

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

MEXICO

COMPREHENSIVE COMMUNITY EDUCATION PROGRAM

PHASE I

(ME-0238)

LOAN PROPOSAL

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BASIC SOCIOECONOMIC DATA

For basic socioeconomic data, including public debt information, please refer to the following address:

English:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

Spanish:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

ABBREVIATIONS

APECs	Associations for the Promotion of Community Education
CECs	Community Education Centers
CONAFE	Consejo Nacional de Fomento Educativo [National Council for Education Development]
IDB	Inter-American Development Bank
PARE	Programa para Abatir el Rezago Educativo [Compensatory education program]
PAREB	Programa para Abatir el Rezago en Educación Básica [Compensatory basic education program]
PAREIB	Programa para Abatir el Rezago en Educación Inicial y Básica [Compensatory initial and basic education program]
PCR	Project Completion Report
PIARE	Programa Integral para Abatir el Rezago Educativo [Integrated comprehensive compensatory education program]
PRODEI	Programa de Educación Inicial [Initial Education Program]
PTI	Poverty-targeted investment
SAC	Sistema de Administración de Calidad [Quality Administration System]
SEP	Department of Public Education
SII	Comprehensive Information System
WB	World Bank



Inter-American Development Bank
Regional Operations Support Office
Operational Information Unit

Mexico

Tentative Lending Program

2003

Project Number	Project Name	IDB US\$ Millions	Status
ME0238	Community Education	210.0	
ME0243	Consolidation Financial System	300.0	
ME0253	Demonstrative management models potable water and sanitation	10.0	
ME0245	Health and Social Security for the State	275.0	
*ME0242	Mexican Railway Transportation	75.0	
ME0256	Strengthening States and Municipalities II	300.0	
Total - A : 6 Projects		1,170.0	
ME0240	Small and Medium Exporters Finance Program	300.0	
ME0237	Commercial Law Modernization	50.0	
ME0212	Water and Sanitation in Rural Zones II	300.0	
ME0255	Support to CONTIGO social strategy	330.0	
Total - B : 4 Projects		980.0	
TOTAL 2003 : 10 Projects		2,150.0	

2004

Project Number	Project Name	IDB US\$ Millions	Status
ME0230	Institutional Dev. Plan Puebla Panama	20.0	
ME0232	Microenterprise Assistance Program	70.0	
ME0250	Secondary Education Program	300.0	
ME0257	Irrigation District Technification	150.0	
Total - A : 4 Projects		540.0	
ME0249	Support to Health Sector	300.0	
Total - B : 1 Projects		300.0	
TOTAL - 2004 : 5 Projects		840.0	

Total Private Sector 2003 - 2004 75.0

Total Regular Program 2003 - 2004 2,915.0

* Private Sector Project



MEXICO

IDB LOANS

APPROVED AS OF DECEMBER 31, 2003

	<i>US\$Thousand</i>	<i>Percent</i>
TOTAL APPROVED	16,015,001	
DISBURSED	13,222,739	82.6%
UNDISBURSED BALANCE	2,792,262	17.4%
CANCELLATIONS	1,208,806	7.5%
PRINCIPAL COLLECTED	6,120,958	38.2%
APPROVED BY FUND		
ORDINARY CAPITAL	15,402,988	96.2%
FUND FOR SPECIAL OPERATIONS	558,986	3.5%
OTHER FUNDS	53,027	0.3%
OUTSTANDING DEBT BALANCE	7,101,781	
ORDINARY CAPITAL	7,055,533	99.3%
FUND FOR SPECIAL OPERATIONS	30,449	0.4%
OTHER FUNDS	15,799	0.2%
APPROVED BY SECTOR		
AGRICULTURE AND FISHERY	4,206,971	26.3%
INDUSTRY, TOURISM, SCIENCE TECHNOLOGY	2,070,188	12.9%
ENERGY	746,267	4.7%
TRANSPORTATION AND COMMUNICATIONS	804,811	5.0%
EDUCATION	410,841	2.6%
HEALTH AND SANITATION	1,521,997	9.5%
ENVIRONMENT	98,837	0.6%
URBAN DEVELOPMENT	935,785	5.8%
SOCIAL INVESTMENT AND MICROENTERPRISE	2,217,839	13.8%
REFORM PUBLIC SECTOR MODERNIZATION	2,321,285	14.5%
EXPORT FINANCING	368,020	2.3%
PREINVESTMENT AND OTHER	312,161	1.9%

* Net of cancellations with monetary adjustments and export financing loan collections



INTER-AMERICAN DEVELOPMENT BANK
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MEXICO

STATUS OF LOANS IN EXECUTION AS OF DECEMBER 31, 2003

(Amounts in US\$ thousands)

APPROVAL PERIOD	NUMBER OF PROJECTS	AMOUNT APPROVED *	AMOUNT DISBURSED	% DISBURSED
<u>REGULAR PROGRAM</u>				
Before 1996	1	100,000	99,477	99.48%
1996 - 1997	2	388,400	20,647	5.32%
1998 - 1999	2	710,000	420,395	59.21%
2000 - 2001	6	2,105,000	551,338	26.19%
2002	1	1,000,000	454,921	45.49%
<u>PRIVATE SECTOR</u>				
1998 - 1999	1	75,000	62,827	83.77%
2000 - 2001	2	120,500	110,476	91.68%
TOTAL	15	\$4,498,900	\$1,720,082	38.23%

COMPREHENSIVE COMMUNITY EDUCATION PROGRAM
PHASE I
(ME-0238)

EXECUTIVE SUMMARY

Borrower:	United Mexican States		
Executing agency:	Consejo Nacional de Fomento Educativo [National Council for Education Development] (CONAFE)		
Amount and source:		Phase I	Phase II
	IDB (OC):	US\$210 million	US\$210 million
	Local:	US\$140 million	US\$140 million
	Total:	US\$350 million	US\$350 million
Financial terms and conditions:	Amortization period:	25 years	
	Grace period:	5 years	
	Disbursement period:	minimum 3 years; maximum 5 years	
	Interest rate:	variable	
	Inspection and supervision:	1% of loan amount	
	Credit fee:	0.75% per annum on undisbursed balance	
	Currency:	United States dollars (Ordinary Capital—Single Currency Facility)	
Objectives:	The overall program objective is to improve the coverage, quality and efficiency of education services offered by CONAFE to the population living in poor, isolated areas where formal education system services are unavailable.		
Description:	The CONAFE community education program operates in districts where there are no Department of Public Education (SEP) schools, and serves children and adolescents living in small, remote and geographically scattered communities. The community education model is built on participation by young instructors (ranging in age from 15 to 24 years) who, following an intensive training period, are assigned and transferred to a community where they live with a family that provides lodging and food. At present CONAFE serves some 290,000 students in these remote areas, providing preschool, primary, and post primary school programs. The program comprises two components. Component 1 (US\$282 million) will cover expansion of community education and model adjustments and innovations with a		

view to improving the quality of education services. Component 2 (US\$20 million) will support institutional strengthening to improve CONAFE's administrative capacity and efficiency, so that it may become a modern, effective and efficient organization that meets the special needs of its beneficiaries.

The program is split into two three-year phases. Advancement from phase one to phase two will be triggered by the following: (i) disbursement of 50% of the resources and commitment of 70%; (ii) completion of midterm evaluation; (iii) community instructor attrition has fallen by 20% by year-end 2004; (iv) on line access to updated academic achievement information for all students, and financial performance data for the 31 local offices in the states; (v) 90 Community Education Centers (CECs) established and operational by 2004; (vi) 51 regional training centers connected to the Internet; (vii) in 70% of the districts with CONAFE community education programs, instructors conduct at least two open classes a year with parents; and (viii) studies carried out in the following areas: performance evaluation of educators, teacher profile revision, and potential demand for initial education; and (ix) consensus-based recommendations for adjustments and/or changes to the education model (Table III.1)

The additionality from Bank participation in Mexico's program is both varied and significant: (i) the Bank requires periodic external evaluations of the community education processes and results, which would otherwise not be performed; (ii) the Bank's expertise and knowledge regarding similar programs in other countries serves to inform about, promote and help introduce changes and innovations to modernize the model and improve its results; (iii) the Bank provides many opportunities to disseminate CONAFE's community education model, a noteworthy but not yet well-known example in the region; and (iv) the long-term presence of the Inter-American Development Bank (IDB) in funding this program will help the government meet its budgetary commitments to educate the poorest and most disadvantaged population targeted by the program.

**The Bank's
country and
sector strategy:**

The first pillar of the Bank strategy in the Mexico Country Paper (document GN-2181) is modernization of the social sector and reduction of extreme poverty, which will require, among other things, improvements in education and support targeting poor groups. The proposed operation precisely targets the poorest and most disadvantaged population with actions aimed at training human capital. The proposed program is also consistent with the guidelines set out in the Bank's Eight Replenishment.

Coordination with other official development institutions:

Since 1995, both the IDB and the World Bank (WB) have financed operations to support CONAFE programs, coordinating closely as they designed and executed their respective operations with CONAFE. These years of experience have shown that funding similar activities under the same CONAFE program, with different disbursement procedures for each bank, complicated matters for the executing agency. To avoid this problem, the institutions have coordinated new operations, with the WB financing CONAFE compensatory programs and the IDB, community education programs (see paragraph 1.22).

Environmental and social review:

Negative environmental impacts are not anticipated since most activities envisaged under the new proposed operation are centered on development and piloting of new teaching methods, training of community instructors, institutional strengthening, and evaluation. However, where construction and rehabilitation of school spaces is needed, the environmental protection standards set forth in the CONAFE “Operating Guidelines for the Construction and Rehabilitation of Education and Technical-Administrative Spaces” and the Bank’s requirements for managing sewage and solid waste, will be followed and complied with. Furthermore, the modifications to the training program for instructors will include relevant sections on environmental protection for dissemination at the community level. Although the CONAFE construction manuals impose compliance with environmental indicators that are fully in line with the Bank’s requirements, the environmental protection training provided to instructors under this program is a novelty and will contribute towards observance and implementation of environmental protection measures.

