

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

URUGUAY

**EDUCATION FOR TRANSFORMATION: COMPLETION OF CYCLES AND NEW
EDUCATIONAL OFFERINGS
(UR-L1176)**

**SECOND INDIVIDUAL OPERATION UNDER THE CONDITIONAL CREDIT LINE
FOR INVESTMENT PROJECTS (CCLIP)
(UR-O1151)**

LOAN PROPOSAL

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REQUIRED
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2. Monitoring and Evaluation Plan
3. Environmental and Social Management Report
4. Procurement Plan
OPTIONAL
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2. Project economic analysis
3. Bibliography
4. Climate change
5. Infrastructure
6. Centro Espínola
7. Management system
8. Progress monitoring reports 2017-2020
9. Audited financial statements 2017-2020
10. Gender and diversity
11. Safeguard Policy Filter and Safeguard Screening Form

ABBREVIATIONS

AI	Artificial intelligence
ANEP	National Public Education Administration
CCLIP	Conditional Credit Line for Investment Projects
CES	Consejo de Educación Secundaria [Secondary Education Council]
CETP	Consejo de Educación Técnico-Profesional [Technical-Vocational Education Council]
CFE	Consejo de Formación en Educación [Teacher Training Council]
CME	Centro María Espínola
CODICEN	Consejo Directivo Central [Central Governing Council]
DEGI	Dirección Ejecutiva de Gestión Institucional [Institutional Management Division]
DEPE	Dirección Ejecutiva de Políticas Educativas [Education Policy Division]
DGEIP	Dirección General de Educación Inicial y Primaria [Department of Early Childhood and Primary Education]
DGES	Dirección General de Educación Secundaria [Department of Secondary Education]
DGETP	Dirección General de Educación Técnico Profesional [Department of Technical/Vocational Education]
DIE	Departamento Integral de Estudiante [Comprehensive Student Office]
DIEE	Dirección de Investigación, Evaluación y Estadística [Research, Evaluation, and Statistics Division]
ECH	Continuous Household Survey
EDGE	Excellence in Design for Greater Efficiencies
EDP	Extended-day secondary school program
FDP	Full-day secondary school program
INE	National Statistics Institute
LSE	Lower secondary education
MCRN	Marco Curricular de Referencia Nacional [National Benchmark Curriculum Framework]
MEC	Ministry of Education and Culture
MEP	Monitoring and evaluation plan
n/c	No change
NCB	National competitive bidding
OECD	Organisation for Economic Co-operation and Development
PISA	Program for International Student Assessment
PPP	Public-private partnerships
QBCS	Quality- and cost-based selection
SIAC	Integrated Public Procurement System
SIGED	Sistemas de Información y Gestión Educativa [Education Management and Information Systems]
SPTE	Sistema de Protección de Trayectorias Educativas [System to Protect Learning Pathways]
UCDIEs	Unidades Coordinadoras Departamentales de Integración Educativa [Departmental Education Integration Coordination Units]
USE	Upper secondary education

PROJECT SUMMARY

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SECOND INDIVIDUAL OPERATION UNDER THE CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP) (UR-O1151)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility ^(a)	
Eastern Republic of Uruguay			Amortization period:	24.5 years
Executing Agency:			Disbursement period:	5 years
National Public Education Administration (ANEP)			Grace period:	6 years ^(b)
Source	Amount (US\$)	%	Interest rate:	LIBOR-based
			Credit fee:	(c)
IDB (Ordinary Capital)	40,000,000	65.6	Inspection and supervision fee:	(c)
Local:	21,000,000	34.4	Weighted average life:	15.25 years
Total:	61,000,000	100	Approval currency:	U.S. dollar
Project at a Glance				
Objective of the CCLIP: The objective is to help improve access to and the quality of secondary education. Project objective: The objective of the second individual operation under the CCLIP is to improve student retention and graduation rates for lower and upper secondary education. The specific objectives are to: (i) improve the quality of the education services offered by ANEP; and (ii) strengthen ANEP's capacity for managing quality public education.				
Special contractual conditions precedent to the first disbursement of the loan proceeds: By means of the respective resolutions of the Central Governing Council (CODICEN), ANEP will have (i) appointed the execution unit responsible for administrative and operational management of the project; and (ii) approved the project Operating Regulations (optional link 1) under the terms previously agreed upon with the Bank (paragraph 3.43.4). Special contractual conditions for execution: (i) Prior to the launch of activities related to the human resource management system, the execution unit will submit for the Bank's approval a development plan that sets out the proposed phases for systems improvements, explicitly stating the proposed scope for each component of each phase in terms of the processes to be improved; and (ii) prior to the launch of construction of Centros María Espínola (CMEs), the execution unit will submit for the Bank's approval an architectural design for the centers that is consistent with their teaching model (paragraph 3.5). See Annex B of the Environmental and Social Management Report for other conditions of a social or environmental nature (required link 3).				
Exceptions to Bank policies: None.				
Strategic Alignment				
Challenges: ^(d)	SI <input checked="" type="checkbox"/>		PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(e)	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>		CC <input checked="" type="checkbox"/> and ES <input type="checkbox"/>	IC <input checked="" type="checkbox"/>

- (a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency, interest rate, commodity conversions, and disaster protection. The Bank will take operational and risk management considerations into account when reviewing such requests.
- (b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan or the last payment date as documented in the loan contract.
- (c) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with applicable policies.
- (d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).
- (e) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 In October 2016, the IDB approved conditional credit line for investment projects (CCLIP) UR-O1151, for US\$200 million in Bank financing, with the objective of improving access to and the quality of secondary education. These objectives entail changes that require coordination and leadership and must be sustained over time,¹ which is consistent with the CCLIP. This second operation aims to consolidate the progress and achievements attained under the first operation (loan 3773/OC-UR, whose execution began in 2017 and will finalize in 2023) in terms of access to information, curriculum transformation, protection of learning pathways, and improvements to school infrastructure (see paragraph 1.23).
- 1.2 **Macroeconomic context² and climate vulnerability.** The Uruguayan economy has been in the midst of a slowdown since 2015, finding itself at a low-growth phase of the economic cycle (Uruguay grew at an annual rate of 1.3% over the 2015-2019 period). The situation worsened with the pandemic. The situation worsened with the pandemic, with projections indicating that the country's GDP fell by 4.5% in 2020 and should recover by 4.3% in 2021. The decline in economic vitality, coupled with an increase in public expenditure, has strained the fiscal accounts, which the pandemic has exacerbated. In 2020, the deficit rose to 6.7% of GDP, while the debt climbed to 69.5% of GDP. In view of this scenario and the country's high tax burden, the government undertook actions aimed at enhancing the efficiency and quality of public expenditure. In addition, Uruguay is exposed to multiple hydro-meteorological and climatological hazards (droughts, floods, and frost), which have increased in frequency and severity.³ One of the actions the country has taken to respond to climate change has been to commit to reducing greenhouse gas emissions under its first Nationally Determined Contribution 2018-2022. The country's climate vulnerability means that actions need to be taken to increase its population's resilience to climate change.
- 1.3 **Education amid the COVID-19 pandemic.** Uruguay was better equipped than other countries in the region to handle the challenges of emergency remote instruction due to school closures^[1]. Early in the process, the digital transformation of the education sector received a boost from Plan Ceibal, which provided education management and content platforms and devices to all, while training teachers and promoting new pedagogic practices. Administrative teams, teachers, and the system as a whole nimbly responded to the crisis. Schools reopened in June 2020 with a three-stage strategy: a regional stage, beginning with areas outside the capital with lower case spread; a vulnerability stage, which gave priority to critical areas; and lastly a pedagogical stage, which focused on the completion of education cycles and

1

2 <https://www.imf.org/en/Publications/WEO/weo-database/2020/October/>

3 All told, 32 severe events were recorded between 1967 and 2019, 23 of which took place after 2000 (Emergency Events Database - [EM-DAT](#)). The country is ranked 96th out of 180 countries on the [Germanwatch](#) 2000-2019 Global Climate Risk Index.

support for and reintegration of students who were at greater risk. This reduced the number of days without in-person classes in compulsory education[2].⁴

- 1.4 The adoption and active use of platforms grew dramatically between 2019 and 2020 (Table 1), underscoring the vital role played by Plan Ceibal in education continuity and platform use in the classroom[3].

Table 1: Increase in the coverage and active use of Plan Ceibal platforms

	Learning management systems		Math platform		Library	
	Coverage	Active users	Coverage	Active users	Coverage	Active users
Students	+100%	+65%	+77%	+89%	+690%	+106%
Teachers	+71%	+54%	Not available		+142%	+98%

- 1.5 Despite the need to press ahead with studies that measure academic achievement, over the 2017-2020 period there should be no significant learning loss for grades 3 through 6, thanks to such factors as the ready availability of digital tools, the relatively short school closure, and the instructional focus among teachers on math and language arts[4]. Determining the impact on students in secondary education is a task that is still pending.
- 1.6 As in other Latin American and Caribbean countries, educational exclusion is a problem that will be exacerbated by high dropout rates. Estimates indicate that there will be a 17% increase in the dropout rate, equivalent to 4,000 young people ages 6 to 17 not returning to the classroom, which mainly affects the vulnerable middle class and the poor[5]. Thus, the need to protect learning pathways, with a view to identifying and supporting students who are struggling the most or who have dropped out of school, has become even more urgent, as has the need to have curriculums that give priority to core contents and feature skills development and the use of digital instructional tools as crosscutting concerns. There are also new challenges compounding the ones already faced by the Uruguayan education system, as discussed below.
- 1.7 **Developments and challenges in the education system over the last five years.** Secondary education⁵ continues to face three challenges: (i) getting students to enroll, stay in school, and graduate from the system; (ii) quality in terms of student achievement and skills development; and (iii) equity.
- 1.8 The education system is contending with significant challenges to achieving seamless, complete, and successful learning pathways (see Table 2). Secondary education is compulsory[6],⁶ but school attendance begins to drop off at this level.

⁴ Compulsory education includes early childhood education (children ages 4 to 5), primary education (grades 1 through 6), lower secondary education (grades 7 through 9) and upper secondary education (grades 10 through 12).

⁵ Secondary education includes general and technical secondary education.

⁶ Uruguay set the goals of achieving universal coverage of lower secondary education (LSE) in 1973 and upper secondary education (USE) in 2008.

