesis

- 1.6 Guatemala's formal educational system has five principal levels: (i) pre-primary which is divided into bilingual pre-primary and kindergarten; (ii) primary school (six grades) for children; (iii) secondary education which includes the basic cycle (three grades), followed by the diversified cycle (two years for college preparatory studies plus one additional year if technical training also is included); (iv) adult education; and (v) higher education. In addition, the *Instituto Técnico de Capacitación y Productividad* (INTECAP) offers technical training. Table 1.1 shows the breakdown of budgeted expenditures for administrative expenses and the five formal levels in 1995.

Table 1.1 GUATEMALA: MINISTRY OF EDUCATION. DISTRIBUTION OF BUDGETED EXPENDITURES, 1996

Category	Operations	Investment	Total
Administration	4.8%	-	4.8%
Pre-primary education	4.8%	0.1%	4.9%
Primary education	55.6%	2.6%	58.2%
Secondary education	11.5%	0.6%	12.1%
Adult education	3.7%	-	3.7%
Higher education	14.4%	1.9%	16.3%
Total	94.8%	5.2%	100.0%

Source: Ministerio de Educación: Unidad de Informática, "Anuario Estadístico, 1996."

- 1.7 The country's high incidence of poverty and poor social indicators accompany low indexes of formal education. In 1995 net primary school enrollment was 69% and net pre-primary school enrollment was 20%. Net enrollment in lower secondary school (grades 7-9) was also only 20%.
- 1.8 At 39% nationwide in 1995, Guatemala has the second highest illiteracy rate in Latin America. It is four times higher in the Departments of Huehuetenango and Quiché (65%) than in the capital region (16%). The former are predominantly rural, low-income departments severely affected by the conflict.
- 1.9 Fewer girls attend primary school than boys. Only 66% of girls between the ages of 7 and 12 enrolled in school versus 73% of boys in 1995. The illiteracy rate for females over 15 is 46% compared to 33% for males. Rural women account for 47% of all illiteracy in the country. About 66% of rural girls drop out of school before third grade and only one in eight completes sixth grade. 2/
- 1.10 Although high, repetition and desertion rates have decreased slowly in the past decade, as the Ministry of Education (MINEDUC) has targeted the problem more aggressively. The average repetition rate for primary school is 15.3%. An especially high repetition rate for first grade of 27.1% reflects insufficient preschool coverage 3/. High repetition and desertion result in a progressively decreasing number of students from the lower to upper

2/ Nuñez, Gabriela and Beatriz Segura. "La iniciativa de educación de la niña", April 1997, page 3.

3/ The repetition rates for each grade from 2-6 are less than the average; they decline steadily from 14.6% in second grade to 2.6% in sixth. All figures are from Ministerio de Educación, Unidad de Informática, "Anuario Estadístico, 1996".

grades of primary school. In 1996, there were 469,000 students in first grade and 132,000 in sixth. Net enrollment dropped progressively from 52.0% of the age-appropriate students for first grade to 14.2% for sixth grade. In the sixth grade 97% of students were overage.

- 1.11 About 150 normal schools, mostly private, train teachers throughout the country. Many graduates do not learn to reach children effectively in the early primary school grades, especially in rural areas 4/. Few graduates specialize in the rural primary track, where the greatest need exists for teachers. Likewise, the normal schools produce insufficient bilingual teachers. The GTZ provides support to teacher formation through a bilingual teacher training grant, and the European Union and USAID are expected to provide help in this area.
- 1.12 Training, control and supervision of teachers are weak. As a consequence absenteeism is high and quality is low, especially in rural areas 5/. Strong unions defend teacher interests.
- 1.13 Low educational achievement and quality go hand-in-hand with inadequate expenditures and investments. Educational expenditures were 1.66% of GDP in 1995. Nevertheless, the Peace Accords mandate a substantial increase which would bring sector expenditures up to 2.6% of GDP in the year 2000. About 95% of the MINEDUC budget finances operating expenses, principally teacher salaries.
- 1.14 The World Bank documented several studies showing high rates of return to primary education in Guatemala. 6/ The private rate of return for the first three grades was estimated at 21.3% while the social return was estimated at 18.8%. 7/ The corresponding returns for the second three grades were estimated at 17.9% and 15.8% respectively. A 1992 study conducted by SEGEPLAN estimated the private rate of return for a complete primary school education at 30.1%. 8/

2. Programs to meet Guatemala's educational challenges

- 1.15 Meeting the major expansion of educational coverage mandated by the Peace Accords, raising the low quality of education, and modernizing MINEDUC to permit it to carry out broad new programs constitute formidable challenges to the Ministry. This section

4/ World Bank, "Basic Education Strategy: Equity and Efficiency in Education," January 20, 1995, page 25.

5/ A recent administrative audit of pre-primary and primary schools found 22% of these schools closed on the days of the audit (Proyecto ALFA, "Auditoría administrativa del Ministerio de Educación en Guatemala", 22 de agosto de 1997, financed by Contrato No. 520-0413-0-00-7011-00. Aragón & Asociados - USAID).

6/ World Bank, op. cit., January 20, 1995, page 33.

7/ A. Haeussler, "Análisis Costo-Beneficio de la Inversión en Educación en Guatemala," Thesis Universidad Francisco Marroquín. Cited in the World Bank, op. cit.

8/ SEGEPLAN, "Criterios para la Planificación de los Recursos Humanos," cited in the World Bank, op. cit.

examines steps taken in Guatemala to meet the challenges of improving quality, coverage, and the institutional role of MINEDUC.

- 1.16 As part of the Peace Accords, a commission responsible for recommending education reforms started work in March 1997 and should present its recommendations before the end of December 1997. Under the coordination of a separate commission, implementation of the recommendations should take place from 1998-2000.

- a. Quality

- 1.17 Innovations developed and replicated over the past 5-15 years hold considerable potential for improving educational quality. Three of these innovations —bilingual education, multi-grade schools and girls' education— have received support from the USAID BEST (Basic Education Strengthening) Project which will end in December 1997.
 - 1.18 **Adaptation of curricula to local needs.** Originally supported with help from UNESCO and the Netherlands from 1987 through 1994, MINEDUC continues to implement a program to adapt curricula to local needs. This program, called SIMAC (*Sistema de Mejoramiento y Adecuación Curricular*), has a decentralized structure which enables it to operate throughout Guatemala via a network which covers district, department, regional and national levels. Through demonstration schools or CEDEs (*Centros de Desarrollo Educativo*), SIMAC develops models applicable for the schools under the area of influence of the CEDE. In all, there are 346 CEDEs, of which 201 are in rural areas. Until 1994, the CEDEs served as work sites for technical trainers to experiment with curricular innovations first tried in community and classroom workshops. Relative to other schools, SIMAC students perform well on standardized tests in mathematics and language. ^{9/}
 - 1.19 SIMAC is also responsible for curriculum development, pre-service and in-service teacher training, and the production of textbooks and other pedagogical materials. MINEDUC recently gave SIMAC responsibility for integrating two innovations (a multi-grade schools program and girls' education, both of which are summarized below) into the mainstream of Guatemalan education. In addition, SIMAC is also coordinating with the bilingual education program (DIGEBI) to develop a common approach to curricula improvements, teacher training and the use of community participation.
 - 1.20 **Bilingual Education.** For more than three decades, Guatemala has supported programs in bilingual education. Evaluations reveal that the methodology and the teaching materials of these programs help

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Ten reports and evaluations are cited in Linda Asturias de Barrios, Idalma Mejía de Rodas y colaboradores, "Sistematización de Información sobre Modalidades Educativas Innovadoras en Educación Preprimaria y Primaria Rural en Guatemala", Informe final de consultoría bajo contrato con Ruta Social, 1996.

reduce high levels of desertion and repetition and increase school promotion among indigenous children.