By its very nature, this program will direct its resources to the poorest population groups. The direct beneficiaries of community education are children and adolescents in rural communities that, for the most part, are mestizo and indigenous communities. It is believed that 89% of the population in smaller and more remote settlements are highly or very highly marginalized. A gender-based perspective will be included at all stages of the program, and will cut across all actions. In activities with parents, both will be encouraged to participate in child-rearing, reinforcing the father’s role in emotional relations with the children. The negative consequences of gender-based differentiation in children’s education will be discussed with mothers and fathers, and the positive impact of supporting boys and girls alike to study and participate in recreational, artistic and other extracurricular activities will be highlighted. Gender considerations will also be emphasized at instructor training, in the preparation of teaching materials and education resources, and at CONAFE institutional strengthening activities.

The CONAFE model takes account of the intercultural perspective and endorses the importance of community knowledge. To facilitate learning among children and acceptance of the instructor by indigenous communities, the appointment of community instructors is based on their knowledge of the community's indigenous language. What is more, CONAFE produces materials in indigenous languages to complement those provided by the SEP, and ensures that the community libraries contain books in indigenous languages. CONAFE produces learning materials in 16 indigenous languages.

Benefits:

This program benefits two groups. The first consists of children aged 0 to 14 years and the out-of-school population aged 15 and up. The second group of beneficiaries are the young educators. In the case of the first group, the program helps to improve enrollment levels and school achievement. For the second group, it helps young people continue their studies through scholarships awarded to instructors who complete one or two years of community service.

Giving these children an opportunity to access education and attain a higher level of education than their parents lays the foundation for interrupting the inter-generational transmission of poverty. Creation of human capital helps alleviate the poverty, inequity and exclusion endured by the population targeted by CONAFE's actions. This is the principal value added of the CONAFE Community Education Program. Moreover, raising the education level of the population with the lowest educational achievement will improve the quality of the work force and hence the country's productivity.

Risks:

In light of CONAFE's goals to extend coverage in the next few years, one risk could be the entity's ability to attract and retain a large enough number of young instructors to support such an expansion. To mitigate this risk, the program proposes to: (i) change the incentive packages, giving greater emphasis to nonmonetary incentives; (ii) improve and modernize the instructor training systems, including use of information technologies; and (iii) revise the instructor profile to make the eligibility requirements more flexible.

Lastly, CONAFE's ability to meet its expansion goals and be able to invest in improvements to its education model requires a steady budget level. The medium- and long-term budget commitment associated with the existence of the IDB loan provides a significant financial support package for the public budget allocated to education for the most remote and vulnerable groups served through CONAFE.

Special conditions precedent to the first disbursement:	The loan contract establishes the following special conditions precedent to the first disbursement: (i) the program Operations Manual will have entered into force; and (ii) CONAFE's Operating Guidelines for the Construction and Rehabilitation of Education and Technical- Administrative Spaces will have entered into force.
Retroactive financing and reimbursement of expenses:	Expenditures of up to US\$14 million chargeable to the program's local counterpart resources and incurred beginning on 17 March 2002 may be recognized; and up to US\$21 million equivalent may be reimbursed, from the resources of the financing, for costs incurred by the executing agency in connection with the program, provided the Bank's policies in this area have been complied with (paragraph 3.34).
Poverty-targeting and social sector classification:	This operation qualifies as a social equity enhancing project, as described in the indicative targets for Bank activities in the report of the Eighth Replenishment (document AB-1704). It also automatically qualifies as a poverty-targeted investment (PTI) as it is a primary education sector project (paragraphs 4.8 to 4.10). In Phase I, the borrower will not use the 10 percentage points in additional financing.
Exceptions to Bank policies:	None.
Procurement:	<p>Contracts for works, procurement of goods and related services, and contracts for consulting services will be executed in accordance with the applicable procedures and policies of the Bank. International competitive bidding will be required for: (i) works, when the estimated cost is equal to or greater than the equivalent of US\$5 million; and (ii) goods and related services, when the estimated cost is equal to or greater than the equivalent of US\$350,000. International open calls for proposals will be required when the estimated cost of consulting services is greater than the equivalent of US\$200,000. Contracts for works and the procurement of goods and related services for amounts below those indicated above will, in principle, be governed by national legislation provided it is compatible with Bank policies.</p> <p>The method of contracting based on quality and price may be used for the selection and contracting of consulting services that do not involve complex studies, provided the relative weight of price as an evaluation criterion does not exceed 20% of the total (document GN-1679-3).</p>

I. FRAME OF REFERENCE

- 1.1 The Department of Public Education (SEP) is the apex organization for school-based education at the preschool, primary and secondary school levels, in which with five subsystems are included: urban public, urban private, rural public, indigenous education and community courses. The latter are carried out by the Consejo Nacional de Fomento Educativo [National Council for Education Development] (CONAFE).
- 1.2 According to National Population Council (CONAPO) statistics, some 6 million persons in Mexico live in rural areas of fewer than 500 inhabitants. Of these, 80% lives in highly or very highly marginalized¹ areas. The link between size of the locality and marginalization index is even greater in small and isolated settlements, that is to say, those located far from urban centers and roads, where 89% of the population is highly or very highly marginalized. These socioeconomic conditions hinder the development of human capital among local children and youth, and consequently the possibility of overcoming poverty.
- 1.3 The XII General Population and Housing Census of 2000 shows that there are approximately 4 million children in Mexico aged 0 to 14 years living in communities with fewer than 500 inhabitants. Of these, some 813,000 children live in communities with fewer than 100 inhabitants. It is estimated that around 2.3 million children from this universe travel to attend some sort of formal school, whereas the rest (1.7 million children) remain in their community and receive no schooling.

A. Consejo Nacional de Fomento Educativo (CONAFE)

- 1.4 CONAFE is a government agency created in 1971 to deliver education services to rural marginal populations by alternative means. From an institutional perspective, CONAFE is a decentralized public entity, with legal status and own assets, whose purpose is to obtain complementary resources, both financial and technical, national and foreign, to provide rural community education services, among others. Since its inception, CONAFE has played a key role in small and isolated communities, because of its emphasis on a policy of equity and the flexibility built into its methodology, that has no requirements as to age (an overage child may enroll in the program) or number of years to finish primary school (a child could opt to complete primary school in three or four years). CONAFE's education services are concentrated in two main action areas: (i) *Compensatory programs* for children in communities of more than 500 inhabitants that contain a primary and/or secondary school run by SEP. These education programs supplement those provided by SEP; and (ii) *Community education program* operating in areas where there are no SEP

¹ The method used to calculate the marginalization index is explained in chapter IV, paragraph 4.9.

schools.² This program addresses the needs of children and adolescents living in small, remote and geographically scattered communities. It is estimated that in total there are some 182,000 such communities throughout the country, 91,000 of which have only one or two dwellings. CONAFE's activities cover 30,400 localities of fewer than 500 inhabitants. At present, preschool, primary,³ and post primary⁴ programs serve some 290,000 students in remote localities.

B. Community Education Program

- 1.5 CONAFE provides education services at preschool, primary and post primary levels, in education spaces built by CONAFE or spaces available within the community. The content of basic community education (preschool and primary) is guided by the official SEP programs. In addition to using SEP teaching materials, CONAFE developed its own materials in Spanish and in indigenous languages, to support the teaching process with greater flexibility and student relevance. Students that complete the primary level satisfactorily earn an official certificate that is recognized by the SEP. Unlike the preschool and primary school levels, the post primary level is not guided by the SEP programs. It is an open education system where students (youths or adults) may study in accordance with their individual interests and needs. This method is relatively new and is presently operating satisfactorily in 300 rural localities.
- 1.6 The community education model is based on participation by young instructors (ranging in age from 15 to 24 years) who, after an intensive training period, move to the community to which they have been assigned, where a local family provides lodging and food. As a minimum, young instructors must have completed ninth grade. They receive intensive initial training before joining the service, followed by regular monitoring at monthly training sessions to discuss academic matters and other topics of interest to the young instructors. Instructors are trained by educator trainers and education supervisors—young people who themselves worked as instructors and did an outstanding job. The process for assigning the young people takes account of their knowledge of the community's indigenous language to ease communication with the family and the students involved. In contrast to the traditional teaching methods of the formal school system, the teaching method developed by CONAFE has the instructor functioning as a facilitator able to offer personalized attention to each student.

² The SEP does not open schools in communities where the average class size is expected to be less than 10.

³ Primary school community courses are divided into levels (1 to 3), not grades (1 to 6) as in the formal school system.

⁴ Post-primary is not equivalent to secondary school in the formal system. At this level, students are given courses ranging from literacy to the contents of both primary and secondary education depending on students' individual needs (aged 15 or older). The instructor is a facilitator, and given the small class size, is able to personalize the teaching process.

- 1.7 Instructors undertake to remain in the community for one or two years and teach. Upon completion of at least one year of community service, they receive a monetary scholarship that enables them to pursue senior secondary or university studies under the system of their choice. In order to receive this scholarship, they must produce evidence of enrollment at an educational institution, and regular class attendance. Attendance is verified every quarter, and it is the youths' responsibility to submit proof of enrollment to CONAFE. If they fail to do so, scholarship payments are suspended. In addition to the scholarship incentive, the young instructors receive financial support to cover housing, travel, food and clothing expenses for as long as they live in the community. Thus, the young instructors, in addition to being able to pursue their own studies, acquire valuable social service experience in the community and become program beneficiaries. What makes the CONAFE concept so attractive is that both the school services recipients and the instructors obtain benefits that would be beyond their reach without program participation.
- 1.8 In community education, the community plays an important role in the success of the education process. CONAFE will not begin providing services unless a community expresses an interest in and commitment to education (through an agreement). Not only do communities provide housing for the instructor, but they are also involved in the process through the Asociaciones Promotoras de Educación Comunitaria [Associations for the Promotion of Community Education] (APEC), made up of community members who work towards advancing the community's welfare. APECs are established through an agreement with CONAFE defining the rights and obligations of both parties with respect to supporting the community instructor during the period of service. The agreement is a standard document that includes special features to fully reflect the particularities of each community.
- 1.9 Given the vital importance of nutrition and good child-rearing for the development of mental, physical and social abilities in children and, consequently, better school achievement in the future, CONAFE is looking into including initial education (for children aged 0 to 3 years 11 months) in its community education model for rural areas. It will therefore develop a pilot study under this program. If the results point to its advisability, initial education could be included in Phase II of the program with sufficient coverage to satisfy a significant portion of demand. It should be noted that CONAFE's Compensatory Programs Unit presently offers services to children under the age of four and their mothers in communities of over 500 inhabitants under the Initial Education Program (PRODEI).

