Review Meeting Memo to CEO

March 4, 2021

Grant Information	
Grant Type:	**Education Sector Program Implementation Grant**
Amount:	**US$ 7.5 million**
Country:	**Nicaragua**

The Review Meeting (RM) was held on February 16, 2021 and was led by: Jo Bourne (Chief Technical Officer), Kirsten Majgaard (Quality Assurance, Team Lead), Nilse Ryman (Country Engagement and Policy Regional Manager); Matthew Smith (Risk and Compliance Team) and attended by: Javier Luque (Country Lead), Arianne Wessal (Quality Assurance), Johanna Van Dyke (Quality Assurance, Focal Point), Katherina Hruskovec Gonzalez (Education Specialist), Lida Homa (Note Taker); and Arijeta Blakqori Mjekiqi (Drafting CEO Memo)
Margarita Focas Licht (Chief Effective Partnership) and Sven Baeten (Grant Operations, Team Lead) provided written comments.
Based on successful completion of the Secretariat's quality assurance review, the RM recommends to the CEO the approval of an allocation of US$7.5 million for the ESPIG Maximum Country Allocation (MCA) for Nicaragua with the World Bank as Grant Agent.
The full recommendation is included in the next page.

Kirsten Majgaard
Quality Assurance, Team Lead

Sven Baeten
Grant Operations, Team Lead

Matthew Smith
Risk and Compliance, Team Lead

Margarita Focas Licht
Chief Effective Partnership

Jo Bourne
Chief Technical Officer

RECOMMENDED DECISION

Grant: Education Sector Program Implementation Grant
Country: Nicaragua

CEO/2021/03-XX–Allocation for an Education Sector Program Implementation Grant (ESPIG): The CEO, in her delegated authority from the Board of Directors:

1. Notes compliance with the requirements for accessing the maximum country allocations for an ESPIG, as described in the application and assessed in the Secretariat quality assurance review phase III report.

2. Approves an allocation from GPE trust funds for an ESPIG, as described in the application submitted and summarized in Table 1, subject to:
   a. Availability of funds.
   b. Board decision BOD/2012/11-04 on commitment of trust funds for ESPIGs in annual installments.
   c. Review Meeting's recommendation for funding, set out in Table 1.

3. Requests the Secretariat to:
   a. Include in its notification of grant approval to Nicaragua the requests for report-backs and observations as recommended by the Review Meeting and set out in Table 2.
   b. Include an update on the issues listed as "report backs" in the Grant Performance Report in accordance with the specified timeline.

Approved:



Alice P. Albright
Chief Executive Officer
Global Partnership for Education

Date: March 5, 2021

Table 1: Application Summary and Allocation Recommendations (in US $):

Country: Nicaragua		
a.	ESPIG Maximum Country Allocation	7,500,000
b.	Allocation Requested (100%)	7,500,000
c.	Fixed Part	7,500,000
d.	**Allocation Recommended**	**7,500,000**
e.	Grant Agent	World Bank
f.	Agency Fee % - Amount	1.75% or 131,250
g.	Grant Agent's Implementation Support Costs	325,000[1]
h.	Period	One year and ten months
i.	Expected Start Date	April 1, 2021
j.	Funding Source	GPE Fund

Table 2 – Review Meeting Observations, Report-Backs, and Conditions

Country: Nicaragua	
Observations	The Secretariat positively notes Nicaragua's progress with regards to the establishment of the local education group chaired by the government and including representatives from multiple stakeholders within the education sector. The Secretariat also acknowledges that collaboration and information-sharing has improved significantly between the government and other LEG members. In order to continue building on progress made, the Secretariat recommends that the government and the LEG: • Increase the availability of public data to inform policymaking and continue fostering mutual accountability. Gaps in education sector data created limitations to the assessment of the program and the extent to which interventions responded to key challenges. Consider expanding the membership of the LEG to make it more inclusive.
Report Back	The Secretariat requests the Nicaraguan government to provide the following report-backs by mid-year 2021: • On the reporting of indicators to UIS. • Further information on oversight mechanisms, roles and responsibilities for community pre-schools (e.g. inspections). The Secretariat further requests the Grant Agent to provide the following report-backs as part of the regular progress report: • On the availability of the teacher/learner materials in the languages of communities targeted by the grant.

[1] This amount is to be funded from the grant and is not in addition to the grant amount

	• On the criteria for the selection of principals, pedagogical advisors and itinerant teachers for the in-service training and the recipients of the educational materials.
Condition	None

GPC Comments Section	None

QUALITY ASSURANCE REVIEW – PHASE 3 (SECRETARIAT DELEGATED AUTHORITY)

MARCH 3, 2021

NICARAGUA

EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANT

Proposed GPE Grant Amount: US$7.5 million
Fixed Part: US$7.5 million, of which US$325,000 for Grant Agent's Implementation Support Costs;
Variable Part: Not Applicable
Implementation period: One year and ten months
Projected implementation start date: April 1, 2021
Grant Agent: The World Bank

1 BACKGROUND AND EDUCATION SECTOR OVERVIEW

1.1. COUNTRY BACKGROUND

Nicaragua is the largest country in Central America based on land area. It has access both to the Pacific Ocean and the Caribbean Sea, and borders Honduras to the North and Costa Rica to the South. Based on population, Nicaragua is the third largest in the region, after Guatemala and Honduras. It has the lowest GDP per capita of the region. Although Nicaragua experienced economic growth and poverty reduction in recent years, progress has been halted by the COVID-19 pandemic and the impact of hurricanes Eta and Iota, which caused widespread destruction in the country's infrastructure in November 2020. As a result, Nicaragua continues to be amongst the poorest countries of Latin America with approximately 15 percent of its population living in poverty conditions in 2020 compared with 9.7 percent in 2017[2]. The COVID-19 pandemic is also expected to negatively affect the remittance influx to the country, which is one of its major sources of income.