Though enrollment, grade repetition, and graduation rates improved from 2013 to 2019, a comparison of the upper secondary education (USE) graduation rate among young people ages 21 to 23 reveals that Uruguay is at a clear disadvantage (43.3%) relative to the Latin American and Caribbean average (64.4%) and graduation rates in other countries (58.9% in Costa Rica, 69.4% in Argentina, 72.6% in Ecuador, and 82.8% in Peru)[7].

Table 2: Secondary education coverage and internal efficiency indicators[8]

	2013			2019		
	Net enrollment rate	Grade repetition rate	Graduation rate	Net enrollment rate	Grade repetition rate	Graduation rate
LSE	75.3	42.2	68.1	80.6	31.7	77.8
LSE	43.1	42.7 (2016)	38.1	48.5	39.0	43.3

- 1.9 Progress has been made in terms of student achievement, but challenges remain. Average scores on the Program for International Student Assessment (PISA) exams increased over the 2012-2018 period (from 409 points to 418 points in math and from 411 points to 427 points in reading)[9]. All told, 44% of Uruguayan students are low performers in math and 42% are low performers in reading, compared to 35% and 32% of Chilean students, respectively,⁷ and an average of 22% in both subjects for member countries of the Organisation for Economic Co-operation and Development (OECD). These high rates of poor performance suggest that young Uruguayans have not developed the minimum set of competencies required to be successful in the twenty-first century. PISA results also indicate that Uruguayan students do not have the general or specialized skills needed to fight climate change[10].⁸
- 1.10 The third challenge, equity, can be boiled down to learning outcomes that vary greatly depending on the socioeconomic class of the student[11]. In the highest income quintile, 82% of young people ages 21 to 23 complete USE, compared to just 18% of their counterparts in the lowest income quintile. On PISA exams in math, students in the highest quintile score 102 points higher than those in the lowest quintile. This difference in scores amounts to 2.4 years of schooling, which is higher than the average for Latin America and the Caribbean[12]. While 24% of students in the highest quintile are low performers, that figure jumps to 73.7% for the lowest quintile.
- 1.11 Regarding the challenges of gender equity, 40% of students—most of whom are older male students—express unfavorable opinions regarding gender equality or highly stereotypical views of the role of women in society or within the household[13].

⁷ Percentage of 15-year-old students with scores lower than 2. In reading, this means that the student cannot interpret or recognize questions that require more than indirect inference. In math, it means that the student cannot use basic algorithms, formulas, or procedures to solve problems involving whole numbers or make literal interpretations of results. PISA 2018

⁸ Only half of the students could explain how carbon dioxide emissions impact global climate change. One third could not convey any information about climate change or global warming.

Men's scores on PISA exams in math are systematically higher than women's scores (by around 8 points).

- 1.12 School attendance rates for Afro-Uruguayan children ages 6 to 14 are on par with the rates for other groups, but attendance rates begin to diverge once students reach the age of 15: 78% for Afro-Uruguayans and 87.2% for other groups. Meanwhile, the rates for students ages 18 to 23 are 28.8% and 46.6%, respectively[14]. Skin color or hair type (13.2%) are the most common reasons why students are bullied at school. In all, 34% of students said they have heard negative comments regarding skin color or hair, while 28% have heard negative comments regarding their ethnic or racial origin[15]. ANEP's administrative databases do not have ethnic identifiers, making it impossible to monitor their learning pathways.
- 1.13 There are several reasons for the Uruguayan education system's difficulties in attracting and retaining young people and ensuring that they develop the skills needed to continue learning, succeed in the workplace, adapt, address the challenges of climate change, and contribute to society[16]. Reasons related to the quality of education options include: (i) a piecemeal curriculum framework without any coordination across cycles; (ii) initial teacher training and university-level teaching degrees that do not prepare teachers for the challenges of secondary education; (iii) the lack of a comprehensive strategy for addressing the challenges of secondary education; and (iv) poor education infrastructure for secondary education. Reasons related to institutional or administrative issues include: (i) implementation of a new institutional architecture for the education system; and (ii) an education management and information system that is ill-equipped for education improvements. Paragraphs 1.14 through 1.22 discuss the progress made and the challenges that are still pending.
- 1.14 **Curriculum framework.** The national benchmark curriculum framework (MCRN) and the accompanying learning progressions, which are still undeveloped, can be considered the first stage of a comprehensive curriculum reform[17].⁹ The MCRN establishes and defines the core learning outcomes that students are expected to achieve over the course of the different stages of education and authorizes and supports the development of learning environments and educational proposals for each stage, making the system cohesive. However, little headway has been made on the proposed curriculum and on the plans and programs to implement that curriculum in the classroom, so they remain piecemeal and uncoordinated. Some of the definitions in the MCRN need to be adjusted and simplified as core competencies and learning outcomes, to make them easier for teachers to adopt. Graduate and end-of-cycle profiles need to be developed, and learning progressions related to each competency need to be defined under a pathway logic. Linking learning progressions to general and specialized competencies is crucial to ensuring that the expected competencies are what are actually being evaluated during the student's journey. Next, strides must be made to develop lesson plans and programs of study that reflect the digitalization process discussed in paragraph 1.3 and that help the country move away from a piecemeal curriculum with a discipline-focused vision and a high number of subjects (13 per year) toward a competency-based curriculum that is relevant to the challenges of today. This curriculum does not hold

⁹ Activities supported by the first operation under the CCLIP (loan 3773/OC-UR).

enough appeal for young people, seeing as one of the reasons for dropping out of school most frequently cited by students ages 15 to 17 is a lack of interest in available education opportunities[18].¹⁰ Furthermore, the curriculum still needs to mainstream the gender perspective more effectively. Despite a handful of initiatives, the academic fields do not call into question men's and women's roles in society, the gender-specific division of labor, or the classification of reproduction as the responsibility of women. Moreover, there is a wide gap between what has been proposed and what has been implemented in day-to-day practice. ANEP's objective is to explicitly mainstream gender and diversity to promote respect, prevent biased narratives, and foster a more egalitarian society. Lastly, only 80% of Uruguayan schools include content specifically related to climate change in their program of studies, below average for the region (86%) and for OECD countries (88%)[19].

- 1.15 **Initial teacher training and degree programs.** Advances in initial teacher training have been made in the last five years, but those efforts fall short of responding to the challenges in terms of drawing power, student retention, and quality of learning outcomes. In relation to the implementation of a new program of study for initial teacher training,⁸ CODICEN has only approved the degree program for technical educators, which is in its fourth year of implementation. CODICEN is reviewing the degree programs for primary educators, secondary educators, and social educators, which make up the vast majority of students. The early childhood education degree program is still at an early stage of development. Only one-fourth of initial teacher training instructors work at just one training center, while 75% teach less than part-time at two or more centers, with frequent turnover[20]. Only 11% of initial teacher training instructors have a postgraduate/master's degree, while 35% are pursuing degrees at that level. To improve the quality of initial teacher training, the Ministry of Education and Culture (MEC) launched a National Program to Strengthen Initial Teacher Training[21] to: (i) promote and support the development of university-level degree programs in education; (ii) create a national system of scholarships for initial teacher training that rewards the academic continuity and quality of students who pursue university-level degree programs in education; (iii) develop a permanent system for monitoring and evaluating teaching quality; and (iv) supporting ANEP's and schools' efforts to improve teaching quality, working conditions, and professional development targets.
- 1.16 **Comprehensive strategy to address the challenges of secondary education.** The efforts to put in place guidelines for a system to protect learning pathways and encourage system actors to use data as a tool for student support and monitoring are important steps, but more efforts are needed. Schools' curricular/academic offerings should be strengthened by changing the approach, strengthening the professional capacity of their teams, and strengthening student pathway guidelines for student support. In short, the instructional and curricular transformation of secondary education is an issue that still needs to be addressed to ensure that students stay in school[22].
- 1.17 Arrangements were made to lengthen the school day for lower secondary education (LSE) using two models: full-day secondary school programs (FDPs), which would have an eight-hour school day, and extended-day secondary school programs

¹⁰ In all, 22% drop out due to lack of interest, while 39% drop out because they started to work.

(EDPs), which would supplement half-day programs with opportunities to reinforce learning during the other half of the day. Due to budget constraints, cuts had to be made to the size of the program and intensity of the support provided to schools.¹¹ Monitoring reports evaluated the impact of the two models on grade repetition and on-time advancement indicators.¹² Though both indicators improved, there were no significant differences between students in FDPs/EDPs and schools that did not offer these programs by the second to third year.¹³ Other programs to support education continuity, such as the basic professional training program offered by the Department for Technical/Vocational Education, were unsuccessful. Among students who were behind in school, fewer than 25% made it to the third year of LSE and just 3% graduated. Among students who were not behind, less than half made it to the third year, while one-third completed LSE on time^[23].

- 1.18 A high percentage of secondary education teachers “do not have education degrees” and are either substitute or interim teachers^[24].¹⁴ All of the above, coupled with the relatively unattractive salaries of teaching careers^[25],¹⁵ the fact that it is a career that rewards seniority, and the reliance on an annual appointment system that results in unstable teaching teams scattered across schools^[26],¹⁶ make it difficult to apply a comprehensive approach to education offerings in secondary education.
- 1.19 **Protecting learning pathways^[27].** The system to protect learning pathways (SPTE) not only applies a comprehensive approach to monitoring learning pathways but also represents progress on three fronts. It has ensured that all students who complete primary school enroll in LSE by virtue of two strategies: (i) forums for outreach at the end of the primary education cycle, which ensured that students and families had the information they needed to choose between the options available for LSE; and (ii) implementation of a centralized LSE pre-enrollment system, which can be used by families of students who are graduating from primary school to select the schools of their choice so students can enroll. The pre-enrollment system digitalized a process that was previously manual and had to take place in-person, thereby making it nimble and efficient and successfully ensuring that all students could be assigned to an education option of their choice. Second, the SPTE facilitated early detection of students who were falling behind in school, triggering

¹¹ As of 2020, there were 43 schools offering FDPs or EDPs, versus the expectation that 100 schools would do so. The planned line of support for supervisory roles to coordinate the extension of the school day through FDPs/EDPs was not implemented. Teacher Education and Teacher Training Support Program (PAEMFE) semiannual progress reports.