C. Achievements and challenges

- 1.10 In the last decade CONAFE has made important strides in its efforts to deliver quality education services to the rural population. It is particularly relevant to note that primary and preschool coverage recorded continued growth during the period,

increasing by 88% and 248%, respectively. In 1997-98 CONAFE began post primary services with 1,385 students, growing to 7,925 students by 2001.

- 1.11 Despite the growing coverage, Census 2000 figures show that there is still unmet demand for education from a large sector of population in small and isolated communities. However, it should be noted that many of these communities with fewer than 100 inhabitants consist of one to two dwellings, which makes it impracticable for CONAFE to establish programs *in situ*.
- 1.12 CONAFE plays a leading role in providing education services to migrant farm laborers living in camps. The flexible methodology developed by CONAFE allows children to pursue their studies during the harvest season while traveling with their families in search of work. The loan resources will enable CONAFE to extend basic education services coverage to migrant farm laborers and monitor the academic achievements of the children during the migration process.
- 1.13 At present, CONAFE covers approximately 280,000 children at preschool and primary level (this figure does not include post primary services). CONAFE's goal is to increase service coverage to 330,000 children by 2005, at the preschool, primary school and older out-of-school levels, with respective increases of 21%, 5% and 45%.
- 1.14 School infrastructure requirements are limited under the CONAFE model because, in general, centers use existing infrastructures within the community. The construction or rehabilitation of education spaces is contracted out and performed locally. Several local entities may take charge of this task. Usually, the APECs handle renovations. When more significant construction is involved, municipal government executives assume responsibility for execution of the works.
- 1.15 In addition to the challenges of extending coverage to a broad universe of a very scattered target population, CONAFE faces the daily challenge of maintaining and improving the quality of its education services in the context of the annual turnover of instructors. CONAFE must therefore continuously attract instructors, and on average, trains some 30,000 young instructors a year. Approximately 60% of them are female.
- 1.16 One important achievement has been the establishment and equipment of some 250 training centers in the municipal seats for the ongoing training of educators so as to improve their teaching performance. All the individuals involved in the teaching chain receive training at these centers, including CONAFE staff from the local offices in the states. One outstanding task scheduled for inclusion in the proposed operation is to interconnect the training centers to facilitate the sharing of academic and administrative information by means of teleconferences, file sharing and other forms of satellite communications.

1.17 Since CONAFE community programs only operate in rural communities devoid of SEP formal or distance secondary education programs, CONAFE is the only schooling option for its target population. This explains why it is so important for CONAFE to deliver quality education. Students' educational attainment is measured through evaluations conducted and recorded by the instructor, and by their average results in standardized tests given by the SEP. Despite the disadvantaged situation of the target population and the fact that community instructors are young with no professional teacher training, the SEP standardized test results⁵ for community course students are similar to the average for formal school system students, especially rural public schools (See Table I.1). What is more, the CONAFE students do not receive the additional support given to children in rural public schools through the compensatory programs, which further exacerbates the disadvantage of children covered by CONAFE.

Table I.1
School performance evaluation - 2002
(%)

Subsystem	Spanish		Mathematics	
	3 rd grade	6 th grade	3 rd grade	6 th grade
Urban private	59.77	62.48	48.67	58.23
Urban public	51.04	56.96	43.24	54.79
Rural public	47.11	53.99	41.40	53.10
Community courses	46.61	50.65	42.69	51.55
Indigenous education	41.30	50.45	37.43	50.90

1.18 In order to increase coverage and improve its education service inputs and processes, CONAFE must evaluate and modernize its administrative structure and data collection systems. At present, the central offices post basic data for localities, resulting in delays and rendering it difficult to verify and update the information. The personnel training system is weak, not responsive to emerging needs or connected to an institutional strategy. With the appointment of a new General Director in December 2001 and the development of an institutional diagnosis, CONAFE's institutional strengthening will be carried out in stages within a medium- and long-term planning scheme, so as to meet the goals set by the institution. This strategic plan for the institution, called the Master Plan, will identify priorities for the next 10 years, and the institutional activities needed in order to meet the goals. In late December 2002, CONAFE's Board of Directors approved the medium-term goals (2002-2006) presented in the plan. The proposed program will help make these goals a reality.

D. The Bank's country strategy

1.19 The first pillar of the Bank's strategy in the Mexico Country Paper (document GN-2181) calls for modernization of the social sector and reduction of extreme

⁵ The SEP, through the Directorate for Evaluations, conducts a Primary Education Evaluation every year, with representative samples of students from all over the Mexican Republic, for all five education subsystems: urban public, urban private, rural public, CONAFE community courses, and indigenous education.

poverty, involving, among others, improved education and support targeting poor groups. The proposed operation precisely targets the poorest and most disadvantaged population with interventions that contribute to human capital formation. The proposed program is also consistent with the guidelines set out in the Bank's Eighth Replenishment.

E. Earlier operations and lessons learned

- 1.20 In early 2002 the Bank approved the Multiphase Consolidation and Expansion Project⁶ (1388/OC-ME), an operation to support government actions that promote human capital accumulation among the poor. The operation proposed herein complements OPORTUNIDADES, a program that benefits children and youth attending formal SEP schools, in that it targets exactly those communities not served by the SEP.
- 1.21 In the domain of education for rural communities, the Bank financed the integrated compensatory education program—PIARE (846/OC-ME). CONAFE was entrusted with execution of this program, the execution of which began in late 1995 and ended in 2002 with 98.5% of the resources disbursed. The period for the last disbursement expired on 28 July 2002. The loan (US\$393 million) comprised four main components, one of which targeted community education and supported actions in 23 states involving preschool and primary education and adult literacy programs. All PIARE goals were met and many were exceeded. The Project Completion Report (PCR) showed that PIARE contributed significantly to reducing the education lag at schools supported by the program. Although all primary school indicators in the country improved between 1995 and 2000, the schools in the compensatory program surpassed the national average, especially with regards to terminal efficiency, drop-out rates and grade repetition. The PCR also indicated that multigrade schools were rehabilitated under PIARE, underscoring the teaching potential generated by working together with boys and girls of different ages and skills. Lastly, the report acknowledges that PIARE successfully encouraged community cooperation, parents' commitment towards the education of their children, and valuable interagency cooperation between CONAFE and state and municipal governments.
- 1.22 The World Bank (WB) supported compensatory education for vulnerable groups in Mexico through PARE (compensatory education program), PAREB (compensatory basic education program) and PAREIB (compensatory initial and basic education program), for all of which CONAFE was the principal executing agency. The WB's experience with these programs was positive as reflected in the PAREIB supervision mission report (February 2001), which indicated that project execution continues to be satisfactory and the physical targets of the infrastructure and equipment subcomponent have been surpassed and that most triggers for the

⁶ In early 2002, the government changed the program name from PROGRESA to OPORTUNIDADES.

project's second phase were achieved. The first phase of PAREIB ended in December 2001. The WB recently approved the second phase of this multiphase education program that addresses formal primary education throughout the country (US\$300 million, Phase II). Since 1995, both the IDB and the WB have financed CONAFE programs and have worked in close coordination while designing and executing their respective operations with CONAFE. The experience over this period shows that financing similar activities under the same CONAFE program, where each bank follows its own disbursement procedures, has caused complications for the executing agency. To avoid this problem, the institutions have coordinated their new operations, with the WB financing CONAFE compensatory programs and the IDB, community education programs.

F. External evaluation

- 1.23 The final evaluation of the PIARE was performed by a group of consultants from the Benemérita Universidad Autónoma de Puebla. The consultants used a qualitative method based primarily on semistructured interviews and focus groups. They also analyzed quantitative data on school drop-out rates, turnover and achievement.
- 1.24 The evaluation made the following recommendations, among others, with respect to the community education component:
 - a. In addition to using the criterion of number of inhabitants per locality in the service targeting process, include information on the total school-age population in the community—preschool and primary—and the population's "education risk."⁷ "This would further refine the targeting and make it possible to determine the number of support personnel (educators and local offices) in proportion to the population to be served".
 - b. Clearly define the role of local offices in the process of targeting the beneficiary population. This implies strengthening the local offices to reduce institutional disparities between them and CONAFE's main office.
 - c. Design methodologies and activities to better involve parents in the education process. The family plays a crucial role either as damper or driving force for the potentially positive impact of community education programs. This is especially true in highly marginalized areas where the population has a very low schooling level.
- 1.25 The proposed program takes into account the evaluation's findings: it will ensure community education continuity while making necessary adjustments to the methodology, administrative management and institutional strengthening to

⁷ Term associated with a higher level of low educational achievement and education vulnerability.

respond to the challenges identified and to make the program and its execution more efficient.

- 1.26 To improve the targeting process and administrative management at the local level, the program will support strengthening of local offices through staff training, introduction of information technology, and development of a comprehensive accounting and financial information system. The program also requires that demographic and education indicators be collected for those communities receiving community education.
- 1.27 To attract and retain young instructors, there will be dissemination activities and contacts with local authorities that give greater visibility and recognition to the instructors; the monthly training sessions will set time aside for social interaction among the young people; and the instructor profile will be reviewed to decide on the advisability of making eligibility criteria more flexible.
- 1.28 The program will finance consultants and technical support to evaluate the current training process for instructors and develop a comprehensive training program that includes use of communication technologies, such as the Internet. The improvements will affect the entire training chain, comprising community instructors, instructor trainers, education supervisors, and local and regional advisors. A teacher performance evaluation methodology will also be developed.
- 1.29 To ensure the best possible instructor training and to help improve students' school achievement, community libraries will be expanded, teaching material will be revised, and contact with parents will be encouraged through regular meetings convened by the instructor trainers.

G. The Bank's value added

- 1.30 The additionality from Bank participation in Mexico's comprehensive community education program is both varied and significant: (i) the Bank requires periodic external evaluations of the community education processes and results, which otherwise would not be performed; (ii) the Bank's expertise and knowledge from similar programs in other countries serves to inform about, promote and facilitate introduce changes and innovations to modernize the model and improve its results; (iii) the Bank provides many opportunities to disseminate CONAFE's community education model, a noteworthy but not yet well-known example in the region; and (iv) the long-term presence of the IDB in funding this program will help the government meet its budgetary commitments to educate the poorest and most disadvantaged population targeted by the program.