- 1.21 DIGEBI (*Dirección General de Educación Bilingüe*) was established in 1984 to unify the provision of bilingual pre-primary and primary education to the indigenous population. It currently serves more than 1,300 schools. Of these, about 500 are "complete" offering bilingual education from preschool through the fourth grade with bilingual teachers. These schools are in the four main linguistic communities (see footnote 1, this Chapter). DIGEBI operates another 500 "incomplete" schools, in which bilingual education is offered only at the pre-primary level. In addition, it operates about 300 "extensive" schools in areas with indigenous languages other than the four which are the most widely-spoken.
- 1.22 An impact evaluation of the DIGEBI bilingual education program revealed that Mayan students learn Spanish best if they study it while first learning in their mother tongue. ^{10/} Testing in mathematics, Spanish language, science, and Mayan language, revealed differences favoring bilingual education over a control group of Mayan students attending monolingual instruction in Spanish. ^{11/} The best results were achieved by students in *complete* DIGEBI schools. Among indigenous children, attendance in these schools leads to lower rates of repetition and drop-out and higher rates of attendance, promotion and achievement.
- 1.23 Despite notable achievements, the DIGEBI program faces difficulties including incomplete schools (see above) and some teachers who are not effective in teaching in Mayan languages. In most cases DIGEBI teachers themselves were taught in Spanish prior to the implementation of bilingual programs in Guatemala. Consequently many are not completely familiar with the bilingual teaching methodology. Insufficient and inadequate pre-service training, especially for bilingual teachers, compound these difficulties.
- 1.24 **Multi-grade schools.** Started in approximately 200 multi-grade schools in two regions of Guatemala over the past five years, NEU (*Nueva Escuela Unitaria*) uses techniques aimed at improving self-esteem and academic achievement in rural, multi-grade schools. NEU teachers serve as hands-on facilitators in the learning process, encouraging children to work in self-contained modules. Students who must temporarily leave school for work (such as participating in the harvest) may reinsert themselves into the system without having to repeat the whole year. A participatory teaching

^{10/} USAID/Guatemala, "Proyecto de mejoramiento de la educación primaria rural. Evaluación final," prepared by the subcontractors Juárez y Asociados under contract LAC-0032-C-009036-00 (TSO 67), June 1993.

^{11/} Eleven tests were administered from 1986-1991. In seven, the Mayan students in the bilingual program performed significantly better than the control groups. In three, there was no significant difference between the two groups. In one test performed in 1988 the control group did significantly better than the bilingual program in oral Spanish. However, in 1991, the students in the bilingual program did significantly better than those in the control group in oral Spanish. See USAID/Guatemala, *op. cit.*

methodology and group work raise student self-esteem, promote democratic principals, and stimulate creativity, while evidence shows that they also improve educational achievement. NEU schools are encouraged to use bilingual teaching methods given that they often serve predominantly indigenous populations.

- 1.25 Through the establishment of quality circles (*círculos de calidad*), NEU has developed an effective program to train and motivate teachers. Quality circles are composed of about 30 teachers from local schools who meet periodically to receive training and to discuss common problems and approaches to issues. This concept has proven effective for in-service teacher training and for the interchange of ideas, innovations, issues, and problem-solving techniques among teachers. The typical quality circle meets for one-half to one day at which a teacher training module is presented by a supervisor, CTP or DIGEBI technical personnel. In advance of a quality circle meeting, teachers formulate a plan which specifies the modules they will receive and the order of their presentation. SIMAC and DIGEBI are currently in the process of preparing 18 modules for the quality circles.
- 1.26 **Girls' Education.** The *Eduquemos a la Niña* Program develops girls' self-esteem, promotes attendance, retention, and promotion in primary education and completion of at least the sixth grade. Information campaigns provide educational materials, consciousness-raising among teachers and parents, and other incentives for girls to attend school and complete their studies. The program offers training workshops for school principals, teachers and local supervisors and disseminates materials on girls' education, particularly in poor, rural predominantly Mayan areas. Initial evaluations show that the program increases girls' attendance and promotion, particularly when it includes a scholarship.
- 1.27 Other MINEDUC programs such as NEU and the bilingual education program complement efforts to provide access to quality education for girls. MINEDUC is absorbing the positive impact of NEU and *Eduquemos a la Niña* into the textbook development and teacher training provided by SIMAC.
- 1.28 **Accelerated Pre-primary.** CENACEP (*Centros de Aprestamiento Comunitarios en Educación Preescolar*) aims to provide school readiness instruction to preschool-age children, who do not attend a regular pre-primary school. Offered in Spanish and K'iche', its objective is to develop the intellectual maturity (physical, mental, and social) and the motor, visual and auditory skills of preschoolers necessary to perform well in the first grade.
- 1.29 In 1996, 450 CENACEP centers operated in 11 departments. SIMAC's goal is for 1,500 centers in 13 departments in October of 1997. The centers rely on community volunteers, who are trained by MINEDUC and supported by technical and financial cooperation from UNICEF. Located in existing schools, the centers operate for 35

days (105 hours) during the vacation period in November and December. Each center is run by a director who is supervised by a CTP. Often this director is the same person who runs the school during the regular school year. Volunteers, who are usually students in the *magisterio* or community members, teach the CENACEP class. The program requires that volunteers use the language of the community in which the center is located.

- 1.30 Although tests show that CENACEP students, in general, do not reach the overall levels of regular preschool students in visual motor coordination, auditory discrimination and language skills, their abilities in these areas are much more advanced than those of children without any preschool training ^{12/}. A separate test shows that CENACEP students do at least as well as regular preschool students in adapting socially and in developing habits conducive to learning.

b. Coverage

- 1.31 Established in December 1993, PRONADE (*Programa Nacional de Autogestión para el Desarrollo Educativo*) is a MINEDUC program responsible for increasing coverage in low-income rural areas. Through PRONADE, MINEDUC provides financial resources to community groups called COEDUCAs (*Comités Educativos*) to hire teachers, ensure their attendance, pay them, and administer schools. PRONADE contracts with public or private entities, known as ISEs (*Instituciones de Servicios Educativos*), principally NGOs, to organize, train and provide advisory services to the COEDUCAs. The ISEs also train teachers. As part of the effort to enhance community participation, COEDUCAs hire teachers locally and resolve problems of teacher absenteeism. This accountability of teachers to the communities is expected to improve educational quality.
- 1.32 Although increasing coverage is PRONADE's principal objective, it also strives to deliver quality education. Local teacher recruitment encourages selection of instructors who know the language and customs of the community. Similarly, through the ISEs and COEDUCAs, PRONADE encourages bilingual education. It provides teachers and students with school supplies, and teaching and learning materials. In coordination with MINEDUC, PRONADE provides teacher training, textbooks, teacher guides, mini-libraries in Spanish and Mayan languages, and a nutritious snack for students.
- 1.33 The Government expects to finance PRONADE's growth through an increment in the value added tax earmarked for peace-related activities (IVAPAZ), a KfW project in preparation and a recently approved World Bank project (Basic Education Reform Project, May 20, 1997, US\$33 million).

^{12/} UNICEF/Ministerio de Educación, "Proyecto Centros de Aprestamiento Comunitarios en Educación Preescolar, CENACEP", Guatemala, September 1996.

c. The Ministry of Education

- 1.34 The Government and MINEDUC initiated a modernization program which is expected to improve the Ministry's ability to formulate educational policy, set norms, and manage the sector. Many of these initiatives are supported by the Peace Accords. These include:
- (i) **An education reform program.** The program is being designed in 1997 and is expected to be carried out from 1998 to 2000 (see the beginning of this section and Box 1.1).
 - (ii) **Increased community participation in education.** This is the cornerstone of the PRONADE program and will be incorporated in other ongoing MINEDUC programs to improve the quality of education.
 - (iii) **Decentralization of the Ministry.** A governmental decree in 1996 established offices of the Ministry at the departmental level. The Ministry selected qualified departmental directors through an open competitive process in 1996 and 1997. It is in the process of decentralizing the responsibilities of MINEDUC —principally for personnel management, program operations, and planning— to the new offices. Recently, MINEDUC began filling budgeted teaching positions ^{13/} through open competition and selection by panels at the municipal level.
 - (iv) **Streamlining the central offices of MINEDUC.** 13 of the 48 central offices were eliminated in 1996 and 1997, and MINEDUC set goals to define additional efficiency measures in 1998 and implement them in 1999.
 - (v) **Financial decentralization.** As part of a pilot program, the Government is transferring financial responsibilities from the Ministry of Finance to MINEDUC. The latter, in turn, plans to decentralize the financial responsibilities for most program operations and planning to the departmental level in 1999.
 - (vi) **Establishment in 1997 of key managerial units to oversee the modernization program.** These include four temporary offices to coordinate activities related to the Peace Accords, educational quality, modernization of the Ministry, and social communications.
 - (vii) **Passage of legislation to reform the public sector.** Key to a more effective Ministry of Education is approval of legislation to improve: (i) the civil service system which will allow individual ministries to set their own personnel policies (approval expected in 1998); and (ii) the structure of the executive branch which for many years has stymied attempts aimed at improving public sector efficiency and the effectiveness of investment programs (expected to be approved in 1998).

^{13/} Budgeted teaching positions refer to those which are considered permanent as opposed to PRONADE positions where teachers are hired on annual, renewable contracts.

- 1.35 The modernization of the Ministry of Education is key to increasing investment in the sector. Parallel to IDB financing for educational quality, the World Bank, the GTZ and possibly other entities will support the modernization of MINEDUC.