¹² Repetition is when a student enrolls in the same grade two years in a row. Progression is when the student enrolls in the next grade the following year.

¹³ The first operation under the CCLIP (loan 3773/OC-UR) supported monitoring and education activities, food services, school supplies, and uniforms and shoes needed so students who were at the highest risk of dropping out could attend tutoring sessions.

¹⁴ All told, 30% of general secondary education teachers and 54% of technical secondary education teachers have not completed teacher training or have had no teacher training at all. Fifty-three percent of general secondary education teachers are interim/substitute teachers. For technical secondary education, that figure rises to 69%.

¹⁵ Teacher salaries are 50% lower than public utility employees (electricity, gas, and water) and 20% lower than workers who have not finished a university degree (2014).

¹⁶ Only one-third of secondary teachers work at just one school.

actions to prevent students from dropping out. The system's early alerts are prompted by recurrent absences, poor academic performance, and other behavioral or social considerations (such as adolescent pregnancy) reported by the SPTE. Lastly, the SPTE led to a much-needed partial geographic decentralization of the public education system, with the creation of the Departmental Education Integration Coordination Units (UCDIEs). The UCDIEs serve as liaisons with and between schools, a vital development for the historically fragmented Uruguayan education system. Guidelines for learning pathways at LSE schools were also strengthened. However, the SPTE has to contend with certain challenges, such as the need to: (i) expand the system to the rest of secondary education, by scaling up the pre-enrollment system to include the LSE-USE transition to continue supporting learning pathways at that stage, thereby consolidating the SPTE for the rest of secondary education; (ii) work toward preventive alerts, so intervention can take place earlier; (iii) strengthen capacity for monitoring and supporting learning pathways, information systems, and their use; (iv) address problems related to data integration across technology platforms; and (v) improve reporting.

- 1.20 **Education infrastructure for secondary education.** ANEP implemented public-private partnership (PPP) projects to build, maintain, clean up, and enhance security at 133 schools and 10 athletic facilities[28].¹⁷ The first project under the CCLIP supported the creation of an office for administering PPP contracts, which is currently in operation. Though 29 schools for secondary education and initial teacher training⁸ have been built or expanded, challenges remain. All told, 30% of schools have been in service for more than 20 years, while 35% have been in service for more than 47 years. Out of a total of 451 secondary schools, 14% require comprehensive interventions that would ultimately require their replacement or modernization. The 2020-2024 work plan encompasses the construction of new schools and expansion/modernization of existing ones, with 36 works at secondary schools[29].
- 1.21 **New institutional architecture.** In recent years, ANEP's complex institutional architecture has been streamlined[30]. Two institutions are responsible for basic public education: (i) the Ministry of Education and Culture (MEC), which coordinates education policy; and (ii) ANEP, an autonomous agency with independent legal status[31] responsible for planning and management of the public education system at the early childhood, primary, secondary, and vocational levels as well as teacher training. Until 2020, ANEP was headed by a governing body, the Central Governing Council (CODICEN), and four deconcentrated education councils: the Early Childhood and Primary Education Council; the Secondary Education Council; the Technical/Vocational Education Council, which encompasses vocational higher education (vocational degrees); and the Teacher Training Council (CFE). Each council was led by three people and had decision-making autonomy. With the passage of the Emergency Consideration Act, ANEP now has the CODICEN, the CFE, and three Departments: the Department of Early Childhood and Primary Education (DGEIP), the Department of Secondary Education (DGES); and the Department of Technical/Vocational Education (DGETP)[32]. These departments

¹⁷ A total of 104 (93%) of the education centers are nursery or primary schools, while 9 are professional training hubs.

are deconcentrated bodies led by one CODICEN-appointed director, which report to CODICEN[33]. This has solidified CODICEN's role as a central leadership body, making it possible to apply a comprehensive, coordinated approach to school management. It also strengthens coordination of activities across education cycles, both to transform the curriculum and to ensure seamless, complete learning pathways for students. Implementation of the changes introduced by the Emergency Consideration Act will be a challenge in the coming years.

1.22 **Education Management and Information Systems (SIGED).** Strides have been made in terms of data availability. For example, DGES/DGETP dashboards provide enrollment data and georeferencing by school and system-wide internal efficiency indicators. Use of the Virtual Assessment System for LSE, a tool for educational diagnostic assessments at the start of the LSE cycle, has also been promoted[34]. One valuable development is that the SPTE has made available clear, organized, and relevant student data on pathways, attendance, and school preferences, as well as a profile and a count of students who drop out.⁸ This gave rise to a comprehensive monitoring approach, focused on the primary education and LSE cycles, which relies on system interoperability across registrar's offices. In terms of material, financial, and human resource management systems, efforts to improve council and department management systems continued, with the Bank's support[35]. Yet there continue to be challenges related to: (i) implementation of the LSE attendance module, which has barely begun in some parts of the country; and (ii) strengthening information systems for other education management processes[36],¹⁸ associated with the development of a consolidated human resource management system, adoption of a consolidated building management system, and development of an interoperability platform. Another set of challenges revolves around process improvements, such as those for course design, teacher assignment, registration, and delivery of diplomas/certifications, to cut down on manual tasks and improve system efficiency. Lastly, another pending task is to make information available for school decision-making and administration. The advances discussed above improved the overall availability of information but have not yet contributed to administrative dashboards that can provide teachers, principals, and supervisors with opportune information on how to improve and adapt their practices and, by extension, learning outcomes.

1.23 **Progress and achievements under the first operation under the CCLIP.** As discussed in paragraphs 1.7-1.11 and 1.13-1.21 **Error! Reference source not found.**, Uruguay has made progress in terms of learning outcomes and completion of education cycles. Notable achievements under the first operation under the CCLIP include: (i) advances in availability of information on learning pathways for system actors and families; (ii) the start of the comprehensive curriculum transformation with the MCRN, although learning progressions are only partially defined; (iii) implementation of the SPTE, which improved monitoring of students and their pathways. A perspective that emphasizes a comprehensive approach to the education system and learning pathways has also taken hold at ANEP, which has translated into new local agencies that promote coordinated action at the

¹⁸ The DEIP, DETP, and CFE SIGEDs are still at an early stage of development, with only partial coverage of education management processes and subprocesses. Arias Ortiz, et al (2020) From Paper to the Cloud.

subnational level, like the UCDEs, and new positions at schools to ensure that students stay in school; and (iv) the construction/expansion of 29 schools for secondary education or initial teacher training. Despite this progress, the strategies to extend the school day were not meaningful enough to improve grade repetition and timely progression indicators. Lastly, the curriculum transformation and school management processes advanced slower than expected.

- 1.24 **The Bank's experience in Uruguay.** In the last decade, the Bank has supported the Uruguayan education sector through several loan operations with ANEP and Plan Ceibal. The first operation with ANEP was the Secondary and Technical Education and Teacher Training Program (PAEMFE),¹⁹ a US\$114.5 million operation (US\$48 million from IDB Ordinary Capital) that was approved in 2010 and completed in 2018. The program's objective was to contribute to the policy of access to and retention in LSE. Its most significant achievements include a 10% improvement in grade repetition and dropout rates among students who participated in educational progression support and guidance activities, improvements to certain management processes, and infrastructure upgrades for teacher training and secondary education. Second, the first operation under the CCLIP, the Program of Support for Secondary Education and Teacher Training: Towards Seamless and Complete Learning Pathways,²⁰ a US\$74.7 million operation (US\$50 million from IDB Ordinary Capital), which was approved in 2016 and is slated for completion in 2023. This operation sought to improve access to and quality of secondary education, achieving seamless and complete learning pathways, was approved in 2016 and is currently in execution (paragraph 1.23). Lastly, there was the technical cooperation operation, "Talents and Skills Training for the Agroforestry Sector"²¹ (US\$700,000) which sought to improve the depth and relevance of technical education by updating curriculums and teaching methodologies. The Bank has also financed three operations with Plan Ceibal: Support Program for the Consolidation and Expansion of Plan Ceibal,²² an US\$8.5 million operation (US\$6 million from IDB Ordinary Capital) executed from 2010 to 2014, to consolidate Plan Ceibal at the primary level and expand it into secondary education; Plan Ceibal II: Support for Primary and Secondary Math and English Education,²³ a US\$6.9 million operation (US\$6 million from IDB Ordinary Capital) executed from 2014 to 2018, whose objective was to use new information and communications technologies to help improve mathematics and English education at the primary and lower secondary levels; and Generation C: Consolidating Educational Innovations for 21st-Century Skills and Competencies,²⁴ an operation for a total of US\$30 million from IDB Ordinary Capital that began in 2018 and is making satisfactory progress, whose objective is to improve student learning and competencies at the primary and lower secondary education levels. That project, the first under the new results-based loan modality, began in 2018 and is making satisfactory progress.

¹⁹ Loan 2480/OC-UR.

²⁰ Loan 3773/OC-UR.

²¹ Technical Cooperation Operation ATN/CF-17369-UR/ATN/CF-17370-UR/ATN/OC-17158-UR.

²² Loan 2260/OC-UR.

²³ Loan 2225/OC-UR.

²⁴ Loan 4290/OC-UR.