II. THE PROGRAM, COST AND FUNDING

A. Purpose

- 2.1 The general objective of the program is to improve the coverage, quality and efficiency of education services provided by CONAFE to the population living in poor isolated areas, where formal education system services are unavailable.

B. Structure and scope of the program

- 2.2 The operation uses the multiphase loan approach because CONAFE has set itself long-term goals and achievements, and expects to have to make adjustments in the service delivery methodology and institutional organization. Because of its flexibility, the multiphase structure is the best suited for this operation as it requires ongoing support from the Bank, both financial and for technical enhancement. The general objective of this modality is precisely to provide systemic and long-term support to an investment program the complex nature of which demands that it be completed over a term that exceeds the customary four to five year project cycle.
- 2.3 The program is split into two three-year phases. In the first phase, the investment will focus on rural community education and improvements to the education model. It will also provide for implementation of the institutional strategic plan setting forth CONAFE's vision and lays the foundations for the institution's transformation. The second phase will advance the actions identified as priorities in the strategic plan, and consolidate changes to the institution's administrative management. Fulfillment of key performance indicators (Table II.I below) will determine the direction and size of subsequent investments and advancement thereto. Phase II will begin in 2006 and may include institutionalization of new education designs evaluated and piloted during the first phase.

Table II.1
Key performance indicators

Key performance indicators	Baseline	2005 Targets
Improved school achievement for community primary school students in SEP tests	2001 results	+7%
Instructor turnover rate	25%	18%
Coverage rate:		
Preschool	129,871 students	+21%
Primary	153,676 students	+5%
Services for out-of-school population	7,925 students	+45%
Number of local offices with on line connection to the comprehensive accounting and financial information system	0	31
Component 1:		
Community Education Centers (CEC) established and operational	30	140
Number of annual open classes by instructors for parents	0 to 1	2
Completed* studies and recommendations on: performance evaluation of educators; revision of teacher profile; use of information technology; projection of potential demand for initial education; review of community demographic and education indicators.	N/A	100%
Component 2:		
Interconnection of the key components of the comprehensive information system (accounting, budget, human resources)	N/A	100%
Regional training centers connected to the Internet	0	51
CONAFE officials trained in strategic planning, information technology, team work	N/A	80%

* At least six months before the end of Phase I

C. Components

1. Component 1. Expansion and enhancement of the rural community education model (IDB funding: US\$165.8 million)

- 2.4 The purpose of this component is to support expansion of community education and make the necessary adjustments and innovations to the model in order to improve the quality of education services.
- 2.5 The object of the program is to increase coverage of preschool and primary education services to the school-aged population (3-14 years), and education services for the out-of-school population 15 and over. Based on the figures for academic year 2001-2002, by 2005 coverage rates should increase by 21% at the preschool level; 5% for primary school; and 45% for educational services for the out-of-school population.

- 2.6 The goals to increase coverage will be achieved through: (i) the expansion of CONAFE services to eligible communities not presently served, and (ii) the addition of preschool and primary school at 140 centers presently providing post primary services. This last service modality will constitute the Community Education Centers (CECs).

Table II.2
Coverage goals by education level

Level	2001-2002 baseline (Number)	Goals 2005	
		Number	Increase
Preschool	129,900	157,174	21%
Primary	153,700	161,385	5%
Services for out-of-school population	8,000	11,600	45%
Total	291,600	330,164	13.22%

- 2.7 The gradual integration of its services within the CECs reflects CONAFE's new strategy to expand services and improve quality. The centers will provide an education space for all community members while meeting their different needs. The purpose of integrating services is to use CONAFE and community resources more efficiently. The conversion process will be gradual, beginning in 11 states (Chiapas, Coahuila, Chihuahua, Guanajuato, Hidalgo, Mexico, Michoacán, Nayarit, San Luis Potosí, Veracruz and Zacatecas). The number of centers is expected to increase from 30 in 2002 to 140 in 2005 in Phase I of the program.
- 2.8 No major expenditures are required for these quality-improvement actions. However, advancement to Phase II will be contingent upon specific targets being met whose progress and results will be verified through a midterm evaluation of Phase I. The success of these actions will serve as input for CONAFE's regular model.
- 2.9 The following Bank proceeds will be made available under this component to expand coverage and improve quality:
- Construction of education spaces and rehabilitation of existing infrastructure.* The program will finance construction of 930 education spaces, 645 sanitary facilities, 687 latrines, and 54 library areas; and rehabilitation of 2,091 education spaces, 306 sanitary facilities, 114 latrines and 15 library areas. IDB funding for infrastructure under this component is estimated at US\$13.5 million.
 - School furnishings and equipment.* The program will finance furnishings for 930 education spaces. Items covered are essentially desks, tables, chairs, chalkboards, computer equipment for the CECs, and solar panels as needed for the proper operation of education technology. The program will equip 270 primary centers with solar panels. These 270 centers will be selected according to the following criteria agreed with the Bank: (i) they have no access to electric power, and (ii) they have been operating regularly over the past three

years with a stable or increasing number of students. Funding for furnishings and equipment with IDB resources is estimated at US\$20.8 million.

- c. *Teaching materials and libraries.* Every year, through the local offices, CONAFE distributes teaching materials and school supplies to the education centers to meet the specific needs of each community. In addition to teaching materials, the program will finance preschool and primary school level materials for the community libraries. Libraries will also carry textbooks in indigenous languages. CONAFE has materials in 16 majority languages. (Total estimated IDB funding: US\$17.3 million)
- d. *Subsidies and transfers.* The program will help finance economic grants and education scholarships for the young instructors. This investment in human capital development is the cornerstone of the CONAFE model and is implemented in the following manner:
 - (i) ***Service subsidies.*** During their service period, educators (community instructors, instructor trainers and education supervisors) receive a monthly stipend to cover food, lodging and transportation. The amounts vary with the level: a community instructor receives approximately US\$109 – US\$121 a month; an instructor trainer, US\$133 – US\$145 a month; and an education supervisor, US\$193 a month. The amounts are set out in the program's Operations Manual. (Total estimated IDB funding: US\$23 million)
 - (ii) ***Training and parallel assistance.*** In addition, educators receive parallel assistance to cover costs related to attendance at training events, community visits, and preparatory and evaluation meetings held regularly throughout the school year. Community instructors participate in a regular tutoring program consisting of three days training a month for the nine months they are assigned to a community. Instructors receive approximately US\$25 for each tutoring session. The amounts are set out in the program's Operations Manual. (Total estimated IDB funding: US\$36 million)
 - (iii) ***Comprehensive development of educators.*** Upon completion of a tour of service, educators are entitled to a scholarship to help them continue their own studies. Those completing one year of service and enrolling and attending a senior secondary school or university, earn a 30-month scholarship; those that served two or more years earn a 60-month scholarship. To obtain and retain the scholarship, the individuals must certify every three months that they are enrolled at an education institution and attend class regularly. Scholarship amounts range from US\$91/month for former community instructors to US\$111/month for former instructor trainers or education supervisors. The eligibility criteria

for beneficiaries, as well as amounts and time-periods for awarding scholarships are established in the program's Operations Manual. (Total estimated IDB funding: US\$54 million)

- 2.10 **Initial education.** In order to complement the education efforts of CONAFE's regular program, this program aims to introduce initial education as the first link in the comprehensive community education chain. Consequently, in the first phase of the program, a community initial education model with the following objectives will be developed and tested: (i) improve the overall development of children, including physical, cognitive, emotional and social aspects, and (ii) promote family and community participation in child rearing. The target population will be children under the age of four, and their parents. Activities will target small, distant and scattered rural communities. The states of Oaxaca, Sinaloa and Tlaxcala were chosen for the pilot program based on the following criteria: (i) the different regions of the country are representative; (ii) the size of CONAFE regional offices are representative; and (iii) the indigenous, migrant and mestizo populations are representative. (These criteria are set out in the program's Operations Manual.) The service modality will reflect initial education experiences in Mexico and other countries, and will promote a nonschool version of initial education among parents in microcommunities with a stable population. It should be noted that the modality will be adapted to be consistent with the types of communities to be covered. The model will follow the CONAFE approach, emphasizing community participation, an intercultural and gender perspective, education relevance and equity, recovery and appreciation of community knowledge.
- 2.11 Thirty communities will be selected in the three states (10 per state), based on the following criteria: (i) existence of CONAFE preschool and primary school education services as a minimum; (ii) at least 10 children under the age of four; (iii) inhabitants' interest and acceptance; and (iv) no education programs in place at this level. (These selection criteria are set out in the program's Operations Manual.)
- 2.12 After the first six months of execution, the trial is expected to be extended to the states of Chihuahua, Puebla, Veracruz, Coahuila, San Luis Potosí and Chiapas. An evaluation of the trial will be performed at the end of Phase I of the program to assess fulfillment of the goals agreed with the Bank.
- 2.13 The loan will finance consulting services and technical assistance to: (i) design the initial education program, including monitoring and evaluation systems to follow up on the operative and technical portions of the subcomponent; (ii) design, produce and distribute teaching materials to educators and parents; (iii) train the technical team and the educators; (iv) conduct promotion and dissemination activities; and (v) evaluate the experiences and conduct a study to identify potential demand for initial education services in the regions served by CONAFE (the study results will serve as a basis for the eventual expansion in the second phase). The cost of the initial education pilot program has been estimated at US\$750,000.