Nicaragua has two Autonomous Regions in the Caribbean Coast: The North Autonomous Region (RAAN for its acronym in Spanish) and the South Autonomous Region (RAAS for its acronym in Spanish). These areas are mostly tropical jungles that have low economic productivity, lack adequate transport infrastructure and have limited connectivity, which hinder the adequate provision of public services, including education. Indigenous children in those areas speak indigenous languages, while afro-descendant children speak English

[2] World Bank (2020). Nicaragua Country Overview.

creole. Populations in the autonomous regions face severe conditions of vulnerability compared with their urban peers.

	Nicaragua
Population	6,545,501 (2019, World Bank/UN Population Division)
Human Development Index Ranking	126 out of 189 countries (2019, UNDP Human Development Index)
Learning-adjusted Years of School	Boys: 6.5, Girls: 7 (2020, World Bank Human Capital Index)
GDP	US$12.5 billion (2019, World Bank / OECD)
GDP per capita	US$1,912 (2019, World Bank /OECD)
World Bank Income Classification Level	Lower Middle Income (2020, World Bank)

In June 2018, GPE announced a maximum country allocation for Nicaragua of US$ 5 million, which was increased to US$ 7.5 million, following a decision by the GPE Board of Directors in December 2019. The development of this ESPIG program began in May 2018 with the World Bank as grant agent, but the preparation was put on hold by partners at the country level due to a political crisis in the country in the second half of 2018[3].

In October 2018, the Grants Performance Committee (GPC) discussed the situation in the country and prompted the GPE Secretariat to support Nicaragua in establishing an inclusive Local Education Group (LEG)[4], in improving the monitoring of the ESP through JSRs and in enhancing information sharing. In light of the GPC discussion, the Secretariat met with the partners at country level and recommended the government of Nicaragua to make progress towards meeting GPE funding model requirements by: 1) establishing a LEG with terms of reference; 2) improving the monitoring of the education sector plan (ESP); 3) sharing the ESP's implementation plan; 4) sharing the education sector analysis; 5) updating the requirement matrix; and 6) developing a strategy to strengthen data sharing and management, including regular reporting to UIS.

The government and partners agreed to a roadmap for achieving the 6 recommendations. A new LEG was established on November 13, 2019 with participation from the government,

[3] Human Rights Watch (2019). World Report. Nicaragua Events of 2018.

[4] At the time, the existing Development Partner Group was acting as Local Education Group for GPE purposes.

development partners and CSOs[5]. In addition, the ESA and ESP implementation plan were shared among LEG members, and a joint sector review took place in October 2020. A strategy for data-sharing was also developed. The government has shared information with partners and is in the process of "reengaging" with UIS-UNESCO with whom they shared information in the context of the COVID-19 pandemic. In fact, the government is in the process of approving a new package of information to share with UIS.

1.2. EDUCATION SECTOR OVERVIEW

The education system in Nicaragua encompasses four levels: preschool, primary, secondary and higher education. **Primary education** is compulsory and free and comprises six school grades divided into two cycles: basic education (first four years) and second cycle (5th and 6th grade). **Secondary education**, which provides educational attention to young people and adults by preparing them to continue their studies at a higher level or to participate efficiently in the labor market, entails two levels: the basic cycle (three years, basic course diploma) and the diversified cycle (two years, bachelor's degree in humanities or science)[6]. Finally, **higher education** includes universities (public and private), higher technical education centers (polytechnic and technological institutes), and research and training centers. With regards to the **preschool level**, which is the focus of the proposed ESPIG, the system has three modalities[7]: (i) formal preschools, that are established mostly in urban areas and where teachers tend to hold a college degree in ECE teaching; (ii) community-based preschools, established in community centers, churches or individual homes in both urban and rural vulnerable areas. Community-based preschools aim at expanding the coverage of ECE services by serving the poorest students; and (iii) multigrade preschool designed to serve children in remote rural communities where preschools are distant. They are also actively supported by parents and the community. In this setting, teachers are usually volunteers who receive a stipend but do not hold a formal teaching position. Most of the preschools are public (84%) and a small part of the private institutions receive grants from the government (5%).

Nicaragua has a schooling population of 399,000 of pre-primary education age (3-5 years), 784,000 of primary education age (6-11 years) and 619,000 of secondary education age (12-16 years). Most of the country's schools are located in rural areas (82%) and are public (86%). In 2013, a third of primary level education (33%) was provided through multi-grade schools, reflecting the high share of rural population.

[5] USAID is not actively participating in the LEG.
[6] Secondary technical education offers a three-year program to 15-18-year-olds for the intermediate technical degree as well as for teacher training.
[7] Education Sector Analysis (2015), p. 29.

The country has been improving educational coverage at all levels and is close to achieving universal primary schooling. Between 2008 and 2015, gross enrollment rates increased from 55% to 61% in preschool, exceeded 100% (and decreasing since 2006, the year in which the indicator reached 123%) in primary school, and from 66% to 75% in secondary school. Gross enrolment rates in primary are decreasing due to improvements in internal efficiency of the system and more students enrolling at the right age in first grade. The outbreak of COVID-19 in March 2020 has threatened educational progress, especially that of preschool-aged students from the most vulnerable households. Although public schools in Nicaragua remain open, attendance varies by grade and geographical area, as some parents have opted out of sending their children to school for fear of contagion. MINED administrative data show that public school attendance decreased from 70.1 percent in March 2020 to 45.3 percent by June 2020, later recovering up to 70.6 percent in September 2020. Irregular attendance also creates challenges for health, nutrition, education, and child welfare, which is especially critical for students in preschool and basic education.