- 1.25 **Lessons learned.** The main lessons learned concern: (i) the preparation of studies for codifying strategic activities like the SPTE as inputs for the design of this operation[37]; (ii) the search for synergies between the Bank's and Uruguay's innovation agendas, such as the use of artificial intelligence (AI) to develop a predictive model for dropouts²⁵ and the use of blockchain to deliver diplomas/certificates at the DGETP,²⁶ which will be implemented in this operation (Subcomponent 1.3); (iii) the importance of preventing fragmentation of smaller interventions, as well as the need for coordination across subsystems and a comprehensive view of learning pathways beyond a student's current department, which were incorporated in the guidelines for the operation as a whole and the specific guidelines for Subcomponent 1.3;¹⁴ (iv) the positive experience with school infrastructure activities, with the incorporation of water and energy efficiency criteria to mitigate greenhouse gases in new construction and with the adaptation of school designs to fit local needs, which will be strengthened under Component 3²⁷; and (v) the importance of harnessing synergies with innovative activities under the Plan Ceibal operations, such as the technological platform for the virtual learning achievement evaluation system, which gives teachers immediate results, expansion of adaptive platforms for math instruction, and the Global Partnership for Deep Learning, which promotes new pedagogies through the transformational drive of technologies[38].²⁸ These lessons learned informed the design of this operation and were incorporated into the new strategy for the extended school day under Subcomponent 1.3.
- 1.26 **Strategy for the second individual operation under the CCLIP.** This second project is grounded in the following pillars: (i) a new institutional architecture that streamlined decision-making by replacing the former councils with departments, thereby strengthening CODICEN's leadership and capacity; (ii) the decision to move forward with a comprehensive curriculum transformation for compulsory education that offers flexible and relevant options that respond to the evolving needs of young people[39]²⁹ and incorporates crosscutting and specialized skills to help them successfully rise to the challenges of the twenty-first century, such as climate change, and make a positive contribution to society[40]; (iii) strengthening teachers' initial training and professional development by improving the quality of that training, obtaining accreditation at the university level, and offering degree programs that address the challenges of comprehensive curriculum transformation[41]; and (iv) changes to education management on three fronts: (a) implementation of a new

²⁵ Technical cooperation operation ATN/CF-17311-RG/ATN/OC-17312-RG: Fair LAC - Responsible Artificial Intelligence for Efficient and Individualized Provision of Social Services for All.

²⁶ Technical cooperation operation ATN/ME-17353-UR: Innovation in Education Management: Management of Degrees and Certificates through Blockchain.

²⁷ Loan 3773/OC-UR.

²⁸ Loan 4290/OC-UR. The network is comprised of seven countries (Australia, Canada, Finland, Netherlands, New Zealand, United States, and Uruguay). It focuses on two core areas: (i) working on interdisciplinary projects connected to real life and student interests; and (ii) promoting crosscutting competencies considered essential for preparing students to be citizens: creativity, collaboration, citizenship, communication, critical thinking, and character.

²⁹ Evidence indicates that programs that successfully improve learning outcomes in secondary education either address specific challenges faced by adolescents or focus on improving teacher effectiveness.

strategy for full-day LSE through Centros María Espínola (CMEs),³⁰ schools that target the most vulnerable students, pushing ahead with changes in school management by having stable education personnel with three-year terms, thereby creating integrated education communities so training processes can be tailored to those communities. This allows the CMEs to overcome the problems of high turnover and teachers being at a school for just a few hours and facilitates pedagogical support for teachers, introduction of self-assessment and diagnostic assessment tools, and efforts to articulate a project for each center, monitor that project, and promote ongoing improvement[42]. The CMEs will be the start of a model that seeks to change school management, preparing schools for the challenges of implementing the new curriculum; (b) strengthening the availability of information for management and decision-making with dashboards for each school that provide information on students and teachers as well as early alerts, with a perspective of day-to-day management and self-assessment indicators that supports a long-term vision of the challenges facing schools and supports a culture of continuous improvement by using data to identify and monitor progress[43]; and (c) continuity of improvements to ANEP's management systems, especially those for infrastructure and human resources[44]; (iv) consolidation of a comprehensive view of learning pathways that gives rise to new initiatives that build on the progress made, such as implementation of AI-powered predictive early alerts³¹ and a platform that can be used to monitor pathway support activities; and (v) the continuation of the process of improving school infrastructure, ensuring that it complies with environmental sustainability criteria[45].³²

- 1.27 **Alignment with IDB strategies in the sector and with the country.** This operation is consistent with the second Update to the Institutional Strategy (document AB-3190-2). It is strategically aligned with the development challenges of: (i) social inclusion and equality, in that it will improve the quality of public education, which serves students from low-income households, and education opportunities; and (ii) productivity and innovation, through human capital development, by promoting the skills needed by production-related sectors, which will be a focus area of the comprehensive curriculum transformation. It is also aligned with the crosscutting themes of: (i) gender equality and diversity, by promoting a comprehensive curriculum transformation that mainstreams gender and focuses on inclusion of Afro-Uruguayans; (ii) institutional capacity and rule of law, by automating and improving processes and strengthening SIGEDs, which will ensure the availability of data when and as needed for decision-making; and (iii) climate change and environmental sustainability ([optional link 4](#)). According to the [joint methodology of the multilateral development banks](#), approximately 60.96% of the operation's resources will go to climate change finance, due to the support for adding climate change to the MCRN and the financing for the design and construction of schools with conditions equivalent to Excellence in Design for Greater Efficiencies

³⁰ [Optional link 6](#).

³¹ Uruguay participates in the fAIr LAC initiative through the Agency for e-Government and Information and Knowledge Society (AGESIC). A model to predict school dropouts was developed, and implementation of that model will begin in 2022 (technical cooperation operation ATN/CF-17311-RG / ATN/OC-17312-RG).

³² Evidence demonstrates that better school infrastructure helps produce better academic outcomes.

(EDGE) certification. These resources contribute to the IDB's target for climate-related financing (30% of approvals by volume each year). The operation is included in Annex III of the 2021 Operational Program Report (document GN-3034). In addition, the project will contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) through the "students benefited by education projects" indicator.

- 1.28 The project is consistent with the IDB Group Country Strategy with Uruguay 2021-2025 (document GN-3056), in that it contributes to the strategic objective of improving education and job training and supporting the most vulnerable population groups. It is also aligned with the Skills Development Sector Framework Document (document GN-3012-3), as it contributes to Challenge 2 (ensure that children and preadolescents develop the basic cognitive and socioemotional skills that will allow them to keep learning) and Challenge 3 (ensure that all students graduate from secondary school with the intermediate cognitive, technical, and socioemotional skills that allow them to keep learning throughout life, access high-quality jobs, and be good citizens). With the mainstreaming of gender, diversity, and inclusion in the comprehensive curriculum transformation, the project is consistent with the two dimensions of success of the Gender and Diversity Sector Framework Document (document GN-2800-8): promote gender equality and the empowerment of women and girls and promote development with identity and social inclusion. It is also consistent with the Climate Change Sector Framework Document (document GN-2835-8) through the incorporation of low-emission green buildings resistant to climate change, and the crosscutting incorporation of skills for green jobs and green living in the comprehensive curriculum transformation, which will promote resilience to climate change and facilitate a transition to a low-carbon economy.
- 1.29 At the country level, the project is aligned with the Education Development Plan 2020-2024 and its six strategic guidelines: (i) expand access to education, increase retention and completion rates, and improve learning pathways by promoting quality learning; (ii) remedy internal inequities and improve learning outcomes, with a focus on the sectors that are the most vulnerable in social and educational terms; (iii) adapt the curriculum at all education levels; (iv) strengthen management of schools and promote integrated learning communities; (v) design and establish a national teaching policy that includes initial teacher training, professional development, professional degree programs, and working conditions; and (vi) transform institutional design and management, professionalizing processes and functions.

B. Objectives, components, and cost

- 1.30 The objective of the CCLIP is to help improve access to and the quality of secondary education. The general objective of this second individual operation is to help improve student retention and graduation rates for lower secondary education (LSE) and upper secondary education (USE). The specific objectives are to: (i) improve the quality of the education services offered by ANEP; and (ii) strengthen ANEP's capacity for managing quality public education. The program is organized into three components.
- 1.31 **Component 1. Improving the quality of education services (IDB: US\$8.17 million; local: US\$5.43 million).** This component is related to the first objective and will finance the following subcomponents:

- 1.32 **Subcomponent 1.1. Comprehensive curriculum transformation.** This subcomponent will support the design and implementation of a new curriculum for compulsory education through: (i) revision of the MCRN and turning it into practice; (ii) definition of competencies that incorporate general and specialized skills (for the twenty-first century), graduate profiles, and learning progressions; (iii) development of plans and programs of study that embed the use of technology in the teaching/learning process; (iv) adaptation of evaluation tools; (v) capacity-building at ANEP for continuous education to train teachers in comprehensive curriculum transformation and support change management during the implementation process; and (vi) preparation of a proposal to redevelop and improve the DGETP's basic professional training offerings in LSE to ensure their relevance and continuous improvement. The comprehensive curriculum transformation will mainstream topics related to gender equity, inclusion of the Afro-descendant population, and climate change.³³
- 1.33 **Subcomponent 1.2. University accreditation of degree programs for teacher training.** This subcomponent will assist the Teacher Training Council (CFE) with: (i) the curriculum review process to obtain accreditation from the MEC for degree programs for training primary educators, secondary educators, early childhood educators, technical educators, and social educators, as well as with the process of designing and evaluating plans, programs of study, and degree programs prior to submitting them for accreditation, ensuring the inclusion of a crosscutting approach to the challenges of new technologies and their use in the classroom and mainstreaming gender equity, inclusion of the Afro-descendant population,³⁴ and climate change; and (ii) professional development of the CFE teaching staff through scholarships for postgraduate study (master's degrees and doctorates) to achieve the ratios of teachers with advanced degrees needed for university accreditation.
- 1.34 **Subcomponent 1.3. A new approach to school management.** This subcomponent will finance (i) coordination, support for implementation and monitoring of CMEs, and training of direct teaching staff, indirect teaching staff, and administrators for the first three cohorts of CMEs for learning outcomes and education equity;³⁵ (ii) development of a platform of tools to support improvements in school management that includes the development of an institutional project, annual self-assessments, and preparation of results reports and improvement plans;³⁶ (iii) conceptual development of dashboards for each school that address several dimensions, including students, teachers, infrastructure, contexts, and

³³ The curriculum will include general crosscutting skills that encourage more sustainable behaviors among young people, thereby building capacity to adapt to climate change, as well as specialized skills for green jobs, especially in the DGETP's programs of study, which support the transition to a low-carbon economy that is resilient to climate change ([optional link 4](#)). The curriculum will also mainstream gender perspectives and the inclusion of Afro-Uruguayans through a revision of the existing curriculum, a mapping out of essential topics, and the revision and reformulation of textbooks as needed ([optional link 10](#)).

³⁴ This includes revision of the current curriculum, the mapping out of essential topics, and development of inclusive pedagogical tools ([optional link 10](#)).

³⁵ At least three CMEs will be established in cities with large Afro-Uruguayan populations.

³⁶ At first, these platforms will be implemented at the CMEs, with platform use gradually expanded afterward.