2. Component 2. Institutional strengthening (IDB funding: US\$16.6 million)

- 2.14 The purpose of this component is to improve CONAFE's administrative capacity and efficiency so that it may become a modern, effective and efficient organization that meets its beneficiaries' needs.
- 2.15 General description of activities to be financed:
- a. **Diagnostic and/or feasibility studies.** In order to determine whether CONAFE should expand its services to cover new areas or modalities, possible new alternatives will be fully analyzed. The goal is to maximize CONAFE's comparative advantages. For example, there are two areas where CONAFE needs to conduct an in-depth analysis before expanding its activities: (i) add more services at the secondary education level, and (ii) determine the viability of education intervention in marginal urban areas. In order to extract lessons learned and provide guidance for possible activities in marginal urban areas, an evaluation of CONAFE's experience in marginal urban areas will be conducted. A feasibility study will be performed in parallel, focusing on those Mexican states where urban marginal communities are growing at a fast pace, and the formal education system's dropout rates are high. The results will enable CONAFE to define its role in these areas and decide whether it is appropriate and viable to develop education strategies for these new areas in the future.
 - b. **Development of human resources.** CONAFE staff in Mexico City and at the local offices will receive training in strategic planning, demographic analysis, financial administration and management, team work, evaluations, systems management education technologies. To encourage a culture of life-long learning and sharing of knowledge among CONAFE staff, a series of activities will be organized, including internal seminars and/or seminars with other institutions to discuss topics of common interest. Staff will also be encouraged to participate at national and international forums, and a study tour of countries with successful community education models is under consideration. Lastly, the program will support creation of an ongoing staff training and refresher training system, according to the needs identified in the annual evaluation process.
 - c. **Establishment of a Quality Administration System (SAC).** SAC is based on the *Intragob* quality model of the Federal Executive Branch of Mexico. SAC aims to systematize, control, improve and renew the substantive and support processes involved in CONAFE's operations, in accordance with international standards, specifically ISO 9000. As a starting point, CONAFE intends to move towards certification of at least two processes and two administrative units. The two processes under consideration are procurement and school record control. Two units will be selected in year one of the program. To support the development and implementation of SAC, CONAFE created a technical team and a quality committee. Workshops will be organized with regional and central

offices to raise staff awareness about SAC. Subsequently, they will assist administrative units seeking technical support.

- d. **Comprehensive Information System (SII).** CONAFE has hired external consulting services to conduct a diagnostic assessment of its information system. Based on the results of this assessment, the program will provide for the establishment of a monitoring and evaluation system allowing the institution to keep up to date records of instructors, students and their academic achievement. CONAFE will continue its efforts to connect all local offices via the Internet—using the National Institutional Network—so that they have access to the entire online system. In the first phase of the program, the 31 local offices in the states will be connected. The institution's internal budget, accounting and human resource information system will also be expanded and enhanced. The project includes procurement of hardware, software and user training.
- e. **Interconnectivity of regional training offices or headquarters.** To facilitate communications and the exchange of information between the many training centers and the local offices, CONAFE has undertaken to expand and consolidate the interconnectivity capacity of the regional training offices or headquarters in accordance with the goals established by Presidential Agreement for the 2002-2006 period. This will include installation of satellite antennas, telephone lines, and construction and/or rehabilitation of infrastructure.
- f. **Public affairs.** In order to attract more community instructor candidates and position CONAFE in every state in the country, the program will enhance its communication and promotion system. In particular, CONAFE will evaluate its current annual campaigns and change them as needed to ensure the greatest possible impact. What is more, to advance CONAFE's image and visibility among the Mexican people, the program will fund the production of at least four publications during the first phase.

D. Financing

- 2.16 The Bank's loan is structured in two three-year phases. During Phase I of the program, the Bank will finance US\$210 million and the Government of Mexico will provide US\$140 million in local counterpart resources (see details in Table II.3 below). Given the level of budgetary resources the government allocates to its Community Education Program, Phase I will not use the 10 percentage points in additional financing for which it qualifies as a poverty-targeted investment (PTI).

Table II.3
Program Cost
(in thousands of U.S. dollars)

	IDB	GME	Total
1. Component 1. Rural community education	165,820	116,416	282,236
a. Teaching materials	17,340	49,660	67,000
b. Infrastructure	13,471	3,368	16,838
c. Furnishings and equipment	20,800	5,200	26,000
d. Subsidies and transfers	113,249	58,082	171,331
e. Consultants and technical assistance	960	107	1,067
2. Component 2. Institutional strengthening	16,589	3,634	20,223
a. Training	4,800	1,200	6,000
b. Infrastructure	1,237	309	1,547
c. Furnishings and equipment	5,100	762	5,863
d. Promotion and dissemination	102	25	127
e. Technical advisory services	5,349	1,337	6,687
3. Audits and evaluation	1,440	360	1,800
a. External Audit	720	180	900
b. Evaluation	720	180	900
4. Contingencies	24,051	--	24,051
Subtotal	207,900	120,410	328,310
5. Financial costs	2,100	19,590	21,690
a. Interest	-	17,340	17,340
b. Inspection and supervision	2,100	-	2,100
c. Credit fee	-	2,250	2,250
TOTAL	210,000	140,000	350,000
%	60%	40%	100%

Table II.4
Overall Budget for the
CONAFE Community Education Program
(in thousands of U.S. dollars)

	Bank	Local contribution	Current expenditure and subsidies	TOTAL
1. Rural community education	165,820	116,416	371,242	653,478
2. Institutional strengthening	16,589	3,634	42,058	62,281
3. Audits and evaluation	1,440	360	--	1,800
4. Contingencies	24,051	--	--	24,051
5. Financial costs	2,100	19,590	--	21,690
TOTAL	210,000	140,000	413,300	763,300

2.17 As can be seen in Table II.4 above, the overall budget for the CONAFE community education program for the three-year period of Phase I amounts to US\$763 million. In addition to the costs covered by the Bank loan and the local counterpart for the program, shown in Table II.3, this amount also includes CONAFE expenditures of approximately US\$413 million for salaries, general services and subsidies for CONAFE's rural community programs. Although these expenditures are not considered part of the local counterpart resources or of the total cost of the Bank's

program, they are part of the total cost of the community education program administered by CONAFE.

E. Sources and conditions of the Bank's loan

- 2.18 The terms and conditions attached to the Phase I loan are described in Table II.5 below:

Table II.5
Terms and conditions (Phase I)

Source of funds:	Ordinary Capital (Single Currency Facility)
Amount:	US\$210 million
Terms:	
Amortization	25 years
Grace period	5 years
Disbursement period	Minimum 3 years; maximum 5 years
Interest rate:	Variable
Inspection and supervision:	1% of loan amount
Credit fee:	0.75% per annum on undisbursed balance

III. PROGRAM EXECUTION

A. Borrower and executing agency

- 3.1 The United Mexican States will be the borrower, and CONAFE, the executing agency. In the past 10 years, CONAFE executed four external credits, one with the IDB (loan 846/OC-ME) and three with the World Bank. It therefore has the appropriate administrative structure to execute programs with external funding, and experience with community education programs. This institution, with local offices in the 31 states of the Republic, is the Government of Mexico's principal instrument to develop and deliver education programs in remote and scattered rural communities with the greatest poverty and exclusion.
- 3.2 CONAFE is governed by (i) a Board of Directors, and (ii) a General Director. The Board of Directors is comprised of: (a) the Secretary for Public Education, who chairs it; (b) the Secretaries of Finance and Public Credit, and Programming and Budget; (c) the General Director of Banco de Mexico, S.A.; (d) the General Director of CONAFE; and (e) three permanent members appointed by the Secretary of Education.
- 3.3 CONAFE has the following administrative units with policy-setting, evaluation and control authority, and a decentralized structure to operate programs: (a) Administration and Finance Division; (b) Operations Support Division; (c) Community Education Division; (d) Media and Publications Division; (e) Planning Division; (f) Compensatory Programs Unit; (g) Legal Unit; and (h) Local Offices in the states.
- 3.4 In its capacity as executing agency, CONAFE will have the following responsibilities, among others: (i) procure the required goods and services, award civil works contracts and retain the services of consultants for the program; (ii) administer the proceeds of the Bank loan and local counterpart resources; (iii) submit disbursement requests to the Bank with the applicable supporting documents; (iv) prepare and submit to the Bank annual financial statements for the program, duly audited by a public accounting firm acceptable to the Bank, in addition to semiannual progress reports; and (v) maintain an internal accounting control system that is acceptable to the Bank.

B. Program execution (Phase I)

- 3.5 Program activities will be carried out by the Community Education Division, with coordination and supervision by the Planning Division and support from the Administration and Finance Division.

- 3.6 **Operations Manual.** CONAFE is presently drafting the Operations Manual for this program, based on the document used for the previous Bank loan. In accordance with the overall regulatory framework in Mexico, the operating rules for all CONAFE programs are published in the Official Gazette to enter into force. Entry into force of the Operations Manual is a condition precedent to the first disbursement.
- 3.7 The Operations Manual includes, among others, the following program-specific elements: (i) eligibility criteria for localities and program beneficiaries; (ii) planned activities to be financed; (iii) instructor selection and hiring procedure; (iv) details on the mechanism for awarding scholarships to program instructors; (v) procedure for civil works construction and for procurement of goods and related services; and (vi) eligibility requirements for APECs and local offices to participate in the program.

1. Execution of Component 1: Expansion and enhancement of the rural community education model

- 3.8 This component will be executed by CONAFE Central with direct participation by the 31 local offices, pursuant to the following terms. For budget execution of the program, each local office will open a special bank account—into which CONAFE Central will transfer the necessary funds—in which program proceeds from the Bank loan and from the local counterpart can be clearly identified. This will make it possible to keep account of expenditures to be charged to program resources, and facilitate the audit of the financial statements for the program. The executing agency will comply with the Bank's rules and procedures for the procurement of goods and services, set forth in Annexes B and C to the loan contract.
- 3.9 The localities where community education services will be provided must meet the following selection criteria: (i) no existing formal SEP school; (ii) fewer than 500 inhabitants in order to provide preschool and post primary services; (iii) fewer than 100 inhabitants to provide primary services; (iv) community interest in receiving education services, and willingness to provide food and lodging for the instructor; and (v) an APEC organized and an agreement signed with CONAFE. (The eligibility criteria are set out in the program's Operations Manual.)
- 3.10 Participation by the APECs in the program relates to: (i) the services they provide to educators; and (ii) construction and rehabilitation of education spaces, governed by CONAFE's "Operating Guidelines for the Construction and Rehabilitation of Education and Technical-Administrative Spaces".
- 3.11 The relationship between the APECs and CONAFE is governed by agreements for: (a) the provision of services; and (b) construction and rehabilitation of education spaces.