The system is affected by the lack of adequate infrastructure and the limited capacity of teachers. Inadequate physical learning conditions, including infrastructure and equipment, affect education service delivery directly. Furthermore, the main program to train teachers, denominated Reference Classrooms (*Aulas de Referencia* in Spanish) and based on coaching and classroom observations, has also been affected by the poor quality of the classrooms where the coaching and classroom observations take place.

The government is addressing these challenges. For example, it has adopted a new set of standards for school construction through the Alliance for Education Quality Project, the parent program of the proposed ESPIG. Further, the implementation of Reference Classrooms is MINED's Institutional Strategy to train public preschool teachers through classroom observation, knowledge exchange, and best practice sharing. As of 2020, 191 of the approximately 9,000 total public preschool classrooms are Reference Classrooms.

It is worth noting that the government collects data through an Education Management Information System (EMIS) developed with support from development partners. In fact, key information has been shared with the Secretariat upon request. However, no formal mechanism exists to distribute it regularly to the general public and UIS. As part of the dialogue and the roadmap to restart program preparation, the Ministry of Education agreed to share the Education Sector Analysis of 2015 (used to inform the development of this report) and other education indicators relevant for sector monitoring. The government is currently working with UIS to submit Nicaragua's data. Some initial information regarding the impact of COVID-19 has already been shared with them.

1.2.1. Equity:

With regards to socioeconomic conditions, children in the Caribbean coast register worse education results than their urban peers. For example, while the national dropout rate for primary education was 12 percent in 2008, for RAAN and RAAS it reached 22 and 29 percent respectively in 2010.

Children with disabilities also represent a vulnerable group. The government has a two-fold approach for children with disabilities. They prioritize inclusion in regular classrooms by providing training to teachers and adequate infrastructure. Special education schools also exist to serve children with severe disabilities. In Nicaragua, Special Education represents 0.1% of those enrolled in 2015, signaling a low level of public policy interventions in this regard.

With regards to gender, no significant differences exist in enrollment of boys and girls in basic education. In Nicaragua, vulnerable girls and boys are both exposed to at-risk factors that contribute to their dropping out of the education system, mostly at lower and higher secondary levels. These factors include: early pregnancy and home chores in the case of girls and child labor in the case of boys[8]. Vulnerable children also have less access to quality early childhood education services and tend to enter late into preschool levels. This lag thus continues to affect their performance in later grades.

1.2.2.Learning outcomes:

Learning outcomes remain low in the country. In the 2010 national learning assessments, the results obtained indicate that more than 50 percent of students achieve a basic or lower level of performance in language arts in fourth grade, 34 percent of students in sixth grade and 25 percent of students in ninth degree. In math, 39 percent of students achieve a basic performance level or below in fourth grade, 53 percent in sixth grade, and 49 percent in ninth grade. At the regional level, Nicaragua's results in UNESCO's Third Regional Education Comparative and Explanatory Study (TERCE 2015)[9] were below the regional average in grades three and six in mathematics and language. The TERCE test shows that boys and girls of indigenous origin obtain lower results than non-indigenous boys and girls of similar characteristics.

Differences between boys and girls exist in terms of learning outcomes. Analysis from TERCE 2015 shows that, after controlling for socioeconomic status, boys score better in mathematics (0.09 standard deviations higher in 6th grade) and science (0.07 SD higher in 6th grade), while

[8] Education Sector Analysis (2015), p. 77.
[9] Nicaragua participated in UNESCO's fourth Education Regional Comparative and Explanatory Study (ERCE) in 2019. Results will be available in 2021.

girls outperform boys in literature (0.11 SD higher in 6th grade). Although specific studies analyzing gender disparities in learning outcomes for the context of Nicaragua are not available, evidence from other countries of Latin America suggests that these gaps may stem from gender stereotypes that are propagated through the education system and the households.

1.2.3. Efficiency:

The basic education system still faces internal efficiency challenges that are concentrated in the first and eighth grades. In 2013, the repetition rate was 6.3 percent for primary school and 5 percent for secondary school, contributing to an overage problem in the system. Dropout rates were 7 percent in primary and 16 percent in lower secondary, with higher records in the Autonomous Regions of the Caribbean Coast, where they reach 14 percent and 26 percent respectively. In 2013, 69,099 boys and girls between the ages of 6 and 11 and 153,754 boys and girls between the ages of 12 and 16 were outside the school system. The most cited reason for dropping out of school is lack of interest (22 percent), followed by financial problems (17.6 percent) and a very distant school (15.8 percent)[10].

1.2.4. Monitoring of Sector Performance:

Nicaragua's recently formed LEG has a strong leadership from the government and sound support from UNFPA, the Coordinating Agency. Current members include: government representatives (Ministry of Education and Minister of External Relations), Development Partners (EU, JICA, AECID, World Bank, UNICEF, UNFPA, OEI, UNOPS, World Vision and Plan International), Civil Society Organizations (FUNARTE, Educo, and ABACOenRed) and teacher organizations (ANDEN and FES). It is worth noting that despite progress made regarding the LEG's inclusivity, there is an organization with a strong track-record of education programs in Nicaragua and that has been previously supported by GPE's Civil Society Fund who was not initially invited to participate in the LEG. The Ministry of Education indicated that, per the LEG TORs and if interested, this organization should apply for membership to the Ministry of Foreign Affairs.