- expenditures per school, which will be used for decision-making, and development and implementation of a platform for school dashboards that is regularly provided to all schools, including training of actors at all levels on how to use and interpret the data^{[46][47]}; updating of education dashboards and subsystem observatories;³⁷ and (iv) support for capacity-building of the SPTE and registrar's offices³⁸ through: (a) improvements to the centralized pre-enrollment system for the transition from primary education to LSE and expansion of the system for the transition from LSE to USE; (b) implementation of improvements to the protocol for supporting students' learning pathways, incorporating new AI-powered early alerts for dropouts, and development and implementation of a module to support students at risk of dropping out; and (c) implementation of a family engagement platform through the VOS app for secondary education.
- 1.35 **Component 2. Transformation of management, processes, and systems (IDB: US\$6.3 million; local: US\$1.95 million).** This component, linked to the second objective, will finance activities to strengthen management, organizational redesign, and processes, consistent with the changes under the Emergency Consideration Act, such as: (i) finalization of the existing DGETP/DGES/CFE/DGEIP management systems; (ii) dimensioning and implementation of a support system for comprehensive human resource management processes and use of resources allocated to ANEP; and (iii) strengthening of the comprehensive infrastructure management system, including management of a one-stop shop for incidents, corrective and preventive maintenance, and new works, and the associated reporting modules.
- 1.36 **Component 3. Infrastructure for education improvements (IDB: US\$25 million; local: US\$10 million).**³⁹ This component, linked to the first objective, will finance: (i) design, construction, supervision, and outfitting of 11 green schools⁴⁰ for secondary education and 7 green CMEs for LSE in socially and educationally vulnerable areas, which will help improve schools attended by 10,000 students;⁴¹ and (ii) contingency corrective maintenance.
- 1.37 **Project administration (IDB: US\$530,000; local: US\$3.62 million).** Financing will be provided for the procurement of goods and consulting and nonconsulting services needed for operation of the project execution unit. It will also cover the cost of the external audits, monitoring and supervision expenses, and the evaluations included in the monitoring and evaluation plan.

³⁷ Education dashboards for DGEIP, DGES, DGETP, and the Education-Employment Observatory, including monitoring of DGETP students and graduates.

³⁸ These administrative records will include ethnic/racial identifiers for monitoring of learning pathways.

³⁹ Bank funds will not be used to purchase land or buildings.

⁴⁰ Green buildings include bioclimatic design, energy efficiency measures, installation of photovoltaic systems, and material and water use to achieve, at a minimum, a 20% reduction in water consumption, a 20% reduction in electricity consumption, and a 20% reduction in embodied energy in materials, based on standard projects according to the EDGE platform.

⁴¹ Works will be prioritized using a geostatistical index that identifies areas with not enough education services, combined with indicators such as trends in school age population and enrollment, school locations, and coverage.

- 1.38 **Beneficiaries.** The primary beneficiaries will be students in compulsory education who will have a new curriculum and who will be supported by the SPTE, the students enrolled at CMEs, families of secondary school students who will receive the VOS app, the cohorts of students in initial teacher training who will pursue university degree programs, and the secondary school students who attend schools whose facilities will be improved (paragraph 1.21 of [required link 2](#)).

C. Key results indicators

- 1.39 By project end, there should be clear improvements in the percentage of young people ages 15 to 17 who attend school and in on-time completion rates for young people ages 16 (LSE) and 19 (USE). The outcome indicators are: (i) for Component 1, the percentage of students who benefit from new plans and programs, the percentage of students enrolled at a CME⁴² who move on to the following grade and who complete LSE, the percentage of students enrolled at a school that receives the family engagement app who move on to the following grade and who complete LSE, and the students in initial teacher training who pursue university-accredited degree programs; (ii) for Component 2, ANEP human resource and infrastructure processes and management systems with a rating of “established” on the SIGED scale; and (iii) for Component 3, 10,000 secondary education students who attend schools whose facilities have been improved (see Annex II).
- 1.40 **Cost-benefit evaluation.** The evaluation estimated the project's social benefits, which stem from the increase in graduation rates for LSE and USE and the introduction of a series of measures to improve the quality of secondary education, including the design and implementation of a new curriculum for compulsory education and the university accreditation of teacher training degree programs. According to the ex ante cost-benefit analysis, the project has a social rate of return of 23.8%, which is higher than the 12% discount rate used by the Bank, and a positive net present value of \$125.8 million. Several scenarios using assumptions that are more conservative than the base-case scenario demonstrate the project's economic viability ([optional link 2](#)).
- 1.41 **Institutional analysis.** One of the strengths identified using the Institutional Capacity Analysis Platform is that the executing agency has a stable team with experience in the financial management of IDB-financed projects.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The CCLIP is for a total of US\$200 million. The period for use of its proceeds is 20 years from the date the Bank and the Eastern Republic of Uruguay signed the CCLIP Agreement. The total cost of the second individual operation is US\$61 million, of which US\$40 million (65.6%) will be a special investment loan⁴³

⁴² The CMEs serve students who are socially or academically at risk.

⁴³ The project has been structured as a specific investment loan because it will finance construction of a set number of works in one sector (document PR-201, 1.2.2). This modality is justified given the defined scope of the project, as the components cannot be split up without their logic being affected.

charged to the Bank's Ordinary Capital resources, to be disbursed within five years given the time needed to design, conduct bidding processes, and build schools and implement new systems. The local counterpart contribution will be US\$21 million (34.4%) (Table II-1). All project costs, including taxes on procurements, will be eligible to be financed using loan proceeds. Itemized budget information is provided in [required link 1](#).

Table II-1: Budget envelope, by component (US\$ millions)

Item	IDB	Local	Total	%
Component 1: Improving the quality of education services	8.17	5.43	13.60	22
Subcomponent 1.1: Comprehensive curriculum transformation	3.21	0.74	3.95	6.3
Subcomponent 1.2: University accreditation of degree programs for teacher training	2.11	1.74	3.85	6.2
Subcomponent 1.3: A new approach to school management	2.85	2.95	5.80	9.5
Component 2: Transformation of management, processes, and systems	6.30	1.95	8.25	14
Component 3: Infrastructure for education improvements	25	10	35	57
Project administration	0.53	3.62	4.15	7
Total	40	21	61	100

Note: Amounts at the subcomponent level are indicative.

2.2 The expected disbursement schedule is set out below.

Table II-2; Disbursement schedule (US\$ millions)

	Year I	Year II	Year III	Year IV	Year V	Total
IDB	8.41	9.88	8.86	8.78	4.07	40.00
Local	3.09	4.92	4.88	5.13	2.98	21.00
Total	11.50	14.80	13.74	13.91	7.05	61.00
%	19%	24%	23%	23%	12%	100%

2.3 **Compliance with CCLIP eligibility criteria (operation UR-L1167).** This project is the second individual operation under CCLIP Agreement UR-O1151 approved by the Board of Executive Directors (Resolution DE-74/16). The project meets the eligibility criteria for individual loan operations set out in the CCLIP policy (document GN-2246-7): (i) it falls under the sectors and components defined under the credit line; (ii) its objectives are related to the Country Strategy with Uruguay 2016-2020 (document GN-2836), contributing to the strategic objective of increasing completion of secondary school and improving education quality, and the operation is included in the 2021 Operational Program Report (document GN-3034); (iii) the operation has the same executing agency, ANEP, whose performance continues to be satisfactory; (iv) the results achieved by ANEP in the first individual operation (loan 3773/OC-UR) are satisfactory and are backed by the output and outcome

indicators reported in the progress monitoring reports, allowing the Bank team and country authorities to project satisfactory performance of the proposed project; (v) as for financial execution of the first operation, the Bank has disbursed 78% of the project's funds; and (vi) the borrower and executing agency have complied with the contractual conditions of the Loan Contract and with the Bank's disbursement and procurement policies, including audited financial statements.

B. Environmental and social risks

- 2.4 Pursuant to the Bank's Environment and Safeguards Compliance Policy (Operational Policy OP-703), this program has been classified as a Category "B" operation. The works to build, expand, and modernize schools could result in local, short-term negative socioenvironmental impacts that are not scalable and can be mitigated with standard measures.
- 2.5 In light of the fact that the interventions will be located in a number of different communities and contexts, a Strategic Environmental and Social Assessment and a Strategic Environmental and Social Management Plan were prepared, which establish the type of management the execution unit will use to prevent/mitigate potential environmental and social risks in accordance with the IDB's safeguards and the national and local legal framework.
- 2.6 The execution unit held a virtual public consultation with stakeholders, which concluded on 4 July. Responses were received from 86 of the 180 stakeholders invited, for a participation rate of 48%. The main concerns raised involved inconveniences during the works, preventing exclusion of or discrimination against Afro-descendant minorities, the complaint/appeal mechanism, and the hiring of local workers. The meaningful consultation report was posted on the Bank's website along with the final versions of the Strategic Environmental and Social Assessment and the Strategic Environmental and Social Management Plan, which were enhanced with the comments from the consultation.

C. Fiduciary risks

- 2.7 It was determined that the risk level is low. ANEP has executed three similar projects with satisfactory performance (paragraph 1.24 and Annex III).⁴⁴

D. Other key issues and risks

- 2.8 **Executing agency.** The project team identified the following medium-high risks: (i) if the technical team for the comprehensive curriculum transformation is not hired by January 2022, there could be delays in its implementation; (ii) if by December 2022 there have not been improvements to the attendance-taking systems used by registrar's offices in terms of timeliness and usability of the data on student absences they report, the program's retention and progression indicators could be adversely affected; and (iii) if the functional requirements for the comprehensive human resource and infrastructure management system are not defined, development of the system could be delayed. These risks will be mitigated by the following measures: (i) terms of reference for the technical team will be prepared in tandem with project approval; (ii) consulting services will be contracted to review processes

⁴⁴ Those three projects are loans 1361/OC-UR, 2480/OC-UR, and 3773/OC-UR.

using funds from the first operation under the CCLIP; and (iii) preparation of a development and implementation plan for the human resource system will be a condition for eligibility.