C. Lessons from experiences in the country

- 1.36 The proposed project will build on past experiences of the World Bank, USAID, and the IDB. The World Bank and USAID support ongoing education projects in Guatemala. The last IDB-financed education project for Guatemala was approved in 1983 for rural primary education (PRODEPRIR, *Programa de Desarrollo de la Educación Primaria Rural*, 707-SF-GU, approved for US\$27.1 millions and closed in 1990). PRODEPRIR, which focused on the provision of school infrastructure and equipment, suffered long delays and poor execution (US\$16.1 million of its originally-programmed US\$27.1 million were canceled). The executing unit, which depended on MINEDUC, suffered from inefficiencies, and inadequate technical and administrative capabilities. Lengthy bidding procedures without acceptable bids, inadequate coordination between two government entities responsible for school construction, and the inability to meet prior conditions also contributed to the delays.
- 1.37 The World Bank approved two education projects for Guatemala in the 1980s (Basic Education Project, US\$18.5 million, 1983-1989 and the ongoing Second Basic Education Project, approved in 1989 for US\$30 million). Both supported primary education in low-income areas and sought to improve educational quality and efficiency. The projects suffered difficulties, delays, and both reduced the originally-programmed loan amounts. Institutional weaknesses and complicated procurement procedures affected implementation of each project. Implementation of the second accelerated in 1996, parallel to the higher priority assigned by the Government to education.
- 1.38 Approved in 1989 and extended until the end of 1997, the USAID-financed Basic Education Strengthening Project (BEST), supports equity of primary education services. It has improved educational quality, ^{14/} achievement testing, and MINEDUC's management information systems. Like IDB and World Bank-supported programs, BEST too experienced difficulties and delays. These may stem from a past lack of MINEDUC ownership of the project's activities.
- 1.39 Important lessons to be learned from the above experiences as well as from other Bank experiences in lending to Guatemala include:
- (i) Projects should be limited in scope and well-focused, at least until the modernization of MINEDUC advances substantially.

^{14/} Numerous evaluation of USAID-financed projects document quality improvements through achievement tests, better internal efficiency, teacher awareness of program objectives, and student participation rates. The conclusions of most of these evaluations are summarized in Asturias y Mejía, op. cit.

- (ii) Those responsible for project implementation must be experienced professionals with adequate and appropriate training.
- (iii) In order to ensure its commitment and sense of ownership, the Government should play a key role in developing projects.
- (iv) Projects should support improvements in MINEDUC's institutional capacity.
- (v) Projects must consider deficiencies in procurement and contracting procedures. These are, and will probably remain, cumbersome for several years. Consequently, project design must identify and incorporate agile, transparent and efficient procurement guidelines. Prior to project initiation, it is important that key project personnel participate in seminars or workshops designed to help expedite procurement procedures.
- (vi) Education experience in Guatemala points to the need for careful monitoring and supervision.

D. Bank and Government strategies

- 1.40 The Bank strategy, as stated in the Guatemala Country Paper (CP) approved in 1996 has four thrusts: (i) the incorporation of the poor, indigenous and rural population into a sustained process of development; (ii) the expansion and improvement of social services; (iii) the modernization of the State and (iv) the growth and development of the private productive sectors. The CP included the Project to Support Education Reforms. The project directly supports the first three strategic thrusts and indirectly supports the fourth through the education of citizens needed for the growth and development of the private sector.
- 1.41 As an extension to the Bank's strategy, the latter will incorporate the expected second and third phases of the education program in the Bank's tentative lending program. This means that the Bank is making a programming commitment to support the second and third phases of the program.
- 1.42 The Guatemalan Constitution establishes the right and obligation for all children to receive schooling from preschool through the basic cycle. It calls for a decentralized administration of the educational system and states that teaching in predominantly indigenous areas should preferably be bilingual. The "Action Plan for Social Development (PLADES), 1996-2000" 15/ and the Government's Social Development Plan 16/ establish a high priority for education. The PLADES sets targets for the year 2000 of: 80% coverage of pre-school education (20% net enrollment in

15/ Gabinete Social, Gobierno de Guatemala, "Plan de Acción de Desarrollo Social (PLADES)," Guatemala, Septiembre de 1995.

16/ Gabinete Social, Gobierno de Guatemala, "Desarrollo Social y Construcción de la Paz: Plan de Acción", Noviembre de 1986.

1995); 95% coverage of primary education (69% net enrollment in 1995); 80% primary school promotion rate (77% in 1995); and 80% literacy (61% in 1994). MINEDUC's strategy for meeting these goals and those stated in the Peace Accords is contained in the document that proposes the program *Apoyo a la Reforma Educativa*. ^{17/} Key goals of the latter for the year 2000 include: pre-school coverage of 50%; primary school coverage for the first three grades of 100%; primary school coverage for the upper three grades of 65%; and literacy of 70%. In addition, MINEDUC specifies goals calling for quality improvements, higher internal efficiency, and meeting the educational objectives stated in the Peace Accords.

E. Conclusion

- 1.43 The education sector's poor coverage, low quality and institutional weaknesses pose major challenges to Guatemala as it tries to build a more equitable society as the cornerstone of a lasting peace. Given the country's strong commitment to modernize the sector, increase its budget, and quickly attain dramatic improvements in the quality and coverage of education, the time is opportune for major Bank support to education in Guatemala.
- 1.44 Nevertheless, longstanding sectoral weaknesses remain. Despite important progress in overcoming them, the modernization process requires time and patience.
- 1.45 This document proposes that the Bank enter into a long-term commitment to support education reforms in Guatemala. However, to avoid overburdening an institutional structure which is only beginning to implement important reform measures, the document recommends tailoring Bank support to progress in the capacity of the sector to undertake investments. The program described in the following chapter lays out a flexible approach designed to meet the challenges of Guatemalan education. In response to a request from MINEDUC, proposed Bank support initially aims to improve educational quality, an area with relatively little international support over the next three years.

^{17/} Ministerio de Educación, "Perfil de Proyecto, Apoyo a la Reforma Educativa," November 1996.

II. THE PROJECT, COSTS AND FINANCING

A. Project objectives

- 2.1 The project objective is to improve the quality of education at the pre-primary and primary school levels. This loan is conceived as the first phase of what is expected to be a three-phase operation whose general objective is to make quality preschool and basic education (grades 1-9) available to all Guatemalans.
- 2.2 In the first phase educational quality will be improved mainly through technical assistance and the provision of teacher training and education materials. ^{18/} Project goals include reducing overall primary school repetition from 15.3% in 1996 to 13% in the year 2001 (See the logical framework in Annex I for additional project goals and indicators).
- 2.3 Contingent upon meeting indicators for the prior phase, the second and third phases would be presented in subsequent loan proposals. The second tentatively sets as its objectives: (i) making quality preschool education available to all five- and six-year old children; (ii) deepening quality improvements for primary education; and (iii) making six years of primary education available for all children between seven and twelve years old. The third phase tentatively sets as its objective making nine years of quality basic education available to all Guatemalans less than sixteen years old. As such, the third phase emphasizes support to the basic education cycle (grades 7-9). At this time it is estimated that Bank financing for the project's three phases would be approximately US\$100 million.
- 2.4 Upon satisfactory progress toward meeting first phase indicators agreed to by the Government and the Bank, the Government may request that the Bank consider financing for the second phase, and later the third phase, of the investment program in support of the general objective. Principal first phase indicators to be met prior to presentation of the proposed second phase include: (i) 50% disbursement of the loan corresponding to the first phase; (ii) financing for education up from 1.66% of GDP in 1995 to 1.85% in 1997, 2.1% in 1998, 2.3% in 1999 and 2.6% in 2000 ^{19/}; and (iii) progress in meeting project indicators in the logical framework (Annex I) and in strengthening the education sector. Indicators for the latter include (a) presentation of the educational reform in february 1998; (b) approval of the reform in 1998; (c) greater responsibilities for education at the local and departmental levels; (d) financial decentralization of MINEDUC; (e)

^{18/} The first phase will not support the expansion of coverage. This will be financed by internal resources, the KfW and the World Bank (See paragraph 1.33).

^{19/} This indicator will be considered for the years up to consideration of a subsequent phase. Paragraph 4.8 explains the importance of increasing the allocation of resources to education.

continuation and expansion of competitive processes for selection of teachers and administrative employees; (f) continuation of restructuring MINEDUC's central level; and (g) the incorporation of educational testing to evaluate educational quality improvements. Subsequent phases and corresponding financing will be subject to the analysis and recommendations of Bank management and the approval of the Board.

- 2.5 Project goals will be met through integrating concepts of active learning, technical teaching skills, girls' education and intercultural values into teacher training, bilingual textbooks, libraries and the curriculum. An expansion of the accelerated pre-primary school program (CENACEP) will help lower the high repetition rate in first grade from 27.1% in 1996 to 22% in 2001. In addition, resources for educational innovations will support community participation in education and encourage the development and replication of educational innovations at the local level.
- 2.6 The scope of the project is nationwide. However, improvements in educational quality will most benefit low-income, rural areas where educational services are deficient. The project will also improve equity by incorporating gender and intercultural issues into the classroom through educational materials and teacher training.