According to its TOR, the LEG aims to address the priorities of the Education Sector Plan 2017-2021 and, to this end, it plans to hold regular meetings (Joint Sector Reviews) every semester. As a result, the first Joint Sector Review since 2014 was held in October 2020. The LEG has also met regularly and designed a participatory plan to produce the new Education Sector Plan (ESP).

Improving the monitoring of the education sector performance and fostering dialogue among partners at the country level is key for mutual accountability. The Secretariat will continue

[10] Education Sector Analysis (2015), p. 77.

providing support to the LEG in order to enhance the quality of the Joint Sector Reviews and of the upcoming Education Sector Plan (ESP).

2. ESPIG DESCRIPTION

2.1 PAST ESPIG PERFORMANCE

Nicaragua has been a GPE member since 2002. The country has benefited from three Education Sector Program Implementation Grants (ESPIG) with the World Bank as Grant Agent. The amounts were as follows: US$7 million covering 2004-2005; US$17 million covering 2006-2010; and US$16.7 million covering 2013-2017. These three grants have used an Investment Project Financing (IPF) modality.

The objective of the most recent grant (2013-2017) was to: (a) increase access to preschool and lower secondary education in participating municipalities; and (b) improve preschool learning conditions and quality, as well as increase the completion of lower secondary education nationwide. With the World Bank as Grant Agent, the 2013-2017 ESPIG supported the Education Sector Strategy Support Project (ESSSP), which included US$16.7 million from GPE and US$32.68 million from the European Union (EU) totaling US$49.4 million. The funds were not fungible and were disbursed through a Multi-Donor Trust Fund, in part due to the EU operating procedures restricting the pooling of investment grant finances. The ESSSP was directly aligned to Nicaragua's 2011-2015 ESP and included four components: two related to preschool, funded with GPE funds, and the remaining two related to lower secondary education, funded by the EU. The project was designed to complement the World Bank's Second Support to the Education Sector Project (PASEN II), which focused on primary education.

The Implementation Completion Report (ICR) from May 2018 reports that the main project objectives were achieved with some of them exceeding their original targets. The ICR rated the outcome of the project as Satisfactory. The ICR also mentioned that the operation had a "positive impact on institutional strengthening and lays the groundwork for the longer-term development of the country's capacity."

Lessons learned per the April 2018 ICR were the following: 1) Multiple donors added complexity that can delay implementation; it was recommended to harmonize and simplify donor processes to increase efficiency in future projects; 2) the alignment of the project objectives with government priorities and using institutional mechanisms for implementation ensured ownership and supported sustainability; 3) have a more focused approach, in line with

available capacity and appropriate staffing; 4) adequate attention to design can prevent delays in implementation; and 5) quality measures in the Results Framework need careful consideration. These lessons were considered and improved upon in the approved Program Document for the 2017-2022 ACE project (the current parent program to which the proposed ESPIG will be added to), as discussed further below.

2.2 ESPIG DESCRIPTION

In line with the LEG endorsement, this ESPIG will be added as an Additional Financing (AF) to the Project *Alianza para la Calidad Educativa* (ACE) of Nicaragua, which is financed by the World Bank with a loan of US$55 million (P161029, Credit No. 6015-NI). The objectives of the ACE Project are to improve (a) the pedagogical practices of the teachers in Initial Education (II cycle), Primary and Secondary at the national level; and (b) improve the physical conditions of the learning environments in selected educational centers. ACE has both results-based financing and regular investment project financing (IPF) components.

The proposed ESPIG will support the expansion of the Quality Education Model for Preschool Education, which has been under implementation since 2012 with support from GPE and the World Bank and continues to be supported under ACE. In addition, although the parent program includes results-based financing, the GPE funds would be disbursed as regular Investment Project Financing (IPF) only. The ESPIG will align and harmonize with existing efforts, increasing its efficiency and complementarity, and creating synergies in the education sector. It is worth noting that, in the last ISR, ACE was rated as moderately satisfactory both in its advancement towards the achievement of project objectives and in its overall implementation progress. The ESPIG components are as follows:

Component 1: Improvement of the pedagogical practices of teachers in preschool, Primary and Secondary Early Childhood Education at the national level (US$4.0 million). The ESPIG will support the Improvement of teaching practices of participating teachers through the following activities (within the Subcomponent 1.1 of the parent program):

- Adaptation and implementation of the in-service teacher training plan for more Early Childhood Education teachers and community educators.
- Adaptation and implementation of the in-service teacher training plan for more principals, assistant principals, pedagogical advisers and itinerant trainers.
- Design, production and distribution of 14,400 packages of learning materials for Early Childhood Education teachers and community educators.
- Piloting mechanisms for the distribution and monitoring of learning materials, using digital technologies, which will be extended to other areas of MINED.

Goals of this component include:

- 1,008 additional teachers and community educators in the preschool initial education service, certified in the Continuing Training Course (of which 95% female).
- 1,365 principals of educational centers and 484 pedagogical advisors and itinerant teachers trained in the framework of the adjusted continuous training program to strengthen education management capacity (of which 40% female).

Component 2: Improving the conditions of learning environments in selected schools (US $ 2.9 million). The ESPIG supports the rehabilitation works and provision of equipment to improve learning conditions in approximately 25 additional pre-schools with at least 25 Reference Classrooms (within Subcomponent 2.3 of parent program). The main goal is: 25 early childhood preschool classrooms rehabilitated and equipped plus two new classrooms in AD/IP communities in the two autonomous regions (one in each).