- 2.9 **Execution environment.** One risk identified by the project team, rated high, is the possibility that a lack of consensus among the stakeholders at the end of each stage of the comprehensive curriculum transformation could cause implementation delays. The following medium-high risks were also identified: (i) resistance from intermediary stakeholders (Technical Teacher Assemblies, inter-union and professional commissions, etc.) during the consultation process for the proposals for the new degree programs for initial teacher training to be developed in 2022 could lead to delays in approval of those plans; and (ii) if interagency coordination between CODICEN, the DGES, the DGETP, the DGEIP, and the CFE under the new governance model is ineffective, it could delay completion of the comprehensive curriculum transformation targets and implementation of the CMEs. These risks will be mitigated by the change management support activities and by the fact that the project Operating Regulations ([optional link 1](#)) will establish: (i) the roles of each party in the dialogue and consensus round tables and coordination mechanisms; and (ii) the stakeholders involved in the consultation process for the new proposed degree programs.
- 2.10 **Sustainability.** As discussed in paragraph 1.25, this project supports activities set out in the Five-year Education Development Plan 2020-2024, which is ANEP's strategic and budgetary framework for the next five years. Most of the works to be undertaken will be replacements and thus will not require additional current expenditure allocations, thereby ensuring their sustainability.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The Borrower is the Eastern Republic of Uruguay. The project executing agency will be ANEP, which will bear technical responsibility for the project, acting through CODICEN, the CFE, and its departments (the DGEIP, the DGES, and the DGETP) in accordance with the roles established under prevailing regulations. CODICEN will perform strategic monitoring and oversee coordination of the entities participating in execution.
- 3.2 An execution unit, which will report to CODICEN, will be responsible for administrative and operational coordination.⁴⁵ The execution unit will be responsible for: (i) managing and supporting the procurement of works, goods, and services; (ii) processing disbursement requests with the Bank; (iii) commissioning project evaluations; (iv) arranging for external audits; (v) preparing and submitting to the Bank work plans (including the financial plan, the procurement plan, and the annual work plan); (vi) submitting reports (including audit reports, progress reports, and evaluation reports) and other project documents to the Bank; and (vii) supporting the supervision and inspection of works and service contracts. Each council or department (CODICEN/CFE/DGES/DGETP/DGEIP) will appoint a technical contact

⁴⁵ The execution unit will be the one established for loan 3773/OC-UR.

to coordinate matters related to its particular area with the execution unit, as the technical areas in charge of the activities and outputs. Working groups will also be organized by line of action. At the managerial level, coordination will be between the directors and members of CODICEN, following ANEP's usual procedures.

- 3.3 The project Operating Regulations ([optional link 1](#)) will discuss in detail the execution mechanism in connection with the activities required to achieve the outcomes and the operation's execution strategy. It will include: (i) quantitative and qualitative descriptions of the expected outcomes; (ii) the organizational structure and the roles to be performed by the execution unit and by other ANEP offices and the parties responsible for each line of action; (iii) key technical and operational arrangements for execution, including eligibility criteria and expense targeting; (iv) the framework for programming, monitoring, and results evaluation; (v) financial, audit, and procurement procedures; (vi) the Strategic Environmental and Social Management Plan, under the terms required by the Bank; (vii) the mechanisms for updating the project Operating Regulations; and (viii) supplemental annexes that facilitate project monitoring and execution, such as the results matrix (Annex II); the risk analysis; the fiduciary arrangements and requirements (Annex III), the monitoring and evaluation plan ([required link 2](#)); the environmental and social management report ([required link 3](#)); and the multiyear execution plan ([required link 1](#)). ANEP will be responsible for operating and maintaining project infrastructure.
- 3.4 **Special contractual conditions precedent to the first disbursement of the loan proceeds: By means of the respective CODICEN resolutions, ANEP will have: (i) appointed the execution unit responsible for administrative and operational management of the project; and (ii) approved the project Operating Regulations ([optional link 1](#)) under the terms previously agreed upon with the Bank.** These conditions are essential for the execution framework, based on experience from previous projects.
- 3.5 **Special contractual conditions for execution: (i) Prior to the launch of activities related to the human resource management system, the execution unit will submit for the Bank's approval a development plan that sets out the proposed phases for systems improvements, explicitly stating the proposed scope for each component of each phase in terms of the processes to be improved; and (ii) prior to the launch of construction of the CMEs, the execution unit will submit for the Bank's approval an architectural design for the centers that is consistent with their teaching model.** These conditions are necessary to ensure technical supervision of the project's main activities.
- 3.6 **Procurement.** Goods and works will be procured and consultants selected and contracted in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15) (Annex III). In accordance with the approval of the advanced use of the country public procurement system for Bank-financed operations issued on 26 February 2020, bidding processes can be performed using the applicable country regulations under the conditions agreed upon between Uruguay and the Bank. The execution unit will carry out the bidding processes as specified in the loan contract and the procurement plan. Those documents will specify the procurement supervision method for procurements of

goods, works, and consulting and nonconsulting services financed by Bank proceeds. In December of each calendar year, starting the first December after the date the loan contract enters in effect, the execution unit will submit a procurement plan, according to the previously agreed guidelines, alongside an annual work plan ([required link 1](#)).

- 3.7 **Direct contracting.** Single-source selection is anticipated for the contracting of the National Education Evaluation Institute to evaluate the CMEs ([required link 4, 5.2.d](#)) due to its experience of exceptional worth, as provided for in section 3.11(d) of document GN-2350-15. The program also anticipates the rehiring of consultants previously selected for loan 3773/OC-UR ([required link 4, 5.2.c](#)), who would continue providing services for this operation, as provided for in section 5.4(a) of document GN-2350-15. The institutional capacity analysis stresses the importance of a sound project team to ensure smooth execution.
- 3.8 **Recognition of expenditures.** The Bank may recognize, as a charge against the local contribution, up to US\$2.1 million (10% of the local contribution) in eligible expenditures for works and management systems incurred by the borrower prior to the loan approval date, provided that requirements substantially similar to those established in the loan contract have been met. Those expenditures must have been incurred on or after 25 January 2021, the date the operation was launched, but in no event may include expenditures made more than 18 months prior to the loan approval date. There will be no retroactive financing.
- 3.9 **Disbursements.** The primary disbursement modality will be “advances of funds” based on real liquidity needs. Preferably, disbursements will be made on a semiannual basis once at least 65% of the amount advanced has been justified.⁴⁶ Forms justifying the expenditures and the financial planning spreadsheets will have to be submitted as required documentation. Review of this documentation will be ex post.
- 3.10 **Audits.** ANEP will submit to the Bank, annually, audited program financial statements within 120 days after the end of each fiscal year, in accordance with the financial management policies (document OP-273-12). The final audited financial statements will be submitted within 120 days after the date of the last disbursement. Audits will be performed by the National Audit Office or a Bank-eligible independent audit firm.

B. Summary of arrangements for monitoring results

- 3.11 **Monitoring arrangements.** The project will adopt the Bank’s monitoring and supervision mechanisms, which will include: (i) a minimum of two meetings per year to conduct technical and operational reviews of progress, solve problems, and mitigate risks (including an update of the risk analysis performed at the second meeting each year). Meeting participants will include relevant institutional actors and the Bank, and the management agreements reached will be duly disseminated afterward; (ii) implementation of a project management system for financial reporting

⁴⁶ Pursuant to document OP-273-12, this percentage is justified because ANEP must have funds available in central bank accounts to undertake new obligations. Payment processing also requires the preventive intervention of the National Audit Office and the General Accounting Office.

and preparation of semiannual reports; (iii) semiannual progress reports, which will discuss the results achieved and problems encountered in relation to each of the components and program performance compared to the agreed upon Results Matrix (Annex II); and (iv) use of the management tools mentioned in the monitoring and evaluation plan ([required link 2](#)) and agreed upon at the launch workshop and in the multiyear execution plan, which are needed to plan the activities and processes required for achieving the physical outputs and midterm and final results.

- 3.12 **Results evaluation arrangements.** The following evaluations are anticipated ([required link 2](#)): (i) an experimental evaluation of the family engagement platform; (ii) a qualitative evaluation of the CMEs; and (iii) an evaluation of the human resource and infrastructure management systems and processes. The first evaluation will use an experimental methodology with 97 LSE schools, 48 of which will be randomly assigned to the treatment group that will have access to the platform in 2024. The impact of this strategy will be measured through the percentages of students who pass on to the following grade and who finish the LSE cycle. The CME evaluation will be a before-and-after analysis of 60 schools focused on their absentee, grade promotion, and LSE graduation rates. It will be complemented by a qualitative evaluation that will inquire about the use of time, pedagogical practices, the mainstreaming of gender, inclusion of Afro-descendants/diversity, and climate change in the comprehensive curriculum transformation, and the working and organizational methods of the teaching and administrative teams. The SIGED will be used to track the progress of the management systems. There will be a midterm and a final evaluation, for which the services of external consultants will be contracted, once ANEP has disbursed 50% and 80% of project resources, respectively.

Development Effectiveness Matrix		
Summary		UR-L1176
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Productivity and Innovation -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Students benefited by education projects (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3056	To improve education and job training and to support the most vulnerable population groups.
Country Program Results Matrix	GN-3034	The intervention is included in the 2021 Operational Program
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		9.5
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		3.5
4. Ex ante Economic Analysis		9.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.5
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		0.0
5. Monitoring and Evaluation		8.3
5.1 Monitoring Mechanisms		2.3
5.2 Evaluation Plan		6.0
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium Low
Environmental & social risk classification		B
IV. IDB's Role - Additivity		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)		
Non-Fiduciary	Yes	Strategic Planning National System, Monitoring and Evaluation National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		

Evaluability Assessment Note:

The main objective of the operation is to contribute to improving the rates of permanence and graduation in basic and upper secondary education. To achieve this objective, the proposal defines two specific areas in which the project will intervene. The first area is the quality of educational service supply. The second area is management capacity. The project proposes three components. Components one and three are associated with implementing a new curriculum, accrediting the teacher training career, managing educational centers, and improving educational infrastructure. These objectives seek to contribute to the achievement of the first specific objective of improving the supply of educational quality. Component two is associated with transformation of management, processes, and systems. This component seeks to contribute to the achievement of a second specific objective of strengthening management capacities. The project is the second project derived in a series of operations under the Conditional Credit Line for Investment Projects (CCLIP), parent project UR-O1151.

Beneficiary schools will be defined in the future; thus the project proposes targeting mechanisms and a plan to collect baseline information in the first year. Despite these limitations, the need for improvement is justified through the quantification of the more generalized low graduation rate in lower and upper secondary education with only 7.8% of 16-year-olds and 4.3% of 19-year-olds, respectively.