- 3.12 With respect to (a), these agreements set forth the rights and duties of the parties, in particular: (1) CONAFE's: (i) to encourage and support community organization so that actions that benefit the community are carried out; (ii) to provide the community with basic school and teaching materials for children attending preschool, primary and post primary classes; (iii) to provide books for the APECs to establish a community library; (iv) to lend school furnishings to the communities; and (v) to organize regional meetings with APEC representatives; and (2) those of the APECs to: (i) legally represent the community; (ii) ensure the instructor's personal safety within the community and in travels to and from; (iii) inform CONAFE about the instructor's performance and turnover; and (iv) assure appropriate use of textbooks, teaching and cultural materials, and other resources used to support community education.
- 3.13 With respect to (b), the agreement sets forth the responsibilities of the parties with regard to construction work, community cooperation, provision of labor, procurement of materials, and maintenance of buildings once completed.
- 3.14 The signature of the agreements mentioned in (a) and (b) above is an eligibility requirement for APECs to participate in the program.
- 3.15 Pursuant to the CONAFE Operating Guidelines for the Construction and Rehabilitation of Education and Technical-Administrative Spaces, the APECs do not administer the resources for the construction and rehabilitation of education spaces. This is the responsibility of CONAFE's Administration and Finance Division. Likewise, procurement of building material is carried out by CONAFE under the provisions of the Law on Public Sector Procurements, Leases and Services. A review performed during the analysis mission confirmed that these procedures are compatible with those of the Bank.
- 3.16 It is also worth noting that in order for program works to be carried out, CONAFE must have legal ownership of the property where such works will be built, with signed grant or commodatum agreements (30 years) between CONAFE and a state, when the land is owned by a state, a municipal government in the case of municipal property, or a legal or natural person that owns the property where such works will be built. Legal ownership of the property where program works are to be constructed is required for such works to be eligible for program financing.
- 3.17 Also, and exclusively applicable to construction and rehabilitation of education spaces, municipal governments may participate in the program provided they become the executing agencies for such works. To this effect, municipal governments will execute a cooperation agreement with CONAFE, the terms of which will be similar to those of the participation agreements signed with the APECs. Before they can participate in the program, municipal governments must open a bank account into which the funds for the construction work in question will be deposited.

- 3.18 **School furnishings and equipment.** CONAFE will be responsible for procurement and distribution of the necessary school furnishings.
- 3.19 **Payments to educators.** The local offices will be responsible for service support, parallel support, and post service scholarship payments to educators, based on a payroll they will file with CONAFE on a monthly basis. Educators will sign an agreement with the authorized representative of the respective local office setting forth the rights and obligations of the parties.
- 3.20 **Consultants and technical support.** Under this component, CONAFE Central will commission a number of studies including the following: (i) evaluation of teacher performance; (ii) development of the comprehensive training program; (iii) revision of educator profile; (iv) development of an initial education pilot project with evaluation and technical support for this modality at the central level; (v) technical support for the CECs at the central level; and (vi) post primary viability.
- 3.21 **Teaching materials.** The local offices will be responsible for procurement of teaching materials, school libraries and the equipment for each instructor.

2. Execution of Component 2: Institutional strengthening

- 3.22 **Training.** CONAFE Central will organize a number of training events to help operations staff. It will also organize any training courses required in connection with SAC implementation.
- 3.23 **Infrastructure.** Local offices will be in charge of contracting infrastructure works to build or refurbish offices. CONAFE Central will contract our needed work to refurbish headquarters offices, only in terms of the physical conditions necessary for interconnections.
- 3.24 **Information technology equipment and office equipment.** CONAFE Central will be responsible for procurement of information technology equipment, solar panels, and equipment for its offices.
- 3.25 **Promotion and dissemination.** CONAFE Central will produce and circulate at least four academic publications. It will also contract services to evaluate the impact of the educator recruitment campaigns organized annually by the local offices.
- 3.26 **Consultants and technical support.** CONAFE Central will organize study missions for its technical staff to become acquainted with what is done in other countries (Brazil, Chile and/or Colombia, among others) in the field of community education. It will also hire consultants to: (i) design a Quality Administration System for the head office and the local offices; (ii) provide institutional strengthening for the local office; (iii) conduct an education services feasibility study for marginal urban areas; and (iv) develop a community secondary education modality.

- 3.27 **Program evaluation.** CONAFE Central will commission the program's evaluation. At the start of the first year of execution, CONAFE will retain consulting services to identify missing baselines in the proposed program. In year two, other consulting services will be retained to begin evaluating the first phase in accordance with the terms described in the next section.

C. Evaluation of Phase I

- 3.28 There will be two main program evaluations: a midterm and a final evaluation. Both will evaluate Phase I activities, and advancement to Phase II will be subject to the results. The final evaluation report will highlight the degree to which the goals and indicators agreed between the borrower and the Bank were achieved. It will contain any relevant recommendations for change or adjustment to Phase II, relating to both institutional aspects and education processes.
- 3.29 The executing agency is to present a midterm evaluation, to the Bank's satisfaction, by 31 March 2005, and a final evaluation by 31 March 2006.
- 3.30 In order for the aforementioned evaluations to be performed, the executing agency will use program resources to pay for any necessary consulting services, which are to be rendered by September 2004 for the midterm evaluation and September 2005 in the case of the final evaluation.
- 3.31 For its part, the executing agency is to present, on an annual basis and to the Bank's satisfaction, information related to: (a) the progress achieved towards the targets established in the program's logical framework, previously agreed upon by the executing agency and the Bank; and (b) a summary of the problems encountered and ways of resolving them. This information will be an integral part of each year's second semiannual progress report, as indicated in Article 7.03(a)(i) of the General Conditions.
- 3.32 In accordance with multiphase loan operational requirements, advancement from the first to the second phase will be subject to the level of disbursed resources (50% of resources disbursed and 70% committed) and the reaching of milestones defined by specific output and/or results indicators (Table III.1).

Table III.1
Phase II triggers

50% of resources disbursed and 70% committed.
Completion of the midterm evaluation.
20% reduction in community instructor turnover rate by year-end 2004.
Online access to updated information on educational attainment for each student and on financial management of the 31 local offices in the states.
90 Community Education Centers (CEC) established and operational in 2004.
51 regional training centers connected to the Internet.
In 70% of the localities with CONAFE community education programs, instructors conduct at least two open classes a year with parents.
Completed studies on: evaluation of educator performance; revision of teacher profile; and potential demand for initial education.
Consensus-based recommendations for adjustments and/or changes to the education model.

D. Special conditions precedent to the first disbursement

- 3.33 The loan agreement contains the following special contractual conditions precedent to the first disbursement: (i) the program's Operations Manual will have entered into force, and (ii) CONAFE's Operating Guidelines for the Construction and Rehabilitation of Education and Technical-Administrative Spaces will have entered into force.

E. Retroactive financing and reimbursement of expenditures

- 3.34 The borrower requested that expenses incurred by the executing agency as of 17 March 2002 be charged to the local counterpart resources and their reimbursement be charged to the loan resources, for a total maximum amount of 10% of the loan (US\$21 million) and 10% of the total local counterpart (US\$14 million). Expenses charged to the loan will relate to training, consultants, furnishings and equipment. Expenses charged to the local counterpart will relate to procurement of teaching materials and/or transfers to instructors. Once the Bank has analyzed the supporting documentation showing that the expenses incurred by the executing agency were indeed for program activities and in the amounts claimed, the Bank could consider proceeding as requested.

F. Procurement of goods and services

- 3.35 Contracts for works, procurement of goods and related services, and contracts for the services of consultants will be executed in accordance with Bank policies and procedures. International competitive bidding will be required for: (i) works, when the estimated cost is equal to or over the equivalent of US\$5 million; and (ii) goods and related services, when the estimated cost is equal to or over the equivalent of US\$350,000. International open calls for proposals will be required when the estimated cost for consulting services exceeds the equivalent of US\$200,000. Works contracts and procurement of goods and related services for amounts below

those indicated will be subject, in principle, to national legislation provided it is compatible with Bank policies.

- 3.36 Bank supervision of the bidding or other procurement processes, if any, in amounts below or equal to the equivalent of US\$800,000 in the case of works and US\$350,000 for goods and services, will be conducted ex post as follows: (i) supervision of the first procurement process will be ex ante, as is standard for the Bank; and (ii) if the parties agree, supervision of subsequent bid processes may be carried out ex post, in accordance with the procedures set forth in Clause 4.01 of the Special Conditions, and in paragraph 2.05 (b) and (c) of Annex B to the loan contract. Bank supervision of consulting contracts under the program for less than the equivalent of US\$200,000 in the case of consulting firms, and the equivalent of US\$100,000 for individual consultants, will be carried out ex post as follows: (i) supervision of the first contract will be conducted ex ante, as is standard for the Bank; and (ii) if the parties agree, supervision of subsequent contracts will be carried out ex post, in accordance with the procedures set forth in Annex C to the loan contract.

G. Period of execution and disbursements

- 3.37 The program has a three-year execution period with a minimum loan disbursement period of three years and a maximum of five years. Both terms will commence as of the date the loan contract enters into force.
- 3.38 Use of Bank resources for expenditures relating to program educator subsidies and transfers will decrease over time. The following annual caps will apply to the total amount of the IDB loan of US\$113.2 million earmarked for this item: US\$55 million for year one; US\$35 million for year two; and US\$23.3 for year three of the program. To ensure program sustainability, the executing agency will gradually assume responsibility for these expenses.
- 3.39 Table III.2 summarizes the planned program disbursements over the three year execution period.

Table III.2
Schedule of Disbursements
(in thousands of U.S. dollars)

Source	2003		2004		2005		TOTAL
	Amount	%	Amount	%	Amount	%	
IDB	74,726	36	71,711	34	63,562	30	210,000
Mexican government	13,187	9	47,807	34	79,006	56	140,000
TOTAL	87,913	25	119,518	34	142,569	41	350,000

H. Monitoring reports and Bank supervision

- 3.40 Program monitoring will be continuous to determine and evaluate progress of the key indicators defined for each component (See Table II.1). In the first quarter of each year, CONAFE will submit its program execution operating plan for the year. The CONAFE semiannual status reports to the Bank will include, inter alia, information on progress in meeting the goals set forth in the logical framework, and a summary of problems encountered in the period.
- 3.41 The executing agency and participating local offices will open special bank accounts for deposit of loan and local counterpart proceeds. Transferred resources will remain in the accounts to be used exclusively for the program. Payments and receipt of payments between local offices and scholarship recipients will be made through the banking system (bank orders) following authorization from the appropriate CONAFE local office.