B. Project description

- 2.7 The project will be implemented over a period of three years starting in 1998. The end of this period coincides with the Government's deadline for meeting the first set of Peace Accord objectives.
- 2.8 In response to a proposal prepared by MINEDUC, *Perfil de Proyecto Apoyo a la Reforma Educativa*, and in keeping with the high priority placed by the Peace Accords on improving the quality and coverage of education, the following components address improvements in the quality of primary education, improvement and expansion of accelerated pre-primary and encouragement of educational innovations.

1. Component 1. Quality (US\$10.9 million)

- 2.9 This component will support the integration of quality improvements developed over the past 15 years into mainstream education (See Chapter I). These innovations—in particular those related to curricular adaptations to local circumstances, bilingual education, active learning (the NEU), and girls' education—expand proven methods for improving educational quality. Within this process, the principal areas to be financed by the Bank include:

a. Textbooks and educational materials (US\$5.3 million)

- 2.10 Based on the national curriculum, SIMAC and DIGEBI have begun identifying minimum requirements that must be covered in all

textbooks. This process will be completed in 1997. Project-financed textbooks will cover these requirements.

- 2.11 The project will help finance new curriculum guides which integrate active learning techniques, a better appreciation of Guatemala's rich cultural heritage, and girls' education in the learning process. These guides are based on curriculum revisions which SIMAC will complete in 1997. The Bank will finance 44 revision workshops, the validation of the guides and their publication.
- 2.12 The process of textbook elaboration consists of evaluations of existing texts, modifications, validation, and preparation of prototypes. The project will support the elaboration of 25 texts (1 for pre-primary and 4 for each grade from first through sixth) to be distributed to public schools in the year 2000. MINEDUC intends to finance the printing, distribution and ex-post evaluation of the texts with internal resources.
- 2.13 Through technical assistance, workshops and support to the validation process, the project will help DIGEBI develop bilingual texts. It will also support the adaptation of teaching, based on the new textbooks, to local contexts. The departmental offices, supervisors, CTPs, and DIGEBI technical personnel are responsible for this process, which is supported by the Peace Accords.
- 2.14 The project will finance printing and distribution of bilingual texts for pre-primary through second grade for 3,188 schools, where children are taught in the four most widely spoken Mayan languages. 20/ The project will also develop, print and distribute texts in eight minority indigenous languages for pre-primary and first grade in 188 schools. Although some materials have been prepared in the eight languages, these children currently do not have texts in their native languages. 21/
- 2.15 The project will also finance small libraries for schools and classrooms. A project goal is to make small libraries available in 85% of non-PRONADE public schools. School libraries will be made available as an incentive to directors whosuccessfully complete three modules of training through the quality circles (see below). Likewise, classroom libraries will be made available as an incentive to teachers to complete one year of the in-service training supported by this project.

b. Training (US\$4.2 million)

- 2.16 The project will support in-service teacher training to be carried out in "quality circles" (*circulos de calidad*). In addition, school directors will be trained in the new modules, and community

20/ DIGEBI provides three texts for each grade —the indigenous language, Spanish, and mathematics.

21/ Quantitative targets for textbook publication and distribution are presented in the logical framework (Annex I).

members will be given training which explains key concepts of the learning process, including active learning, intercultural awareness, and the importance of girls' enrollment and completion of studies. This process helps all three groups of constituents (directors, teachers and parents) understand, support and apply the concepts taught in the schools. This subcomponent will be developed in coordination with the departmental directorates of education.

- 2.17 The project will finance SIMAC's and DIGEBI's program to make at least 18 quality circles available to each non-PRONADE public school teacher over the three-year period of project execution. At least 85% of all teachers are expected to attend the quality circles in the third year of project execution. The project will finance printing the guides for each module as well as the costs of the circles and complementary materials.
- 2.18 A crucial element to the success of the quality circles is the quality of training provided to the supervisors, CTPs and DIGEBI technical personnel who present the modules. The project will ensure the quality of this training by support to a three-tier training system: (i) training to the high level administrators of the program and the highest level of trainers (those responsible for training the supervisors, CTPs and DIGEBI technical personnel); (ii) training of the supervisors, CTPs and DIGEBI technical personnel; and (iii) training of directors, teachers, and communities.
- 2.19 The project will provide teachers with training and materials to help start and maintain a dialogue with the communities that they serve. Teachers will be encouraged to work with the communities to impart information concerning hygiene, nutrition, individual rights and responsibilities, the importance of literacy and how to obtain literacy training, and the importance of education.
- 2.20 Training of school directors will be in the areas of administration, human resource management, and social communications. This training will be administered by technical trainers.
- 2.21 Through follow-ups in the classrooms and the completion of indicators designed by SIMAC and DIGEBI, supervisors, CTPs and DIGEBI technical personnel will assess the degree to which the teachers effectively use the concepts presented in the quality circles. The effectiveness of the circles is evaluated by SIMAC and DIGEBI on the basis of the indicators prepared by the supervisors, CTPs and DIGEBI technical personnel.

c. Curricular revisions (US\$0.1 million)

- 2.22 The project will help DIGEBI adapt the national curriculum to incorporate local linguistic and cultural values. During the three years of the project, consultant reports identifying the elements

of local linguistic and cultural values will be prepared for 8 linguistic communities. The consultants will be responsible for working with departmental personnel, directors, supervisors, CTPs, DIGEBI technical personnel, teachers and communities in adapting the curriculum to local circumstances.

d. Institutional support (US\$1.3 million)

- 2.23 MINEDUC already has resources for most of the institutional strengthening that it needs over the execution period of the project. These resources are from internal and external sources, including the support to DIGEBI and SIMAC contained in this project. In addition, the IDB will complement these resources through financing equipment, principally motorcycles for CTPs and DIGEBI technical personnel to enable them to carry out the training and activities covered by this project. Guatemala's difficult terrain and the lack of adequate transport currently limit the ability of the CTPs and DIGEBI technical personnel from visiting schools and communities. This component will also provide 24 months of consultant services to improve coordination between DIGEBI and SIMAC.

2. Component 2. Accelerated pre-primary education (US\$2.2 million)

- 2.24 As part of the effort to increase quality in education, and in particular, to reduce repetition and dropouts in the first grade, this component will support CENACEP, the accelerated pre-primary program. This school readiness pilot program provides students in the poorest departments of the country with basic skills to assist their transition to primary school (See paragraphs 1.28-1.30).
- 2.25 This component will finance training and learning materials to the CENACEP program, and will finance the program's expansion to 4,000 centers in the 22 departments in 1998, 5,000 centers in 1999 and 6,000 in 2000. The Bank will finance workshops for the trainers of volunteers (CDCs and CTPs); (ii) training and training materials for the volunteers; (iii) materials for the centers; (iv) guides for the volunteers; (v) student texts; and (vi) evaluation workshops.

3. Component 3. Educational innovations (US\$1.7 million)

- 2.26 As part of the decentralization of education, the departments, schools and communities will explore methods of delivering educational services which improve the quality and efficiency of public and private sector inputs. Innovative methods to better deliver these services need to be developed, tested and, if appropriate, replicated. The project will make resources available to establish and widen the cooperation between the public sector, private sector and communities to improve education. Principally managed at the departmental level, these resources will: (i) strengthen community participation in education; (ii) encourage the

adaptation of curricula to local levels; (iii) help develop new ideas (in particular, to improve educational and human resource management and administration, improve financial management, increase community participation in decision-making, facilitate the delivery of educational services to vulnerable and unattended groups, increase educational coverage, and lower costs); and (iv) speed up the integration of successful educational innovations which have already been developed (such as bilingual education, girls' education or participatory classroom methodologies) to the local level.

- 2.27 The World Bank loan for education in Guatemala approved in May 1997, allocates US\$3.8 million for innovations to be implemented at the departmental level. Although the IDB will also provide some financing for innovations at the departmental level (US\$0.6 million), Bank resources will focus on strengthening community participation in education through the establishment of *juntas escolares* in non-PRONADE public schools (US\$0.8 million). Approved by Congress in April 1997, the *juntas escolares* will be responsible for providing: (i) school snacks; (ii) school furniture; (iii) school supplies; and (iv) school maintenance. A small portion of IDB financing (US\$0.3 million) will be reserved for support to educational innovations at the national level that may have benefits to several departments (for example, an innovation in the teaching methodology for a Mayan language spoken in several departments).
- 2.28 A World Bank-financed technical cooperation in 1997 will help develop criteria for the use of resources to implement educational innovations: selection criteria, eligibility criteria 22/, definition of the selection process, reporting requirements and evaluation requirements. Conditions precedent for the first disbursement of the IDB resources in support of educational innovations will require establishment of these criteria in a manner satisfactory to the IDB.