Component 3: Project Management and Monitoring (US$0.3 million). The component will support the continuous management of the Project by the Ministry of Education, i.e. support to the teams that work on the Project's implementation, fiduciary management, and social and environmental safeguards.

The ESPIG will continue to support gender-sensitive interventions included in the parent program, namely gender-sensitive curricular contents, gender-sensitive classroom practices, gender-specific school infrastructure needs, and the strengthening of socioemotional skills. In this sense, under Component 1, the ESPIG will (i) continue to support the implementation of the national curriculum, which includes contents on gender equity and respectful coexistence; and (ii) promote practices that ensure equal participation for boys and girls and incorporate gender-sensitive aspects in their learning objectives. To address gender gaps observed in the TERCE regional assessment, the Project also includes an intermediate results indicator (IRI 11: Teacher training and teacher mentoring programs whose design or implementation have been adjusted according to student and child development assessments, and teacher mentoring results) that tracks the percentage of teachers with gender-informed pedagogical practices. Under Component 2, school construction, upgrades, and expansion will consider standards recognizing specific requirements for sanitation facilities to provide girls with dignity and comfort. The AF will also further address gender-based violence by supporting MINED's efforts to incorporate socioemotional skills in education through the activity "Growing in Values" (*Creciendo en Valores*), which seeks to promote healthy and respectful relationships.

Table A: ESPIG Components and Costs

		GPE Financing US$	% of total
	Total MCA		
A	Improvement of the pedagogical practices	3,995,000	**53.3%**
B	Improving the conditions of learning environments in selected schools	2,880,000	**38.4%**
C	Project Management and monitoring	300,000	**4%**
	Sub-total of Components	**7,175,000**	**96%**
Grant Agent's Implementation Support Costs*		325,000	4.3%
GRAND TOTAL (with Grant Agent's Implementation Support Costs)		**7,500,000**	**100%**
	Agency Fees**	131,250	

* Include Grant Agent's direct costs, such as Program Management, Administrative and other direct implementation costs.

** Agency Fee is not included in the MCA and is calculated as percentage rate (agreed with each GA) from the Total Fixed Part and Total Variable Part.

Although this ESPIG is processed as additional financing by the Grant Agent, GPE financing expands the IPF components of ACE. With regards to Grant Agent selection, in 2018, the World Bank was chosen as Grant Agent by the government and the development partner group in order to access the initial MCA of 5 million dollars approved for Nicaragua. Later, in 2019, when the program preparation process restarted and the MCA for Nicaragua increased to a total of 7.5 million dollars, the World Bank continued to be the Grant Agent, while the new LEG endorsed all the steps of the ESPIG development.

The grant will be executed directly by the Ministry of Education using country fiduciary and procurement systems. To this end, the ESPIG will benefit from the arrangements in place for the implementation of the ACE program. Through this strategy, the program will help build the national capacity of the government to successfully implement education programs and strengthen their procurement and fiduciary mechanisms, while contributing to program sustainability over time. Through the use of national systems and alignment with ACE, the program follows best practices with regards to aid alignment.

With regards to the Private Sector Education Strategy (PSES), the Grant will finance activities in community schools. As mentioned above, community schools is one of the three modalities to

provide pre-school education, while the other two are formal preschools and multigrade preschools. These schools are run by communities and receive different levels of support from the government, including stipends for volunteer teachers. The community preschool modality is staffed by educators that are local, young volunteers lacking formal pedagogical training and that are only required to have completed lower secondary education. They are located in rural vulnerable areas, and operate in classrooms set up in schools built by the community, community houses, family homes and churches. In article 23 of its National Education Law (582), the Government acknowledges community and non-formal settings as the primary vehicle for the provision of care and education for children under the age of six. The Government has confirmed that community preschools are subject to regulation and must meet minimum standards for their operation, including water, light, school feeding, appropriate infrastructure, etc. In the event that a community preschool does not meet these standards, the Government has noted that it provides support to ensure these are attained. Information on roles and responsibility for inspections has been requested.

Annex 1: Assessment of the funding model requirements

Requirement	Observations	Requirement Met (Yes/No)
Requirement 1: A credible, endorsed Education Sector Plan (ESP), or alternatively, a Transitional Education Plan (TEP)	Nicaragua's current Education Sector Plan (PSE for its acronym in Spanish) covers 2017-2021 and is focused on achieving education quality, equitable access to education and institutional strengthening. The PSE was developed with the support of GPE's Education Sector Plan Development Grant (ESPDG) and grounded in the Education Sector Analysis (2015) and in lessons learned from the previous PSE (2011-2016). The budgeted projections were developed under the financing framework and macro-economic projections from the Medium-Term Financing Framework of the Ministry of Finance. The PSE was independently appraised in August 2017. The appraisal concluded that the PSE had strong government ownership as it was led and developed exclusively by the GoN and reflects its education and political vision. The appraisal also included additional feedback for PSE improvement. Despite shortcomings in the implementation of the plan and after sharing their reservations and feedback on the PSE draft (lack of information on the teacher training strategy; the need of a more robust set of indicators to monitor sector progress including lack of certain baseline indicators), in April 2018 the LEG endorsed the PSE with the government's agreement that the LEG would be closely involved in monitoring the PSE. The PSE had a mid-term review in 2019 and its results were shared with the LEG in 2020. The current ESP (2017-2021) will be extended through 2022, while a new ESP is developed to cover 2023-2027. The roadmap for the development of the PSE 2023-2027 includes plans for a new ESA to be developed in the second half of 2021. An analysis and assessment of the implementation of the PSE 2017-2021 will also be conducted- these two products will feed into the PSE 2023-2027. The Ministry of Education has stated that this PSE 2023-2027 will involve the wider education community, and per the LEG Terms of Reference, the LEG will be involved in PSE development.	**Yes**
Requirement 2: Evidence of	Nicaragua has shown commitment to fund the education sector. Total education spending as a percentage of public expenditure (excluding debt service) is above 20% and has shown a stable	**Yes**