I. Accounting and financial control

- 3.42 The Bank will hold CONAFE accountable for: (i) implementation and maintenance, by the executing agency and its local offices, of appropriate integrated systems for contracts administration, accounting and financial administration, and internal control over management of program resources as provided in Article 7.01 of the General Conditions for loan contracts; (ii) presentation of requests for disbursement and justification of expenses as required by the Bank; and (iii) preparation and presentation of consolidated financial statements for the program and other financial statements required by the Bank.
- 3.43 CONAFE local offices will be specifically required to: (i) keep appropriate accounting and financial records on use of program resources; (ii) keep on file all supporting documentation on contracts and expenses relating to loan proceeds and counterpart funds, and make it available for review by external auditors and/or Bank personnel; (iii) keep separate and exclusive bank accounts to handle loan and local counterpart funds; and (iv) render accounts to the executing agency for funds received and prepare any financial statements requested.

J. Bank monitoring and supervision

- 3.44 The Bank will conduct ex post reviews of disbursements. The executing agency will remit requests for disbursement to the Bank with “payment breakdown” information. The executing agency and/or local offices will make the original supporting documents (receipts, invoices, etc.) available for inspection by the Bank and/or external auditors.
- 3.45 For purposes of reimbursement of expenditures and the respective disbursements related to the rehabilitation and construction works by the APECs or municipal governments with community participation, any agreements signed by CONAFE

and the APECs to that end may be considered appropriate documents to support the respective disbursement requests, pursuant to the provisions of Article 4.03(a) of the General Conditions.

- 3.46 Within the first three months of each calendar year during program execution, the borrower, the executing agency and the Bank will hold annual monitoring meetings the purpose of which will be, among other things, to review the targets and indicators established for the program and agree on any necessary adjustments.

K. External audit of the program

- 3.47 Once a year, in the 120 days following the end of the fiscal year, the borrower will submit to the Bank, through the executing agency, the annual financial statements of CONAFE and of the program, duly audited by a firm of independent auditors in accordance with Bank requirements. The terms of reference for the audit will be approved by the Bank in advance.
- 3.48 The firm of auditors will be selected and retained in accordance with Bank procedures for audit firm bidding. The same auditor will audit the program and CONAFE. Audit costs will be financed with the Bank loan proceeds.

L. Ex post evaluation

- 3.49 The program's ex post evaluation will be conducted at the end of Phase II. Phase I of the program lays the foundation for a monitoring and follow-up system and the executing agency undertakes to maintain pertinent information that will allow for an evaluation of the program's impact.

IV. VIABILITY AND RISKS

A. Institutional viability

- 4.1 CONAFE's performance executing earlier programs underpins its institutional viability. CONAFE is an institution with over 30 years' experience in designing, executing and evaluating community education programs similar to the one proposed. In the preparation phase of this operation, the project team was able to bear out the technical capacity of the organization's staff, and the suitability of the administrative and monitoring systems used by CONAFE in performing its activities. However, the program aims to modernize the institution in order to improve service coverage and quality, and loan management efficiency, through the use of modern information systems and process certification.
- 4.2 The decentralization of functions to the local offices and the APECs is conducive to efficient education services delivery. Representatives in the local offices have the following duties, among others: (i) represent CONAFE in the state, before federal, state, and municipal authorities, public and private entities, and physical persons; (ii) manage and control the budget allocated to the local office; (iii) appoint office personnel; and (iv) supervise the services needed to run the office.

B. Environmental and social feasibility

- 4.3 **Environmental.** No negative environmental impacts are expected since most of the activities under the proposed operation focus on developing and guiding new education methods, training community educators, institutional strengthening and evaluation. However, any construction and rehabilitation of education spaces will follow and comply with the environmental protection standards set forth in CONAFE's "Operating Guidelines for the Construction and Rehabilitation of Education and Technical-Administrative Spaces," in addition to Bank requirements concerning management of sewerage and solid waste. Furthermore, changes to the instructor training program call for inclusion of environmental protection lessons for later dissemination in the community. Although the CONAFE construction manuals mandate compliance with environmental indicators that are fully consistent with Bank requirements, the environmental protection lessons are an innovation. In this manner, the project contributes to observance of and adherence to measures for the protection of the environment.
- 4.4 **Social.** By its nature, this program's resources will target the poorest population groups. The direct beneficiaries of community education are children and adolescents in rural communities, where the population is mostly mestizo and indigenous. An estimated 89% of the population in the smallest and most isolated settlements experiences a high to very high level of marginalization. The gender perspective will be included at all stages of the program, and will cut across all

actions. In activities with parents, both will be encouraged to participate in child-rearing, reinforcing the father's role in emotional relations with the children. The negative consequences of gender-based differentiation in children's education will be discussed with parents, as well as the positive impact of supporting boys and girls alike to study and participate in recreational, artistic and other activities. Gender considerations will also be emphasized at instructor training, in the preparation of teaching materials and education resources, and in CONAFE institutional strengthening activities.

- 4.5 **Serving indigenous and migrant communities.** The CONAFE model factors in the intercultural perspective and attaches great value to community knowledge. To facilitate learning among children, and community acceptance of instructors in indigenous communities, the process of assigning community instructors is built around their knowledge of the community's indigenous language. CONAFE also produces materials in indigenous languages as a complement to material provided by the SEP, and ensures that community libraries carry books in indigenous languages. CONAFE has produced study material in 16 indigenous languages.

C. Financial viability

- 4.6 The financial viability of the program is assured by the overall budget CONAFE allocates to community education (US\$763 million for a three-year period). The IDB loan for Phase I (US\$210 million) represents only a fraction of the government budget committed to the program, which has remained stable for the last three decades. Because the education needs of poor and isolated populations in Mexico persist, the IDB's long-term presence offers incremental protection to safeguard budget commitments for the education of the population targeted by the program.

D. Benefits

- 4.7 The program benefits two groups. The first comprises children aged 0 to 14 years and children over 15 with lower educational achievement. The second group of beneficiaries are the young educators. With regard to the first group, the program helps improve enrollment rates and school achievement. For the second group, it promotes continuing education by granting scholarships to instructors who complete one to two years of community service. Another significant benefit for the young instructors is the valuable experience and self-knowledge they gain through teaching children and living in a community other than their own.
- 4.8 **Focus on poverty and inequality.** This operation qualifies as a social equity enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment (document AB-1704). It also qualifies as a poverty-targeted investment based on the beneficiary sector (primary education) and population.

- 4.9 As described in chapter I, CONAFE targets populations living in localities with high to very high socioeconomic marginalization. This information is gathered from the “marginalization” index calculations for each locality that factors in seven indicators from the territorial integration lists of the 1990 Population Census and the 1995 General Population and Housing Census. The seven socioeconomic indicators are associated with unmet basic needs, including education, employment and housing: percentage of the population aged 15 or older that is illiterate; percentage of the population employed in the primary sector; percentage of houses without piped water; without drains; without electricity; with earthen floors; and average number of people per room. To compute the “marginalization” index, the principal components are analyzed and localities are ranked in five tiers according to their index: very low, low, medium, high and very high marginalization. Most of the 30,400 localities served by CONAFE are in the high and very high marginalization categories.
- 4.10 A household survey conducted in parallel with the census revealed a correlation between the severity of poverty data and marginalization data. The analysis showed that among the municipios with high marginalization, 49% have very high, and 41% high severity of poverty, based on the international standard of US\$2 per capita per day as the threshold of poverty. This means that 90% suffer the deprivations associated with severe poverty and the intense deprivations related to marginalization, such as lower educational achievement, inadequate housing, low remuneration and productivity, and population dispersal. The students targeted by the CONAFE rural community education programs live in these poor communities.
- 4.11 In the last 10 years, over two million children have benefited from CONAFE preschool and primary school programs. With the recent incorporation of post primary programs, CONAFE is increasing the education supply level for the communities it serves, thus contributing to raising enrollment rates among the population in rural areas.
- 4.12 Giving these children an opportunity to gain access to education and attain a higher level of education than their parents lays the foundation to interrupt the intergenerational transmission of poverty. Human capital formation helps mitigate the poverty, inequity and exclusion endured by the population targeted by CONAFE’s actions. This is the principal value added of the CONAFE Community Education Program. Moreover, raising the education level of the population with the lowest educational achievement will improve the quality of the work force and hence the country’s productivity.
- 4.13 Adding initial education to the CONAFE community education model enhances child-rearing and smoothes children’s transition to preschool education. Children who are better prepared for school are more likely to do well, remain in the school system, and eventually overcome the poverty cycle.

- 4.14 **Community and local participation.** The program promotes greater participation by beneficiary communities in: (i) education services for children; (ii) construction and maintenance of education spaces; and (iii) support for the work of community instructors. It also promotes active involvement of local governments in the education of their inhabitants.

E. Risks

- 4.15 **Instructor turnover.** Community program evaluations point to concern for the large number of community instructors who abandon their teaching duties before completing two years of service, the ideal duty period. This is due in part to the loneliness felt by the young people in remote areas, and the few occasions they have to meet with other young instructors. In view of CONAFE's plans to expand coverage in the coming years, one risk is the organization's ability to attract and retain enough young instructors to support such an expansion. To mitigate this risk, the program provides for: (i) changes to the incentive package, with emphasis on the nonmonetary incentives; (ii) enhancements to and modernization of instructor training systems, including use of information technologies; and (iii) revision of the instructor profile, with a view to building flexibility into the eligibility requirements.
- 4.16 **Budget level.** Lastly, CONAFE's ability to meet its expansion goals and be able to invest in improvements to its education model requires a steady budget level. The medium- and long-term budget commitment associated with existence of the IDB loan provides a significant financial support package for the public budget allocated to education for the most remote and vulnerable groups served through CONAFE.