4. Project coordination (US\$0.6 million)

- 2.29 The project will finance the salary of the Director of the Project Coordination Unit (PCU) for two years 23/ and a staff of five additional professional and technical personnel to manage execution of the IDB-supported activities. It will also finance equipment and materials needed to carry out project management (one vehicle, 6 computers, and 1 printer), a mid-term evaluation and other services, including travel, training, workshops, short-term consultancies and preparation of the second phase.

22/ These criteria will include a "menu of options" of existing innovations which have received positive evaluations. As well as including innovations supported by the first phase of this program, eligible innovations also include activities such as distance education.

23/ The World Bank will finance the Director's salary during 1998.

5. Financial costs (US\$1.7 million)

- 2.30 The project will capitalize the interest on the loan during the three-year period programmed for its execution.

C. Costs and financing plan

- 2.31 The project will finance the costs presented in Table 2.1. The Table shows the total cost of the project, and financing by the IDB, and the local counterpart.
- 2.32 Local counterpart resources for project expenditures must be at least 10% of project costs. During execution, allocation of local counterpart to specific expenditures may be modified by mutual consent.

D. Source and conditions of Bank financing

- 2.33 The following are the terms and conditions of Bank financing:

Amount:	US\$15.36 million
Source:	Ordinary Capital (OC)
Periods:	
- Disbursements:	3 years
- Grace:	3 years
- Amortization	30 years
Interest rate:	variable
Commitment fee:	0.75% annually on undisbursed balance
Inspection and supervision:	1% of the loan
Currency:	US Dollars from the single currency facility.

E. Subsequent phases

1. Phase II. (tentatively estimated at US\$34 million)

- 2.34 Key activities of the possible second phase could include:
- a. Continuation of quality improvements: curriculum improvements, in-service teacher training, textbooks, teacher guides, additional library materials, and complementary didactic materials for primary school.
 - b. Strengthen pre-service teacher training.
 - c. Improve the quality and expand the coverage of pre-primary education.
 - d. Financing for school infrastructure (as needed).
 - e. Expansion of PRONADE schools to grades 4-6 (as needed).
 - f. Expansion of successful innovations from small pilots in Phase I to larger projects in one or more departments.
 - g. Expansion of distance education (grades 1-9) and adult literacy training.

- h. Expansion of the National Testing Service and the Management Information System to permit measurement of the impacts of project-financed activities.
- i. Evaluation of the first phase.
- j. Preparation of a program to support the CEB (grades 7-9).

2. Phase III. (tentatively estimated at US\$50 million)

2.35 Key activities of the possible third phase could include:

- a. Support the expansion and quality improvements of the CEB (grades 7-9).
- b. Financing for school infrastructure (as needed).
- c. Continuation of quality improvements for pre-primary and primary education (as needed).

Table 2.1 COST TABLE
(in millions of US dollars)

	IDB	Local counterpart	Total	%
I. Component 1. Quality improvements, Primary education	9.83	1.10	10.93	64.0%
1.1. Textbooks	1.95	.22	2.17	12.7%
1.2. Other educational materials	4.87	.54	5.41	31.7%
1.3. Teacher training	1.45	.16	1.61	9.4%
1.4. Vehicles	1.07	.12	1.19	7.0%
1.5. Equipment	.12	.01	.13	0.8%
1.6. Technical assistance	.33	.04	.37	2.1%
1.7. Workshops	.04	.01	.05	0.3%
II. Component 2. Pre-primary education	1.97	.22	2.19	12.8%
2.1. Educational materials	1.49	.17	1.66	9.7%
2.2. Training	.47	.05	.52	3.1%
2.3. Workshops	.01	.00	.01	0.0%
III. Component 3. Educational innovations	1.50	.17	1.67	9.8%
IV. Project coordination	.50	.07	.57	3.3%
4.1. Consultant fees (PCU staff)	.31	.04	.35	2.0%
4.2. Vehicles	.03	.00	.03	0.2%
4.3. Equipment	.02	.00	.02	0.1%
4.4. Evaluation	.03	.00	.03	0.2%
4.5. Audits	-	.02	.02	0.1%
4.6. Other services	.11	.01	.12	0.7%
V. Financial costs	1.56	.16	1.72	10.1%
5.1. Interest	1.41	-	1.41	8.3%
5.2. Commitment fee	-	.16	.16	0.9%
5.3. Inspection and supervision	.15	-	.15	0.9%
Total	15.36	1.72	17.08	100.0%
Distribution (%)	89.9%	10.1%	100.0%	

III. EXECUTION

A. Borrower and executing agency

- 3.1 The borrower will be the Republic of Guatemala. The project will be executed by the Ministry of Education.

B. Project execution by phases

- 3.2 This loan corresponds to the first of what are expected to be three phases, each of which would be supported by a separate loan.
- 3.3 As a result of the Ministry of Education's comprehensive modernization program, which should enhance its ability to carry out investments, the Project Team estimates that execution of the whole three-phase operation could be completed in as little as six to seven years. Although the execution time for each phase is estimated at three years, two phases could be simultaneously in execution. In order to expedite the approval process, preparation for the second and third phases will begin with approval of the previous phase. Presentation of phases II and III will depend on compliance with benchmarks for the prior phase. These benchmarks include performance indicators and the degree of execution of the previous phase.
- 3.4 The Project Team expects to recommend approval of the loan proposal for a second phase in 18-30 months after initiation of the first phase. (See paragraph 2.4)
- 3.5 Execution of an operation in phases for education in Guatemala has several important advantages:
- (i) It represents a long-term programming commitment by the Bank to support a key sector crucial for improving the country's socioeconomic development;
 - (ii) The first phase provides financing for the highest priority needs of the Ministry of Education —that is, meeting key education sector commitments established in the Peace Accords;
 - (iii) Prior to assuming greater financing, which the Ministry of Education may not be able to absorb for several years, a phased-in approach to lending permits MINEDUC time to restructure and modernize; it also provides an incentive to quickly carry out the modernization; and
 - (iv) The phased approach allows flexibility to modify objectives, activities, indicators and financing for medium- and long-term programs which are difficult to conceptualize at present.

C. Project execution

1. Mechanisms of execution

- 3.6 A Project Management Committee—including a Vice Minister of Education, the Project Coordinator, the Director of National and International Coordination, and directors of entities of MINEDUC responsible for key aspects of project execution—will be responsible for project oversight.
- 3.7 In order to reduce costs and to take advantage of years of experience in project execution, project activities will be coordinated by the same project coordination unit (PCU) responsible for carrying out the World Bank's Basic Education II Project and its recently-approved Basic Education Reform Project (see paragraphs 1.33 and 3.20). In 1996 and 1997 this unit managed to overcome major execution problems and, in the process, has proven itself adept at procurement and at project management under difficult circumstances. During the same two years the PCU has played a leadership role in preparing the project proposal which MINEDUC presented to the World Bank, IDB and other international financial organizations. The PCU Director, who was selected through World Bank competitive procedures, plays a key role in executing the World Bank-financed Basic Education II Project. The continuation of the same person's services in this position is essential to the successful execution of the IDB- and World Bank-financed projects.

a. Project execution and MINEDUC

- 3.8 The PCU will have responsibility for the following: (i) planning, organizing and coordinating project activities; (ii) submitting for MINEDUC consideration decisions regarding policies and budgeting; (iii) monitoring progress in achieving the project objective and complying with its benchmarks; (iv) advising the Government of corrections needed to meet the project objective and benchmarks; (v) preparing progress reports required by the Bank; (vi) maintaining project accounts and records; (vii) preparing terms of reference for consultants and studies; and (viii) processing the acquisition of goods and services and obtaining required "no objections" from the Bank for these purchases.
- 3.9 In order to carry out these functions, the PCU will have the following structure:
- (i) A director (salary to be financed by World Bank in one year of project implementation and by the IDB in two).
 - (ii) A coordinator of finance (salary to be financed by the World Bank), two accountants to handle World Bank accounts (to be financed by the World Bank), and two accountants to handle IDB accounts (to be financed by the IDB).
 - (iii) An education coordinator (salary to be financed by the IDB), and two specialists in education (one to be financed by the World Bank and the other by the IDB). These

professionals have responsibility for monitoring progress in achieving the project objective and complying with the benchmarks, working with the rest of MINEDUC to measure the impact of project activities, advising the director of corrections needed in project implementation, drafting project reports on technical implementation, and preparing terms of reference for consultants.

- (iv) A procurement coordinator (to be financed by the World Bank), a technician to manage World Bank-financed procurements (to be financed by the World Bank), and a technician to manage IDB-financed procurement (to be financed by the IDB).

3.10 Over the six to nine year time frame programmed for the three phases of the project, major changes in MINEDUC are expected to gradually enable it carry out investments without the need for special project coordination units. These changes, embodied in legislation described in Chapter I of this report, will enable the Ministry to adopt flexible personnel policies that include the incentives needed to attract and maintain high quality technical staff.