The economic analysis provides an estimate of benefits based on the returns to education of the benefited students. The analysis uses a 12% discount rate and concludes that the project will have an internal rate of return of 23.8% and a net present value of almost \$ US126 million. The sensitivity analysis considers changes in the salary differential, the number of students, and results in the graduation rate.

Monitoring is based on administrative records for which collection will be the responsibility of the research, evaluation and statistics department, the executing unit, and the central board of directors. The ex-post evaluation for the indicators associated with the specific objectives consists of a retrospective analysis (before and after comparison). The proposal includes an experimental evaluation for the pilot of the linkage platform with parents, part of component 2.

RESULTS MATRIX

Project objective:	The specific objectives are to: (i) improve the quality of the education services offered by the National Public Education Administration (ANEP); and (ii) strengthen ANEP's capacity for managing quality public education. Achievement of those objectives will contribute to the general development objective of improving student retention and graduation rates for lower secondary education (LSE) and upper secondary education (USE).
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GENERAL DEVELOPMENT OBJECTIVE

Indicator	Unit of measure	Baseline value	Baseline year	Expected year achieved	Target	Means of verification	Comments
General development objective: Improve student retention and graduation for LSE and USE							
Percentage of young people ages 15 to 17 who attend ¹ some type of secondary school	%	89.2	2019	2024	95	Source: ANEP Comprehensive Student Office (DIE), based on the National Statistics Institute (INE) Continuous Household Survey (ECH) Responsible party: ANEP	Observed over the entire course of the project. Details in the monitoring and evaluation plan (MEP)
Percentage of students age 16 who graduate from LSE on time ¹	%	67.7 (average) 71.1, Q5 52.5, Q1	2019	2024	75 (average) 74.8, Q2 67.0, Q1	Source: DIE-ANEP based on INE ECH Responsible party: ANEP	Observed over the entire course of the project. Details: MEP
Percentage of students age 19 who graduate from USE on time ¹	%	38.1 (average) 34.6, Q5 19.2, Q1	2019	2024	50 (average) 40.1, Q2 21.1, Q1	Source: DIE-ANEP based on INE ECH Responsible party: ANEP	Observed over the entire course of the project. Details: MEP

¹ Since drop-out rates peak among young people ages 14 and 15, school attendance among students ages 15 to 17 is a clear indicator of student retention in secondary education. Estimated student age at graduation is 16 (LSE) and 19 (USE).

SPECIFIC DEVELOPMENT OBJECTIVES

Indicator	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	Project end	Means of verification	Comments
Specific development objective 1: Improve the quality of education options offered by ANEP											
1.1 Percentage of students who benefit from plans and programs related to the new curriculum for compulsory education, which mainstream gender, diversity, and climate change	% students men/women	0	2021	0	43	73	100	100	100	Source: Administrative records, Secondary Education Council (CES) / Technical-Vocational Education Council (CETP) / Education Observatory Responsible party: Research, Evaluation, and Statistics Division (DIEE)	Verified by Central Governing Council (CODICEN) resolution stating that use of the new curriculum is mandatory. This implies that the Department of Early Childhood and Primary Education (DGEIP), the Department of Secondary Education (DGES), and the Department of Technical/Vocational Education (DGETP) (users) implemented the necessary changes (outcomes). The beneficiaries are students who pursue degrees under the 2022 program of study. This includes teachers having materials and training consistent with those proposed under the new plan. Pro-gender indicator. Details: MEP
1.2 Percentage of enrolled students who move on to the following grade in LSE ²	% students men/women	TBD Average for the past three years	2021	n/c	TBD	TBD	TBD	TBD	TBD	Source: Administrative records, CES/CETP/ Education Observatory Responsible party: DIEE	Gender monitoring indicator. ³ Applies to students enrolled at Centros María Espínola (CMEs).

² This indicator will be calculated once the CMEs that will start activities in the first year of project execution have been identified.

³ Corporate Results Framework.

Indicator	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	Project end	Means of verification	Comments
1.3 Percentage of students enrolled since the first year who graduate from LSE ³	% students men/women	TBD Average for the past three years	2021	n/c	TBD	TBD	TBD	TBD	TBD	Source: Administrative records, CES / CETP / Education Observatory Responsible party: DIEE / execution unit	Gender monitoring indicator ⁴ Applies to students enrolled at CMEs
1.4 Percentage of students enrolled at schools with the VOS app who move on to the following grade in LSE ⁴	% students men/women	TBD Average for the past three years	2021	n/c	TBD	TBD	TBD	TBD	TBD	Source: Administrative records, CES/CETP / Education Observatory Responsible party: DIEE / execution unit	Gender monitoring indicator ⁴ Details: MEP
1.5 Percentage of students enrolled at schools with the VOS app who graduate from LSE ³	% students men/women	TBD Average for the past three years	2021	n/c	TBD	TBD	TBD	TBD	TBD	Source: Administrative records, CES/CETP / Education Observatory Responsible party: DIEE / execution unit	Gender monitoring indicator ⁴ Details: MEP

⁴ This indicator will be calculated once the schools with the VOS app that will participate in the evaluation have been selected, prior to the launch of execution.

Indicator	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	Project end	Means of verification	Comments
1.6 Number of secondary education students who attend schools with no more than 25 students per classroom ⁵	students men/women	0	2021	0	2933	3233	9041	10,773	10,773	Source: Administrative records Responsible party: CODICEN	Gender monitoring indicator ⁴ The outcome will be for students enrolled in secondary education programs at schools built/expanded. Details: MEP ⁶
Specific development objective 2: Strengthen ANEP's capacity for managing quality public education											
2.1 ANEP's human resource management systems/processes with a rating of "established" on the Education Management and Information System (SIGED) scale	SIGED scale	0	2020	0	0	0	1	1	1	Source: SIGED tool app / progress report Responsible party: Execution unit	SIGED uses a scale from 1 to 4, where a 4 means that the process's coverage is greater than 80%. Users: ANEP/DGEIP/DGES/DGETP/Teacher Training Council (CFE) managers Details: MEP
2.2 Infrastructure management systems/processes with a rating of "established" on the SIGED scale	SIGED scale	0	2020	0	1	1	1	1	1	Source: SIGED tool app / progress report Responsible party: Execution unit	Users: ANEP / DGEIP / DGES / DGETP / CFE managers Details: MEP

⁵ Corporate Results Framework 2020-2023 indicator: "students benefited by education projects"

⁶ These schools will replace seats and will not affect coverage. Better facility conditions stem from infrastructure investments and infrastructure management strengthening. The indicator refers to the outcome associated with attendance.

OUTPUTS

Indicator	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	Project end	Means of verification	Comments
Component 1: Improving the quality of education services											
1.1 Comprehensive curriculum transformation for compulsory education document, mainstreaming gender, Afro-descendant inclusion/diversity, and climate change, approved	Document	0	2020	5	5	5	5	5	5	The comprehensive curriculum transformation includes documents associated with the following stages: (i) adaptation of the National Benchmark Curriculum Framework (MCRN) and definition of competencies and graduate profiles; (ii) definition of learning progressions and expectations for each cycle and knowledge area; (iii) adaptation of plans; (iv) design of programs that reflect the graduate profiles and learning progressions; and (v) adaptation of evaluation tools. Source: Administrative records Responsible party: CODICEN	Pro-gender indicator The comprehensive curriculum transformation will mainstream climate change, environmental sustainability, gender, and diversity (under an inclusion framework) Details: MEP
1.2 Document redeveloping basic professional training, approved	Document	0	2021	0	1	0	0	0	1	Source: Administrative records Responsible party: CODICEN / DGETP	

Indicator	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	Project end	Means of verification	Comments
1.3 Documents on plans of study for teacher training degree programs that mainstream gender, Afro-descendant inclusion/diversity, and climate change, validated	Document	0	2021	0	2	2	2	4	4	Source: Administrative records / CFE resolution Responsible party: CFE	Pro-gender indicator One document per degree program. They will be considered validated once the resolution is issued. Details: MEP
1.4 Postgraduate scholarships for teacher training instructors, awarded	Scholarships	0	2021	0	120	120	0	0	240	Source: CFE resolution awarding the scholarships Responsible party: CFE / execution unit	Based on the eligibility criteria for scholarship recipients set out in the project Operating Regulations
1.5 Schools receiving support services to implement the CME strategy	Schools	0	2021	12	30	60	60	60	60	Source: Progress reports Responsible party: Education Policy Division (DEPE)	Details: MEP At least three CMEs will be established in cities with large Afro-Uruguayan populations. Schools receiving support will have a self-assessment and a school project finalized each year, which will be verified in the annual progress reports.
1.6 School management modules, implemented ⁷	Modules	0	2021	3	4	5	7	7	7	Source: Progress reports/ corresponding websites Responsible party: PAEMFE/ DEPE	The modules will include support tools for CMEs, monitoring reports, and observatories Details: MEP

⁷ Modules are software solutions that encompass a series of rules to support turning a conceptual business model into practice. Implementation of each module will be verified when an end user operates the module to conduct the first external query.

Indicator	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	Project end	Means of verification	Comments
1.7 Modules for the System to Protect Learning Pathways (SPTE) and registrar's offices, implemented ⁸	Modules	0	2021	0	1	3	4	5	5	Source: DEPE / Institutional Management Division (DEGI) / Systems and Infrastructure Departments Responsible party: Execution unit	
Milestone 1.7.1, Inclusion of ethnic / racial identifiers (Afro-descendant and other) in the SPTE	Field included	0	2021	0	1	1	1	1	1	Source: DEPE, DEGI, Systems and Infrastructure Departments Responsible party: Execution unit	
Component 2: Transformation of management, processes, and systems											
2.1 Financial / administrative management system modules implemented	Modules	0	2021	0	2	0	0	2	4	Source: DEGI / Systems Department Responsible party: Execution unit	Each module is a software solution for financial/administrative processes: Procurement management (Integrated Public Procurement System - SIAC) at DGETP / DGES Procurement management (SIAC) at CFE Payroll management (Integrated Personnel Management System) at DEIP

⁸ Implementation will be verified when end users operate the module to upload/download/change or search records.