Comprehensive Community Education Program Logical Framework

Narrative Summary	Verifiable Indicators	Means of Verification	Relevant Assumptions
Goal:			
Contribute towards improving the educational level of the disadvantaged population.	<ul style="list-style-type: none"> Increase school enrollment of rural population. 	SEP statistical yearbook.	
Purpose:			
Improve the quality and achievement of CONAFE education services and its management efficiency.	<ul style="list-style-type: none"> 7% improvement in SEP standardized test results for CONAFE primary school students at the end of Phase I. Drop in turnover rate of CONAFE instructors in their first year of service from 25% in 2001 to 18% in 2005 Up-to-date information on educational attainment of individual students and on local office financial management available on line at the end of Phase I. 	<p>CONAFE and SEP statistics.</p> <p>CONAFE statistics.</p> <p>Reports on the status of the comprehensive information system on educational attainment and financial management, in the semiannual progress reports.</p>	<p>CONAFE's long-term objectives remain in force.</p> <p>Public-sector spending on education remains at the same level or increases.</p>
Phase I Components:			
I. Improved quality and coverage of community education services for disadvantaged and highly marginalized populations in small communities throughout the country.	<ul style="list-style-type: none"> At the end of Phase I, coverage rates for each school level increase by: 21% for preschool 5% for primary school 45% for educational services for the out-of-school population. Initial education pilot project operational and evaluated in nine states by the end of Phase I. Parental participation in and satisfaction with initial education services offered during pilot project period. 	<p>CONAFE statistics taken at the end of the school year.</p> <p>Pilot project status reports. On-site inspections by the IDB (Country Office).</p> <p>Evaluation report on pilot project and/or parent surveys.</p>	<p>States comply with education services programs for targeted communities.</p> <p>CONAFE attracts and retains a sufficient number of young educators.</p> <p>Budget allocations are available in a timely manner and as planned.</p>

Narrative Summary	Verifiable Indicators	Means of Verification	Relevant Assumptions
<p>II. Institutional strengthening plan executed.</p>	<ul style="list-style-type: none"> • The CONAFE Central Office has on line access to relevant and up-to-date information from the 31 local offices over the comprehensive accounting and financial information system. • Life-long training system for CONAFE staff strengthened by the end of Phase I. • At least 40% of CONAFE staff is evaluated by means of a performance evaluation system in the third year of Phase I implementation. • Evaluation of the output of publicity campaigns in the districts with greatest difficulty to attract community instructors. 	<p>Consolidated system reports. On-site inspections by the Country Office in Mexico.</p> <p>Phase I evaluation report.</p> <p>Conclusions of the evaluation and recommendations.</p>	
Component 1 activities:			
<p>1.1 Introduce new elements to the community education model.</p> <p>1.2 Revise and bolster the Educator Training Program.</p> <p>1.3 Build and rehabilitate education spaces.</p>	<ul style="list-style-type: none"> • 30 community education centers (including at least preschool and primary services) established and operational in the first year of execution, and 140 centers in operation by the end of Phase I. • At the end of Phase I, one community member in each of the 30 initial community education centers has been trained as an educator. • 40% of the basic contents of the Educator Training Program has been revised and amended as necessary by the end of Phase I. • 900 education spaces built and 2,000 renovated by the end of Phase I. 	<p>Charter and operating documents of the centers.</p> <p>Consultant's final report. CONAFE proposal to adjust basic contents.</p> <p>Operating data/CONAFE On-site inspections by the Country Office in Mexico.</p>	

Narrative Summary	Verifiable Indicators	Means of Verification	Relevant Assumptions
1.4 Provide sanitary facilities and latrines.	<ul style="list-style-type: none"> 600 sanitary facilities and 650 latrines built and 300 sanitary facilities and 114 latrines rehabilitated by the end of Phase I. 	On-site inspections of education spaces by the Country Office in Mexico.	
1.5 Promote use of environmental criteria when building and renovating school spaces.	<ul style="list-style-type: none"> Assure the availability of sanitary facilities and/or latrines on the premises of each school or community. 		
1.6 Use local building materials.	<ul style="list-style-type: none"> All construction activities carried out under the program comply with the environmental protection standards set forth in the relevant respective operating guidelines. 	On-site inspections.	
1.7 Build community libraries.	<ul style="list-style-type: none"> Local labor used in all the communities. 	Operating records and on-site inspections.	
1.8 Conduct consultations to improve the CONAFE model.	<ul style="list-style-type: none"> 54 community libraries built and equipped, and 15 renovated by the end of Phase I. 	Operating records/CONAFE and On-site inspections by the Country Office in Mexico.	
1.9 Train staff to monitor and supervise regional training headquarters.	<ul style="list-style-type: none"> The following studies carried out at least six months prior to the end of Phase I: educator performance evaluation and development; and revision of instructor profile. 	Consultant's final report.	
1.10 Promote community participation.	<ul style="list-style-type: none"> 60% of officials at local offices and 50% of officials at regional headquarters trained by 2005. 	Semiannual CONAFE reports.	
	<ul style="list-style-type: none"> Each year, the instructor conducts two open classes for parents; two actions to improve the school, and the instructor trainer provides advisory services to the community instructor. 	Semiannual CONAFE reports.	

Narrative Summary	Verifiable Indicators	Means of Verification	Relevant Assumptions
<p>1.11 Survey demographic and education indicator baselines typical of the communities where CONAFE is operating.</p> <p>1.12 Start up the community initial education pilot project.</p> <p>1.13 Make a projection of potential demand for initial education services at communities served by CONAFE.</p>	<ul style="list-style-type: none"> • Baseline determined at the end of the first year of program execution. • Design of the education modality for the community initial education pilot project completed by the end of year one of project execution. • Guidelines for parents, teachers and technical team ready by the end of year two. • Technical team members trained by the end of year two. • Study of demand completed at least six months prior to the end of Phase I. 	<p>Operating data /CONAFE. Submission of document containing program baselines.</p> <p>Semiannual CONAFE reports.</p> <p>Project files.</p> <p>Project files.</p> <p>Operating records/CONAFE</p>	
Component 2 activities:			
<p>2.1 Expand and consolidate the information system at central and local levels.</p> <p>2.2 Install computer equipment and Internet connection at regional training offices or headquarters.</p>	<ul style="list-style-type: none"> • Interconnectivity between key components (accounting, budget, human resources) of the comprehensive information system in place by end of Phase I. • Start the ISO 9000 certification process for two macro processes (procurement and control of school records) and two administrative units by the end of Phase I. • 130 regional training offices or headquarters equipped with computers in year one of the program and 100 more equipped by the end of Phase I. • 51 regional training offices or headquarters connected to the Internet in 2005. 	<p>On-site inspections by the Country Office in Mexico and consolidated reports on the administrative system.</p> <p>Quality manual; on-site inspections by the Country Office in Mexico; and internal audit report.</p> <p>Operating data/CONAFE. On-site inspections by the Country Office in Mexico.</p> <p>On-site inspections by the Country Office in Mexico.</p>	

Narrative Summary	Verifiable Indicators	Means of Verification	Relevant Assumptions
2.3 Train CONAFE staff at both central and state levels.	<ul style="list-style-type: none"> • 270 primary centers without access to electricity equipped with solar panels • 80% of CONAFE officials at headquarters, and at least 80% of officials at local offices have received training in strategic planning, information technology, human development and other areas based on need by the end of Phase I. 	Certificates of course attendance and semiannual CONAFE reports.	
2.4 Organize a study trip.	<ul style="list-style-type: none"> • At least one study trip to look at other community education models has taken place by the end of Phase I. 	CONAFE report on the results of the study tour.	
2.5 Carry out promotion and dissemination activities.	<ul style="list-style-type: none"> • By the end of Phase I, CONAFE has increased from one to four the number of academic publications with a circulation appropriate to each. 	Copies of publications.	
2.6 Design a community secondary education model.	<ul style="list-style-type: none"> • Revise and update the CONAFE web page in the first year of the program. • A feasibility study to design a community secondary education model completed at least six months prior to the end of Phase I. 	CONAFE report on improvements. Consultant's contract and final report.	
2.7 Define CONAFE's role in marginal urban areas.	<ul style="list-style-type: none"> • CONAFE's experience and that of other agencies in marginal urban areas has been evaluated, and CONAFE's possible future role in this area defined at least six months prior to the end of Phase I. 	Consultant's contract and final report.	

Comprehensive Community Education Program Procurement Schedule

Key procurements	Financing	Procurement method (thousands)	Prequal.	Planned SPN publication date
A. Procurement of consulting services				
Consultants and technical assistance for the rural community education component (companies or individuals) (multiple contracts) Total: US\$1,067,000	90% IDB 10% GME	LCB from US\$50 to US\$199 (30%) LCP under US\$50 (70%)	No	
Consultants for institutional strengthening component (companies or individuals) (multiple contracts) Total: US\$6,814,000	80 % IDB 20 % GME	LCB from US\$50 to US\$199 (30%) LCP under US\$50 (70%)	No	
Training for institutional strengthening component (multiples contracts) Total: US\$6,000,000	80% IDB 20% GME	LCP under US\$50 (100%)	No	
B. Construction procurement				
Construction and rehabilitation of classrooms, sanitary facilities, library facilities Total: US\$16,838,000	80% IDB 20% GME	APEC Municipal limited call for proposals (100%)	No	
Construction and rehabilitation of local offices Total: US\$1,547,000	80% IDB 20 % GME	LCB up to US\$ 1,999,999 (100%)		
C. Procurement of goods				
Solar panels, computer equipment and furniture for primary centers, classrooms and Community Education Centers Total: US\$26,000,000	80% IDB 20% GME	ICB equal to or greater than US\$350 (60%) LCB from US\$100 to US\$349 (20%) LCP up to US\$50 (20%)	No	
Computer equipment and furniture for 21 local offices, equipment for training center interconnectivity Total: US\$5,863,000	87 % IDB 13 % GME	ICB equal to or greater than US\$350 (70%) LCB from US\$100 to US\$349 (30%)	No	
Teaching and library materials Total: US\$67,000,000	100 % GME	ICB equal to or greater than US\$350 (70%) LCB from US\$100 to US\$349 (30%)	No	
D. Program administration				
Audit and evaluations Total: US\$1,800,000	80 % IDB 20 % GME	ICB equal to or greater than US\$100 (60%) LCB from US\$50 to US\$99 (40%)	No	N/A

SPN Special procurement notice
APECs Associations for the Promotion of Community Education
LCP Local limited call for proposals (based on short lists)
GME Government of Mexico
ICB International competitive bidding
LCB Local competitive bidding