commitment to ESP or TEP and its financing.	increase, going from 24% in 2018 to 26% in 2019, with 26% budgeted for 2020 and a projected increase to 27% in 2021 and 2022. A further increase to 29% is projected for 2023. Thus, there is a commitment to maintain spending above 20%. Nicaragua has not reached universal primary education. According to information provided by the Ministry of Education, the primary education completion rate is 82%. The share of recurrent spending allocated to primary education is above 45%, according to the domestic financing matrix, at 51% in 2018, 50% in 2019, 49% in 2020, 45% in 2021 and 2022, and then projected to rise to 46% in 2023. When endorsing the PSE in 2018, the Development Partners expressed their commitment to financially and technically support the implementation of the PSE.	
Requirement 3: Adequacy of Data	The PSE was informed by the 2016 Education Sector Analysis which was conducted using ESPDG funds. The ESA included comprehensive education indicators on access and efficiency of primary and secondary education, assessment of learning outcomes, strategies implemented to improve the quality of education and a financial and planning and monitoring framework for the education sector. As mentioned above, a new ESA will be developed in 2021 to feed into the 2023-2027 ESP, meaning new education data will be available this year (2021). Data deficiencies identified by MINED are lack of disaggregation of education indicators by gender, age, geographic location and socio-economic status. Currently, through the ACE program with the World Bank, efforts are made to disaggregate data by special education (children with disabilities), indigenous populations and afro descendants. Nicaragua last reported to UIS in 2010. Efforts have begun to reestablish coordination between MINED and UIS/UNESCO. Specifically, a workplan/roadmap has been developed by the Department of Education Statistics to begin the reporting of main education indicators to UIS. Nicaragua has systems in place to monitor learning outcomes. The country has implemented nationally representative standardized tests for Language, Literature and Mathematics for grades 4, 6, and 9 for 2009, 2010 and 2015 and is currently strengthening its Early Childhood	**Yes**

	Development and Learning Evaluation System. Nicaragua also participates regularly (for iterations in 2006, 2013 and 2019) in the regional student learning evaluations of third and sixth-graders in Mathematics, Reading, Writing and Science by the Latin America Laboratory for Assessment of the Quality of Education (LLECE – for its acronym in Spanish) of UNESCO. However, it is unclear how these learning outcomes are used to inform policy.	

Annex 2: Assessment of Program

Criteria	Sub-Criteria	Observations	Standard Met?
1. Program Design	Program addresses critical evidence-based challenge(s) identified in the education sector analysis	**The sub-standard is met.** The ESPIG adds funds to activities of an existing program (ACE) aimed at: 1. Improving Teacher Practices for Participating Teachers in Preschool, Primary and Secondary Education Nationwide (Component 1: $4M from GPE) 2. Improving Physical Learning Conditions in Targeted Schools (Component 2; $2.88M from GPE) 3. Supporting Project Management and Monitoring (Component 3; $0.3M from GPE) The ESPIG focuses on the pre-primary level (3-5-year-olds) and with this responds to the need to improve initial education through pedagogical training and to improve the learning environment. These are key objectives in the ESP 2017-2020 (ESP p. 36, 38, 41) that address challenges of preprimary enrolment and education quality identified in the 2016 sector analysis. Specifically, under Component 1, the ESPIG supports trainings of teachers, principals, pedagogical advisors and itinerant teachers. Both teacher and learner materials are provided. However, the grant agent indicated that the materials are not yet available in languages used by the indigenous peoples/afro-descendant (IP/AD) communities, which are targeted by the grant. To this end, a report-back from the grant agent on the availability is included in the recommendation. Under Component 2, the ESPIG supports improvements to preschool centers that are based on a "whole of school" approach and include rehabilitation (reference classrooms and playground), WASH, furniture and equipment (PD para 27). The program is also aligned with the Nicaragua Quality Education Model for Preschool Education initiative, supported by GPE since 2012 (PD para 4). Global evidence and best practices have informed the design of the program, with various publications cited on the importance of, for example, mentoring and	**Yes**

		coaching of teachers and the role of school principals in improving student learning outcomes. (PD para 44-46). Lessons learned from the previous program have informed the program. For example, the program relies on existing institutional MINED mechanisms for project implementation to build internal alignment and ownership rather than a separate project implementation unit. A mid-year review of the parent program has taken place. Delays in infrastructure works caused mainly by the 2018 crisis and the pandemic are being addressed and have resulted in adjustments to the program. Other indicators were on track or exceeded goals (PD para 9). ACE is being adapted to the national COVID-19 response strategy by adopting blended teacher training modalities and adding a new activity to provide WASH elements (PD para 21; latter non-ESPIG funded). The ESPIG/ACE complements the GPE COVID grant: ACE focuses on teacher practices while the COVID grant focuses on reducing learning losses and developing socioemotional skills (PD para 6). The COVID grant builds on the socioemotional support elements provided under the ESPIG/ACE for a more systemic approach towards developing training and materials aimed at developing and rooting a systemic approach to SEL from principals, teachers, support staff, families and students (GA Jan 28 communication to Secretariat).	
	Program has a logical and evidence-based results chain between interventions, outputs and outcomes	**The standard is met.** A results chain shows how the ESPIG feeds into the outputs of the parent program, which in turn lead to defined high-level intermediate results, and finally to the end goal of improved learning outcomes (PD Figure 1, p. 11). While assumptions are not made explicit in the PD, the GA has clarified that these include that parents will send their children to preschool when they realize that the teaching quality/learning environment has improved and that there are WASH facilities, and that the preschools are at a reasonable distance from households. Challenges and underlying causes addressed by the ESPIG/ACE are mentioned in para 3 of the PD (low learning outcomes due to low access to quality	**Yes**