3.11 In order to ensure operating procedures acceptable to the Bank, a prior condition for loan disbursement will be entry into effect of an operating manual acceptable to the Bank for the Coordination of the Project. Preparation of the manual will be completed in early 1998. It is also important that those responsible for project coordination attend seminars/workshops on IDB procedures (especially procurement procedures) to be organized in Guatemala prior to the initiation of the project.

b. Role of communities and NGOs

3.12 The Ministry of Education recognizes that strengthening community participation, especially the participation of parents, is an important instrument for improving educational quality and expanding the school system. Successful expansion of key project activities—in particular *juntas escolares*, bilingual education, multi-grade teaching concepts, girls education and quality improvement—all rely on active parental and community support.

2. Implementation calendar

3.13 Over the three year span of the project, disbursements are expected as presented in Table 3.1.

3. Procurement of goods and services

3.14 Standard IDB procedures will be followed for the procurement of goods. The project will not finance works. International competitive bidding (ICB) is required for the purchases of goods in lots exceeding US\$250,000. For lower amounts, the following procedures will be followed for the purchases of goods, including

the printing of texts and educational materials: (i) national competitive bidding for lots of US\$100,000 to US\$250,000; (ii) shopping (at least 3 proposals) for lots of less than US\$100,000; and (iii) direct contracting, based on criteria established by the PCU and acceptable to the Bank, is permitted for purchases under US\$5,000.

- 3.15 Standard IDB procedures will also be used for the selection and contracting of consultants. However, the following exceptions are proposed: (i) direct contracting of the PCU Director for reasons stated in paragraph 3.7; and (ii) nationally advertised competitive selection for consultancy services of approximately US\$250,000 for the elaboration of texts for pre-primary to sixth grades, thereby waiving the requirement of internationally advertised competitive selection for consulting services over US\$200,000. This textbook preparation will require in-depth expertise in Guatemala's intercultural heritage and the educational innovations implemented in the country over the past 15 years. These texts will require ample examples of local traditions and values, and should enable children to better appreciate the country's rich cultural heritage. This expertise is not likely to be found other than in firms, NGOs and universities in Guatemala.

Table 3.1 PROJECTED PROJECT DISBURSEMENTS
(in millions of US dollars)

Source	Year 1	Year 2	Year 3	Total	%
IDB/OC	4.51	5.18	5.67	15.36	89.9%
Local	.54	.58	.60	1.72	10.1%
Total	5.05	5.76	6.27	17.08	100.0%
%	29.6%	33.7%	36.7%	100.0%	

4. External audits

- 3.16 The financial account of the project, certified by an independent public accounting firm, will be presented to the Bank, according to the norms and regulations established by the Bank.

5. Reports and supervision

- 3.17 The PCU will submit a progress report to the Bank within 30 days of the close of each six-month period. The report will include information on progress toward achieving the benchmarks established with the Bank and a summary of project achievements and problems incurred during the respective period.
- 3.18 Project supervision for the Bank will be the responsibility of the Country Office in Guatemala. However, given that successful execution of the project will require deep reforms in MINEDUC and that these reforms are crucial to the preparation of the expected

second phase, SO2 will closely follow the technical evolution of the project and will participate in two administration missions per year.

6. Evaluations

- 3.19 A comprehensive mid-term review will be carried out 18 months after signature of the contract or on another mutually agreed date. This review, which will provide an important input for the decision to present phase II of the operation, will assess: (i) progress and problems with project execution; (ii) the degree of compliance with first year indicators; and (iii) whether there is a need to make changes or adjustments to the project in the second half of its programmed execution period. The Government intends to carry out an ex-post evaluation as part of the second phase of the operation.

7. Coordination with other international agencies

- 3.20 The World Bank and the IDB expect to closely coordinate the implementation of the new programs that each Bank will finance starting in 1998. Sharing the same PCU and continuing informal communications between the Banks should facilitate this coordination. The IDB- and World Bank-financed education programs are generally complementary. While IDB support focuses on the quality of education, the World Bank emphasizes: (i) expansion of coverage through the PRONADE program and an afternoon shift, and (ii) institutional strengthening through improving the organization and management of MINEDUC, educational testing, and MINEDUC's management information system. However, overlapping areas of support to educational innovations and the development/provision of educational materials by both Banks underscore the importance of effective coordination. Through MINEDUC and contacts with the World Bank, the IDB expects to continue coordinating with separate World Bank programs supporting the modernization of the State.
- 3.21 Several other agencies are also expected to help Guatemala improve the quality and coverage of education over the same period that this project will be executed. These include KfW support to the expansion of coverage by PRONADE and GTZ assistance in the formation of bilingual teachers and modernization of MINEDUC. Through support of the peace process, USAID expects to finance university scholarships in bilingual education, adult literacy and community participation in education. A separate USAID program, ultimately aimed at alleviating poverty, includes a focus on intercultural bilingual education. It will support pre-service and in-service training in one or two geographical areas, the development of bilingual education materials and methodologies, community participation in education, and policy decisions and coordination of bilingual intercultural education. The European Union is expected to focus support on improving education in two departments (Alta y Baja Verapaz) and also to help improve pre-service teacher training. Over time, other international agencies are also expected to join in supporting education in Guatemala.

- 3.22 The Bank intends to maintain coordination with other international agencies through participation in regularly-scheduled meetings of these agencies in Guatemala. The meetings are coordinated by UCONIME, MINEDUC's Unit for National and International Coordination. In addition, the Bank will maintain informal contacts with bilateral donors.

IV. VIABILITY, BENEFITS AND RISKS

A. Project viability

1. Technical viability

- 4.1 The technical bases of key project activities —such as NEU, bilingual education, girls' education, SIMAC and CENACEP— have been initiated, evaluated, and, due to their proven success in improving educational quality in Guatemala, are currently being consolidated and replicated. Innovations such as the Escuela Nueva which began as a pilot in Colombia, have been replicated in other countries as well as in Guatemala. The project will benefit from the technical experience of the USAID-financed BEST Project, the World Bank-financed Basic Education II project, and IDB experience in supporting community groups from the DECOPAZ and FIS projects.

2. Socioeconomic viability

- 4.2 Private and social rates of return to primary education in Guatemala are high (See Chapter I). In addition, there are reasons to believe that the marginal rate of return to project activities is high: (i) project activities will support internal efficiency, reducing costs associated with low promotions, desertions and repeated grades ^{24/}, and (ii) project activities will support Peace Agreement objectives which are important for maintaining peace and increasing the supply of educated and trained labor that the country needs to grow and develop in the post-conflict environment.
- 4.3 Considering the financial restrictions facing MINEDUC, cost-effective criteria were especially important in designing project activities. These include making use of MINEDUC resources, whenever possible, to carry out project activities, and holding teacher training near schools to minimize travel expenses.

3. Institutional viability

- 4.4 Improving MINEDUC's capacity to plan, provide norms, manage and evaluate education at the central, departmental and local levels is key not only to the reform of the educational system, but also to implement the project. Recent initiatives to strengthen MINEDUC's operational capacity, and to improve the institutional viability of the project, are noted in Chapter I.
- 4.5 The project directly responds to a MINEDUC proposal for activities supporting the education reform, thus ensuring the Ministry's ownership and enhancing the project's sustainability. Moreover, as

^{24/} The World Bank has estimated cost savings associated with bilingual as opposed to traditional education for indigenous children in Guatemala as a result of reduced drop-out and repetition rates (See World Bank, op. cit., January 20, 1995), page 21.

the modernization of the Ministry proceeds, this will enhance MINEDUC's ability to execute the project.

- 4.6 In light of the lessons learned from previous IDB-financed projects and the current involvement of other financial entities in the education reform program, the Government and the project team sought to include only well-defined project activities for IDB financing, and to start with a relatively modest first phase. This will avoid taxing the limited institutional capabilities of MINEDUC.

4. Financial viability

- 4.7 Given Guatemala's historically inadequate financing of education, part of project preparation included a fiscal analysis of the education sector. 25/ This analysis examined the cost of meeting the educational goals established in the Government's social action plan (PLADES) for 1996-2000 (See paragraph 1.41). It should be noted that, since preparation of the fiscal analysis, the Government established somewhat different educational goals to coincide with the mandates of the Peace Accords. However, the costs of meeting the PLADES and Peace Accord goals are probably similar. 26/
- 4.8 The fiscal analysis estimated that the cost of reaching the PLADES goals would require educational expenditures of 2.3% to 2.8% of GDP by the year 2000 compared to the 2.6% goal mandated by the Peace Accords. The range of 2.3%-2.8% depends principally on the incremental student-teacher ratio used in the projections. The lower percentage conforms to a ratio of 40, while the higher one uses a ratio of 28. The lower percentage is more appropriate for this project since past experience and MINEDUC expansion plans incorporate high incremental student-teacher ratios. In 1996, the average ratio for public schools was 38 and PRONADE projected an incremental ratio over 40 in new schools.
- 4.9 An overall increase in tax collections is the most crucial element in increasing educational expenditures. As part of the Peace Accords, the Government committed itself to increase tax revenues by 50% as a proportion of GDP from 1995 to 2000. It set a goal to raise the ratio of tax collections to GDP from 7.6% in 1995 to 12%

25/ Fernando Navajas, "Análisis Fiscal del Gasto Educativo en Guatemala," July 1996. The analytic work for this study was performed in the first quarter of 1996.