Indicator	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	Project end	Means of verification	Comments
2.2 Comprehensive human resource management system modules, implemented	Modules	0	2021	0	1	2	3	3	3	Source: DEGI / Systems and Human Resources Departments Responsible party: Execution unit	Each module is a solution that provides comprehensive support for ANEP's human resource processes based on a crosscutting design that facilitates incremental implementation Details: MEP
2.3 Comprehensive school infrastructure management modules, implemented	Modules	0	2021	1	2	3	3	3	3	Source: DEGI / Infrastructure Department Responsible party: Execution unit	Each module is a solution that provides comprehensive support for education infrastructure management processes for ANEP buildings, based on a crosscutting design. Details: MEP
Component 3: Infrastructure for education improvements											
3.1 Green schools, operational ⁹	Schools	0	2021	0	5	1	7	5	18	Source: Administrative records / EDGE report Responsible party: Execution unit	Green schools will achieve, at a minimum, 20% savings in water use, 20% savings in electricity use, and 20% savings in embodied energy in materials. Operational means the construction and outfitting needed for the green schools to replace secondary education seats at schools. A school is equipped when it has, at a minimum, furniture, connectivity, and a designated teaching/administrative staff

⁹ Green buildings include bioclimatic design, measures for the efficient use of energy, water, and materials, and installation of photovoltaic systems.

Country: Uruguay

Division: EDU

Operation No.: UR-L1176

Year: 2021

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: National Public Education Administration (ANEP)

Operation name: Education for Transformation: Completion of Cycles and New Educational Offerings

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of country systems¹

<input checked="" type="checkbox"/> Budget	<input type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Information system	<input checked="" type="checkbox"/> National Competitive Bidding (NCB)
<input checked="" type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input checked="" type="checkbox"/> Shopping	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input checked="" type="checkbox"/> External control	<input checked="" type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Particular features of fiduciary execution	The program coordination unit established for loan 3773/OC-UR will also be used for this program and will follow the same guidelines, manuals, and procedures established by ANEP for use in execution of previous Bank-financed projects (loans 1361/OC-UR and 2480/OC-UR). It will continue to use ANEP's existing organizational structure, which is organized into various units that have individual and collective internal control structures that are suited to the project objectives, that ensure a reliable information system, and that address financial/accounting management, legal issues, procurement, contracting of human resources, and management.
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3. Fiduciary capacity

Fiduciary capacity of the executing agency	The institutional capacity analysis found a low level of fiduciary risk, given ANEP's track record as the executing agency for a series of Bank-financed loans and the proven experience of the program coordination unit staff. Audit reports with clean opinions have been submitted in a timely manner.
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¹ Any system/subsystem subsequently approved can be used for this operation in accordance with the terms of the Bank's validation.

4. Fiduciary risks and risk response

Area	Risk	Risk level	Response
Financial management	If a budget ample enough for program planning is not available due to general budget restrictions, the pace of execution could be adversely affected.	Medium-low	ANEP will prepare program planning in such a manner that the budget will have the least possible impact on program execution and will also make arrangements for the budget required by project planning.

5. Policies and guidelines applicable to the operation: Documents OP-273-12, GN-2349-15, and GN-2350-15.

6. Exceptions to policies and guidelines: None.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

Exchange rate. The exchange rate to be used for justifying expenditures in the borrower's local currency is as established in Article 4.10(b)(ii) of the General Conditions of the Loan Contract.
Audits. During program execution, ANEP will submit an audited financial report within 120 days after the close of each fiscal year. It will also submit a final audit report within 120 days after the date of the last disbursement. The terms of reference and the contracting process will follow the guidelines established in document OP-273-12, Audits will be performed by an audit firm or the National Audit Office, both of which are Bank-eligible, and the cost will be covered by loan proceeds.

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Bidding documents	For procurements of works, goods, and nonconsulting services carried out in accordance with the Bank's procurement policies and subject to international competitive bidding, the Bank's standard bidding documents will be used. Consulting services will be selected and contracted in accordance with the applicable policies (document GN-2350-15), and the Bank's standard request for proposals will be used. In all cases, the documents agreed upon by the executing agency and the Bank for specific procurements can be used wherever permitted by Bank policies, in pursuit of a smoother, more efficient execution of the procurements planned for the operation. The sector specialist will be responsible for reviewing the technical specifications and terms of reference for procurements during preparation of the selection processes. The technical review may be ex ante and is independent from the procurement review method.
<input checked="" type="checkbox"/>	Direct contracting / single-source selection	The following processes are anticipated: (a) single-source selection of individual consultants, for up to US\$11.9 million, to be analyzed during project execution. According to the procurement plan, these procurements fall within the provisions of document GN-2350-15: (i) section 5.4(a), which provides for the possibility of using single-source selection to ensure the continuity of services of consultants previously selected for loan 3773/OC-UR. The institutional capacity analysis stresses the importance of a sound project team to ensure smooth execution. The number of consulting engagements to be offered will be analyzed in detail between project design and launch; and (b) section 3.11(d), which concerns experience of exceptional worth, in this case that of the National

		Education Evaluation Institute for carrying out the evaluations planned under the program.						
<input checked="" type="checkbox"/>	Advance procurement / retroactive financing	The Bank may recognize, as a charge against the local contribution, eligible expenditures incurred by the borrower provided that requirements substantially similar to those established in the loan contract have been met. Those expenditures must have been incurred on or after 25 January 2021 but in no event may include expenditures made more than 18 months prior to the date on which the Board of Executive Directors approves the loan. (See documents GN-2349-15 and GN-2350-15 and the policies on recognition of expenditures, retroactive financing, and advance procurement, document GN-2259-1). The program team anticipates that US\$2.1 million in expenditures related to works and management systems will ultimately be recognized.						
<input checked="" type="checkbox"/>	Procurement supervision	Supervision will be ex post except where ex ante supervision is justified. The supervision method, be it (i) ex ante or (ii) ex post, will be determined for each selection process. Ex post reviews will be performed each year in accordance with the supervision plan, subject to changes during execution. Ex post review reports will include at least one physical inspection visit, chosen from the procurement processes subject to ex post review. The inspection will verify that the procurements exist, leaving verification of quality and compliance with specifications to the sector specialist. The thresholds for ex post review are: <table border="1"> <tr> <th>Works</th><th>Goods/services</th><th>Consulting services</th></tr> <tr> <td>US\$5,000,000</td><td>US\$500,000</td><td>US\$200,000</td></tr> </table>	Works	Goods/services	Consulting services	US\$5,000,000	US\$500,000	US\$200,000
Works	Goods/services	Consulting services						
US\$5,000,000	US\$500,000	US\$200,000						
<input checked="" type="checkbox"/>	Records and files	The IDIAP has digital and physical files, as well as procedures and instructions allowing appropriate records and files to be kept.						

Major procurements

Procurement description	Selection method	Estimated date	Estimated amount (US\$ millions) ²
Goods			
Information technology equipment and furniture for schools (multiple processes)	Shopping/NCB	2022-2025	2.06
Works			
Construction/expansion of 18 schools	NCB	2022-2024	29.75
Consulting firms			
Human resource management system (multiple processes)	Quality- and cost-based selection (QBCS)	2023-I	4.0

² The amounts are for the entire execution period.

Procurement description	Selection method	Estimated date	Estimated amount (US\$ millions) ²
Comprehensive infrastructure management system (multiple processes)	QBCS/Quality-based selection (QBS)	2022-I	1.5
Individual consultants			
Project coordination unit technical team/infrastructure/systems	Single-source selection	2022-II	Up to 8.407

To access the 18-month procurement plan (PA₁₈) click [here](#).

IV. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

<input checked="" type="checkbox"/>	Programming and budget	<p>ANEP's budget, as part of the national budget, is managed through the Integrated Financial Information System. It is considered as part of the Consolidated National Budget Proposal and approved in the Budget Act for the government's five-year period.</p> <p>ANEP will manage budget programming and formulation based on the agreed annual work plan, based on the program execution plan.</p>
<input checked="" type="checkbox"/>	Treasury and disbursement management	<p>Program resources will be managed through the treasury single account, for which the National Treasury Department, at ANEP's request, will set up a special account at the Central Bank of Uruguay. That account will receive the funds disbursed by the Bank, but since it is a nominal account, ANEP will open a specific bank account for the program at a commercial bank to make the corresponding payments.</p> <p>Disbursements will take the form of advances of funds based on real liquidity needs backed by financial and disbursement projections. Preferably, advances will be made on a semiannual basis once at least 65% of the amount advanced has been justified.³ Forms justifying the expenditures and the financial planning spreadsheets will have to be submitted as required documentation. Online Disbursements will be used to process disbursement requests.</p> <p>The exchange rate for converting payments made in local currency to the loan currency will be the rate in effect on the date of payment.</p>
<input checked="" type="checkbox"/>	Accounting, information systems and reporting	<p>ANEP will manage the program's accounting records using the Integrated Financial Information System pursuant to the guidelines of the General Accounting Office. The program will also have an accounting software package (Memory) for keeping records on program transactions. Accounting will adhere to International Financial Reporting Standards.</p> <p>The financial statements that will be issued on a regular basis will be the statement of receipts and disbursements and the statement of cumulative investments.</p>

³ Pursuant to document OP-273-12, this percentage is justified because ANEP must have funds available in central bank accounts to undertake new obligations. Payment processing also requires the preventive intervention of the National Audit Office and the General Accounting Office.

☒	Internal control and internal auditing	ANEP has an Internal Audit Office that will ultimately conduct reviews of program execution falling within its mandate. As a result, several of the procedures were strengthened thanks to its recommendations. Under prevailing legislation, the National Audit Office carries out preventive interventions for expenditures (procurements conducted with program resources) and payments made to vendors/contractors/consultants selected for the program.
☒	External control and financial reports	<p>ANEP will select and contract external audit services in accordance with the terms of reference previously agreed upon with the Bank. The terms of reference will require annual financial audits in accordance with the International Standards on Auditing, to be submitted no later than 30 April of the year after the review. Audits may be performed by the National Audit Office or an audit firm contracted in accordance with the financial management guidelines set out in document OP-273-12.</p> <p>Loan proceeds can be used to finance audit costs. Audits may be performed by the National Audit Office or an independent audit firm.</p>
☒	Financial supervision	Annual site visits will be made to verify compliance with the fiduciary agreements. The Bank will also participate in the launch workshops and the annual planning monitoring workshops, to be coordinated with the Project Team Leader.