		preschool services caused by inadequate teacher and educator preparation and support).	
	GPE's strategic goals and objectives are adequately reflected	**The standard is met.** The ESPIG scales up three activities in the parent program aimed at learning: In-service training for pre-school teachers, principals, advisors and community education; Provision of learning materials and supplies for pre-school classrooms, and; Improving physical conditions in additional pre-school centers with reference classrooms to motivate learning. Equity is addressed in several ways. E.g., rural location is a key selection criterion for the rehabilitation of classrooms. In addition, the training activities as well as the distribution of educational materials (adapted to groups' needs wherever possible) will be carried out in areas where IP/AD communities are present (PD para 61). IRI 19 on the percentage of project-supported schools in the ACE program located in indigenous territories includes an end target of 15% (PD p. 39) Further, whereas the classroom rehabilitation activity will not take place in IP/AD communities as there are currently no reference classroom there, two new reference classrooms will be created in two additional schools serving preschool students from IP/AD communities (PD para 25; GA response to QAR II memo). Finally, classrooms are made accessible to children with physical disabilities (PD para 26) and a new activity will strengthen MINED's statistical capacity to manage information related to children with disabilities to ensure equal access (PD para 23). Efficiency is not directly reflected in the ESPIG while the parent program supports strengthening MINED's capacity to collect and analyze student assessments and lead studies on teacher practices. (Component 1.2; PD para 23). The program also aims to strengthen the technical and fiduciary capacity of MINED (Component 3; PD para 14). Gender. The program supports gender-sensitive curricular contents, gender-	**Yes**

		sensitive classroom practices, gender-specific school infrastructure needs, and the strengthening of socioemotional skills. Component 1 supports the implementation of the national curriculum, including gender equity and respectful coexistence content, and promote practices that ensure equal participation for boys/girls and incorporate gender-sensitive aspects in learning objectives. (The RF includes an intermediate results indicator that tracks the percentage of teachers with gender-informed pedagogical practices) In Component 2, school construction, upgrades, and expansion consider standards recognizing WASH facilities for girls. The additional financing also supports MINED's efforts to incorporate socioemotional skills in education through the activity "Growing in Values" (Creciendo en Valores), which seeks to promote healthy and respectful relationships. (PD para 32).	
	Private Sector Engagement Strategy	**The sub-standard is met.** The program does not provide financing to for profit providers of education services. The ESPIG prioritizes MINED-owned preschools. However, community preschools will also receive learning and training materials, but will not benefit from infrastructure works. Community preschools function mostly in private buildings under the leadership of preschool teachers working as "volunteers" who receive a stipend from MINED. The grant agent notes that community pre-schools are regulated in art. 23 of the National Education Law (582) (GA email to Secretariat, Jan. 29) Article 23 acknowledges the role of community preschool education and the Government has confirmed that community preschools are subject to regulation and must meet minimum standards for their operation, including water, light, school feeding, appropriate infrastructure, etc. In the event that a community preschool does not meet these standards, the Government has noted that it provides support to ensure these are attained. Given that information on oversight for community preschools (e.g. whether inspections take place by	**Yes**

		MINED or another entity) has not yet been provided, a report back on this is recommended.	
2. Program Budget	Program cost is justified	**The sub-standard is met.** Budget and supplementary information are provided in Excel spreadsheets. The Budget outlines costs at the component, sub-component and activity levels. GA implementation support costs of US$325,000 are higher than expected, but the total implementation costs of 8.3% (including project management and monitoring in Table A above) are still reasonable. Activity 2.1.1 (construction/rehab of pre-school centers) includes contingencies of US$375,000 or 5% of the ESPIG. Although a justification is not provided, the contingency funds are reasonable for this type of activity. A breakdown of the budget for each year of the program and a timeline for disbursements are provided. Estimated costs or quantities for major activities are indicated in the spreadsheet "Memorias de Calculo." Major activities include construction and rehab of pre-school centers, teaching learning materials and teacher training. Estimated unit cost are reasonable. The budget and its assumptions are consistent with program design. The PD describes the activities that are fully GPE funded.	**Yes**
	Calculations are correct and within approved allocation ceilings	**The sub-standard is met.** Calculations are correct and within approved allocation ceilings**.**	**Yes**
3. M&E	M&E framework comprised of a strategy and methods to ensure accountability for achievements	**The sub-standard is met.** The project support team (PST) is responsible for day-to-day tracking of progress and monitoring of activities. MINED's General Directorate of Educational Planning and Programming is responsible for collecting administrative data, monitoring results, and assessing progress toward the PDO (PD para 58)	**Yes**