26/ Both call for a substantial increase in the coverage and quality of the educational system. PLADES contains somewhat more ambitious goals for the coverage of preprimary and primary education, and adult literacy while the Peace Accords stipulate educational reform and deeper quality improvements.

in 2000. ^{27/} Although the Government has not yet announced a detailed program for attaining these increases, it has advised the project team that key elements for increasing revenues include better tax administration ^{28/} and reforms in the tax laws to eliminate privileges and exonerations.

- 4.10 In addition, the Government expects that the reallocation of resources from lower priority sectors (for example, defense) will serve as an important source of financing for higher priority sectors such as education, health and internal security.

5. Environmental and social viability

- 4.11 The CMA classified the project in Category II on May 30, 1995. At its meeting on September 19, 1997, the CESI/TRG commended the innovative aspects of the project and its special effort to address gender and ethnicity (cultural) factors. It also took note of the environmental content of the primary school curriculum.

B. Project benefits

- 4.12 The benefits to education, particularly to primary education in the first three grades, are high (See Chapter I). Other benefits from the project include: (i) support to the peace process by helping meet the objectives of the Peace Accords; (ii) increased equity through the expanding the provision of educational services and improvement in the quality of these services for the most vulnerable groups (girls, indigenous persons and the rural poor); (iii) reduced illiteracy due to greater access and improvements to primary education; (iv) increased internal efficiency; and (v) greater efficiency in the delivery of educational services.

C. Risks

- 4.13 Project execution. Timely execution of the operation requires that the government: (i) take effective measures to improve its financial position and channel more resources to education; and (ii) improve the public sector's institutional efficiency, especially in MINEDUC. In the past 15 years the government has not been capable of ensuring the timely execution of education projects financed by the World Bank and the IDB. However, three factors will help improve the execution of the proposed project: (i) the mandate in the Peace Accords to increase education expenditures;

^{27/} See República de Guatemala, "Programa de Paz: La oportunidad para Guatemala", Report prepared for the meeting of the Consultative Group for Guatemala, Brussels, Belgium, January 21-22, 1997. Tax revenues increased modestly to 8.5% of GDP in 1996, principally as a result of an increase in the value added tax by three percentage points and a temporary one percent tax on individual and corporate gross incomes. The Government projected tax receipts to edge up to 8.6% of GDP in 1997, followed by increases to 10.0% in 1998, 11.4% in 1999, and 12.0% in 2000.

^{28/} In 1996, Congress approved and began enforcement of a new tax code introducing stiffer penalties, including jail for up to six years, for tax evasion. The tax code also streamlined procedures for collecting overdue taxes.

(ii) programs currently in preparation to modernize the State; and
(iii) measures to modernize the Ministry of Education. In addition, the execution of the project in phases will allow the Government time to restructure MINEDUC during the first phase prior to assuming responsibility for a larger Bank loan.

- 4.14 Government commitment to education. Historically low expenditures for education coupled with longstanding weaknesses in providing educational services raise doubts concerning the commitment of the Government to education. The Government insists that this has changed. As evidence of a strong, new commitment to education, the Government can point to: (i) commitments in the Peace Accords (50% more public expenditures for education in the year 2000 as a percentage of GDP, commitment to provide bilingual education for indigenous children, and universal access to at least three years of school for all children 7-12 years old); (ii) initial increases in enrollment from the PRONADE Program; (iii) initial steps to improve the efficiency of MINEDUC (selection of departmental directors and reorganization of some central divisions of the Ministry); and (iv) MINEDUC preparation of an ambitious program for improving equity through greater coverage and improved quality in low-income rural areas.

PROJECT TO SUPPORT EDUCATION REFORMS (GU-0037)
LOGICAL FRAMEWORK

ANNEX I
PAGE 1 OF 6

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions
LONG-TERM GOAL			
Improve the quality of pre-primary and primary education.	Measurable improvements in the quality of pre-primary and primary education.	<p>The project will try to measure quality improvements in two ways:</p> <ol style="list-style-type: none"> 1. Through standardized tests to be administered by the National Testing Service (NTS). The project will work with the NTS in an attempt to measure year-to-year changes in student academic achievement and to develop measurements of project impact. With World Bank financing, tests will be administered to samples of third and sixth graders during the period of project execution. However, these tests may not be sufficiently robust to detect year-to-year changes in student achievement during the first phase. 2. Through observing changes in internal efficiency indicators, which will be used as proxies for improvements in educational quality. Internal efficiency indicators for primary education are available in MINEDUC's <i>Anuario Estadístico</i>. 	<p>Allocation of resources to education increased from 1.66% of GDP in 1995 to: 1.85% in 1997; 2.10% in 1998; 2.30% in 1999; and 2.6% in 2000.</p> <p>Implementation of the modernization program proposed by MINEDUC:</p> <ul style="list-style-type: none"> - education reform program designed in 1997. - education reform program approved in 1998; - implementation of education reform program, 1998-2000. - financial decentralization of MINEDUC to departmental level, 1999. - improved personnel policies, including continuation and broadening of competitive procedures for selection of teachers and administrative personnel. <p>Note: the above assumptions constitute indicators which will be monitored by the project.</p>
PURPOSE			
Improve the quality of pre-primary and primary education, especially for the children of low income families, indigenous children and girls.	<p>Improvements in indicators of educational quality (see above) and internal efficiency:</p> <ul style="list-style-type: none"> - Primary school desertion rate reduced from 8.2% in 1996 to: 8.0% in 1998; 7.6% in 1999; 7.2% in 2000; and 6.8% in 2001. - Average primary repetition rate reduced from 15.3% in 1996 to: 15% in 1999; 14% in 2000; and 13% in 2001. - First grade repetition rate reduced from 27.1% in 1996 to: 26% in 1999; 24% in 2000; and 22% in 2001. 	MINEDUC, <i>Anuario Estadístico</i> .	<p>Increased expenditures on education (see above).</p> <p>Modernization of the Ministry of Education to improve its policy-making, normative and operational capabilities (see above).</p> <p>Project initiation in mid-1998.</p>

PROJECT TO SUPPORT EDUCATION REFORMS (GU-0037)
LOGICAL FRAMEWORK

ANNEX I
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Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions
COMPONENTS			
I. Primary Education			
A. Textbooks and educational materials			
SIMAC			
1. Editing, printing and distribution of curricular guides for pre-primary (learning guides) and grades 1-6, four subjects [math, language (<i>castellano</i>), science, and social studies].	<ul style="list-style-type: none"> - 1 curricular guide revised and updated for preprimary in 1998. - 24 curricular guides revised and prepared for grades 1-6 (4 for each grade) in 1998. - new curricular guides distributed to teachers in 1998. 	<p>SIMAC and PCU records.</p> <p>Reports by technical specialists.</p> <p>Random site visits will determine the effectiveness of the distribution of guides.</p>	Design and draft of curricular guides finished by early 1998.
2. Elaboration (revision of existing texts, modifications, validation and preparation of prototypes) of texts for pre-primary and primary school for the year 2000.	Elaboration of 25 texts (1 for pre-primary and 4 for each grade from 1st-6th) and prototypes for printing ready by mid-1999.	SIMAC and PCU records.	Elaboration of the new curricular guides ready by October 1998.
3. <i>Minibibliotecas</i> established in 85% of schools and - school libraries will have reference books such as an encyclopedia. - classroom libraries will be established with materials which complement each grade level.	<i>Minibibliotecas</i> established in 11,400 schools and in 30,700 classrooms by 2000 (at least 3,800 school libraries and at least 10,600 classroom libraries established in each year of project implementation.	SIMAC and PCU records.	Establishment of the classroom <i>minibibliotecas</i> depends on completion of training since directors receive school libraries and teachers receive classroom libraries as incentives for completing in-service training.
DIGEBI			
1. Bilingual texts prepared and printed.	<p>Texts printed in 4 majority languages for children in:</p> <ul style="list-style-type: none"> - pre-primary: 1900 schools (1998); - 1st grade: 3750 schools (1999); - 2nd grade: 3750 schools (2000). <p>8 minority languages:</p> <ul style="list-style-type: none"> -pre-primary: 188 schools (1999); -1st grade: 188 schools (2000). 	DIGEBI and PCU records.	Preparation of pre-primary and first grade texts in the four majority languages completed as part of TCs in 1998.
2. Distribution of bilingual texts.	Texts delivered to children in DIGEBI schools at the beginning of the year after they are printed (see above).	DIGEBI and PCU records.	Schools for expansion of DIGEBI identified; bilingual teachers hired and trained in use of new texts before distribution.

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Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions
B. Training			
SIMAC			
1. Expansion of teacher training for all pre-primary and primary school teachers in non-PRONADE public schools.	18 <i>círculos de calidad</i> offered to all 36,300 teachers in active methodologies, intercultural and gender issues, and better teaching techniques: - 70% attendance in 1998; - 80% attendance in 1999; - 90% attendance in 2000.	SIMAC and PCU records.	Successful expansion of the "quality circles" concept. Correct estimation of the number of pre-primary and primary school teachers.
2. Expansion of training for all directors of non-PRONADE public schools.	Training made available to all (13,700) school directors through 18 <i>círculos de calidad</i> : - 70% attendance in 1998; - 80% attendance in 1999; - 90% attendance in 2000.	SIMAC and PCU records.	Successful expansion of the "quality circles" concept.
3. Parents and community members trained through parents' committees.	Parent-community committees trained in 80% of the 13,700 non-PRONADE public schools.	SIMAC and PCU records.	Parent-community committee formed.
DIGEBI			
1. Expansion of DIGEBI training of departmental directors, CDCs and <i>técnicos</i> (CTPs)	780 supervisores and <i>técnicos</i> trained: 60% in 1998 (468); 40% in 1999 (312).		
2. Expansion of DIGEBI's training of teachers and communities.	<i>Círculos de calidad</i> made available to 8600 DIGEBI teachers in 9 <i>fascículos</i> : - 70% attendance in 1998; - 80% attendance in 1999; - 90% attendance in 2000. 18,750 community members (5 per school) trained in 3,750 school communities: 1998 - 20% (3,750) 1999 - 40% (7,500) 2000 - 40% (7,500).	DIGEBI and PCU records.	DIGEBI attains expansion to 3,750 schools (schools identified and bilingual teachers hired).
C. Curricular revisions			
Incorporate local linguistic and cultural values into the curriculum.	- Technical reports identifying the elements of local linguistic and cultural values to be incorporated into the curriculum (4 in 1999 and 4 in 2000). Local linguistic and cultural values incorporated into curriculum at the local level for 4 localities in 2000.	DIGEBI and PCU records. Evaluation of current curricular relevance by officials at the departmental and central levels.	Timely recruitment and contracting of competent consultants.

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Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions
D. Institutional support to SIMAC and DIGEBI			
Provision of equipment and technical cooperation needed by DIGEBI and SIMAC.	Compliance with project goals and indicator on educational quality.	DIGEBI, SIMAC and PCU records.	Institutional strengthening of DIGEBI and SIMAC (IDB resources complement those from internal and other external sources).
II. Preprimary Education (CENACEP)			
Improve the quality and coverage the school readiness program of accelerated pre-primary education to enhance internal efficiency in first grade.	Increase the number of centers from 450 in 1996 to: 1,500 in 1997; 4,000 in 1998; 5,000 in 1999; and 6,000 centers in 2000.	SIMAC and PCU records.	Recruitment of the required number of volunteer trainers.
III. Educational Innovations			
1. Establishment of <i>juntas escolares</i> .	Establishment of <i>juntas escolares</i> in 50% of non-PRONADE public schools by the year 2000.	PCU records.	Communities receptive to the establishment of <i>juntas escolares</i> .
2. Establishment of educational innovations.	Implementation of at least one innovation at the central level and in each department which uses these resources.	Evaluation reports.	
ACTIVITIES			
I. Primary Education			
A. Textbooks and educational materials			
SIMAC			
1. Curricular guides.	- 44 workshops to prepare curriculum guides. - Validation of curriculum guides. - Printing and distribution of 36,213 curriculum guides.	SIMAC and PCU records.	Preparation of the guides completed in early 1998.
2. Elaboration of textbooks for the year 2000.	Institutional contractor elaborates texts; prototypes submitted to MINEDUC by August 1999.	SIMAC and PCU records.	
3. <i>Minibibliotecas</i> .	13,418 books made available for school libraries in each of the project's three years; 36,213 books made available for classroom libraries in each of the project's three years.	SIMAC and PCU records.	Directors and teachers attend the number of <i>circulos de calidad</i> required to receive the <i>minibibliotecas</i> .

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Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions
DIGEBI			
Textbooks.	<ul style="list-style-type: none"> - 64 months of short-term consultancies. - 40 workshops to review textbooks and teacher. - Validation. - Printing (215,190 texts in 1998, 343,518 in 1999, and 343,518 in 2000). 	DIGEBI and PCU records.	
B. Training			
SIMAC			
Provision of training.	Modular guides, materials, lodging, círculos de calidad, and evaluation for training: <ul style="list-style-type: none"> - first tier trainees at the central level (88 administrative personnel and 132 trainers-of-trainers); - second tier trainees (930) at the departmental level: departmental teams, CTPs, supervisors and DIGEBI technical personnel; - third tier trainees: 13,717 directors, 36,300 teachers, and 164,605 parents/community members. 	SIMAC and PCU records.	Correct estimation of the numbers of school directors and teachers.
DIGEBI			
Provision of training.	Modular guides, materials, lodging, círculos de calidad, and evaluation for training: <ul style="list-style-type: none"> - 780 teacher-trainers; - 8666 teachers; and - 18,750 parents and community members. 	DIGEBI and PCU records.	
C. Curricular revisions			
Revisions made to adapt curriculum to local cultural and linguistic variations.	34 consultant months (16 in 1999 and 18 in 2000) worked in 8 linguistic communities.	DIGEBI and PCU records.	
D. Institutional support to SIMAC and DIGEBI			
SIMAC	<ul style="list-style-type: none"> - 1 photocopier; 1 fax machine; 1 photocopier; 2 computers; 1 laser printer; 4 bubblejet printers; 1 scanner; 12 overhead projectors; 390 tape recorders; and 322 motorcycles and helmets. 	SIMAC and PCU records.	

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Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions
DIGEBI	- 1 fax machine; 1 photocopier; 5 computers; 1 laser printer; 2 bubblejet printers; 1 scanner; 11 overhead projectors; 390 tape recorders; and 38 motorcycles and helmets.	DIGEBI and PCU records.	
Improved coordination between SIMAC and DIGEBI	24 months of technical assistance.	PCU records.	
II. Pre-primary Education (CENACEP)			
1. Workshops for training CDCs (Coordinador Departamental de Capacitación) and CTPs (Capacitadores Técnico Pedagógicos).	2 training sessions per year.	SIMAC and PCU records.	Sufficient interest among potential volunteers to meet increased demand
2. Workshop for técnicos - CTPs. Evaluation of each center's accomplishments from previous year.	2 training sessions per year.	SIMAC and PCU records.	
3. Workshops for training volunteers.	Volunteers trained per year: - 5,600 in 1998, - 9,800 in 1999, and - 12,600 in 2000.	SIMAC and PCU records.	
4. Materials for each center (chalk, paper, puzzles, pamphlets, etc.).	Schools equipped with materials 4,000 centers in 1998, 5,000 centers in 1999, and 6,000 centers in 2000.	SIMAC and PCU records.	Expansion of CENACEP takes place
5. Student guides prepared to be distributed.	- 1 student guide for each student 140,000 guides in 1998, 175,000 guides in 1999, and 210,000 guides in 2000.	SIMAC and PCU records.	
6. Material for volunteer training prepared and distributed.	Volunteer guides: 8,000 in 1998, 14,000 in 1999, and 18,000 in 2000.	SIMAC and PCU records.	
III. Educational Innovations			
1. Establish <i>juntas escolares</i> .	Organization of 13,717 <i>juntas escolares</i> (one in each school).	MINEDUC and PCU records.	
2. Implementation and monitoring of educational innovations.	Innovations developed and implemented at the central and departmental levels.	MINEDUC and PCU records.	
3. Monitoring and evaluation of the innovations.	Impact evaluation (12 month consultancy).	Evaluation report.	

RE2-GU120P
GU-0037
Original: English
Appendix I

PROPOSED RESOLUTION

GUATEMALA. LOAN ____/OC-GU TO THE REPUBLICA DE GUATEMALA
(Project to Support Education Reforms)

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 de Guatemala, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Project to Support Education Reforms. Such financing will be for the amount of up to US\$15,360,000, from the resources of the Single Currency Facility of the Bank's Ordinary Capital, and will be subject to the "Terms and Financial Conditions" and to the "Special Contractual Conditions" of the Executive Summary of the Loan Proposal.