		The M&E framework (MEF) covers the full program, is robust, and aligns with the TOC/results framework (RF). It includes detailed definitions for the indicators, including for teacher practices. Frequency, source/methodology of the data collection and the responsibly parties are also referenced. No final or technical evaluations of the program are mentioned while a mid-term review took place. This led to various adjustments in the program to address delays, bottlenecks and overestimated baselines. The RF/MEF was adjusted accordingly.	
	Results Framework (RF) is robust and covers all interventions	**The sub-standard is met.** The RF covers the full program. It is coherent and aligns with the results chain. Output and outcome indicators have baselines and intermediate/end targets, and are SMART. The COVID reality is recognized in the RF by allowing for flexibilities in how some targets may be met. E.g. mentoring visits may be postponed or conducted virtually. Some indicators have end targets only. Indicators cover classroom refurbishing, teacher training and teaching materials, including textbooks. The number and type of beneficiaries under the ESPIG are provided in the PD/RF. (PD para 19-27 or see Implementation Readiness). Several ESP indicators have a correspondent in the ESPIG, e.g. nr. of teachers trained, nr. of teachers with continuous training, teachers with inclusive practices, nr. of classrooms with improvements, nr. of principals trained (ESP p. 48, 49, 51, 52 resp.). Other indicators, such as teacher feedback on pedagogical support, do not have a direct correspondent in the ESP. The ESP is a broad framework while the country operates based on annual implementation plans. Given that most of the ESPIG activity is in rural areas, the RF does not disaggregate results by urban/rural (GA Jan 28 correspondence to Secretariat.)	**Yes**

4. Implementation Arrangements and Readiness	Implementation arrangements are appropriate	**The sub-standard is met.** The PD outlines the roles and responsibilities for overall project coordination, budgeting, and financial monitoring (DGCPP), financial management (DGAF), procurement (ACE), and audit (recruited independent audit firm). Implementation arrangements follow those of the parent program. MINED is responsible for executing the program through its line departments, with the Vice Minister for Administrative Affairs responsible for coordination, supported by a project support team. The flow of funds is outlined on p. 21 as " World Bank advances funds to the Project's Designated Account in USD, opened at the Central Bank ". A flow of funds diagram is also provided. Financial management is handled by the government's DGAF within the Ministry of Finance, and overall coordination and budgeting is with the DGCPP within MINED. Annual audits are conducted by an independent firm selected based on GA standards. Procurement is handled by ACE for domestic bidding and PIU for international bidding. A coordination risk is outlined in the risk section of the PD along with mitigation measures, including operational meetings and communications between the executing directorates detailed in the project operational manual. (GA response to QAR II memo) GA oversight is conducted via two annual FM reviews, physically or virtually. FM supervision is also conducted via reviewing financial and audit reports. Implementation support is adequately described. Additional staff continues to be financed by ACE to support and strengthen the Finance Division (PD para 47). Support is provided on financial management and disbursement procedures, GA fiduciary rules, and grant agreements. The GA assists MINED with planning, m&e procedures, carried out by project staff and specialists for each of the areas. The GA has supported MINED in preparing social and environmental framework instruments to ensure compliance with GA standards. (Application form).	**Yes**

	Program is ready to be implemented	**The sub-standard is met.** The ESPIG relies on established mechanisms including administrative and fiduciary arrangements. An adjusted timeline for project activities is included in an excel, as well as a 6-monthly disbursement schedule by activity. The targeting criteria of the ESPIG is partially clear. The selection of the ~25 preschools with at least 25 reference classrooms targeted for rehabilitation will prioritize MINED-owned public preschools, located in rural areas, with greater need for physical improvements, showing higher levels of climate risks and having space available for new constructions (PD para 25). Two new reference classrooms will be created in two additional schools serving preschool students from IP/AD communities. Beneficiaries of the teacher training activity will include the remaining preschool teachers and community educators who have not yet received the training, approximately 1,551 (PD para 19). The selection criteria for the 1,365 principals, and 484 pedagogical advisors and itinerant teachers to be trained and for the preschool teachers and community educators who will receive the 14,400 learning material packets is not clarified. A report-back from the grant agent is included in the recommendation. Program delays/bottle necks identified during the first two years of implementation have been addressed following the mid-term review and cause no immediate concern.	**Yes**
5. Risk(s) Identification and Mitigation Measures	Program includes appropriate risks matrix	**The standard is met.** Substantial risks in the program are described in detail with appropriate mitigation measures, including political risk, macro-economic risk, institutional capacity risk, COVID-related risks, integrated fiduciary risk, and social/environmental risks. Risks related to fiduciary arrangements remain substantial as in the parent project. Both the risks and mitigation measures are identified across financial management and project governance, including institutional capacity. Safeguard issues are also identified.	**Yes**

		Procurement risk is linked to the country's security risk, market risk due to COVID, and parallel procurement processes with a limited timeframe to implement with current procurement staff, leading to contract management risks. Financial management (FM) risk includes parallel FM systems used for project accounting, budgeting and financial reporting in MoF and MoE. Mitigation measures include more qualified fiduciary staff if needed; periodic training in FM, procurement, and disbursements; and; procurement specialists will update the Project Procurement Strategy for Development (PPSD) to incorporate the ESPIG and better understand market constraints. (PD para 41). Also, procurement processes are disseminated to motivate suppliers to submit offers (GA response to QAR II report). Connectivity-related risks related to virtual training strategies are also mitigated. For example, teachers have access to MINED-owned buildings that offer the needed devices and connectivity (GA correspondence to Secretariat, Jan. 28). There is also coordination with other institutions to ensure transportation to training centers if needed.	
6. Sustainability	Program has been designed to be sustainable	**The standard is met.** The program is broadly aligned with the ESP and has several practical sustainability measures built in. In terms of furthering institutional capacity, the project operations manual outlines roles, responsibilities, and implementation measures. Further, a new planning and monitoring system is being operationalized and implementation teams are being strengthened with technical assistance to inform and improve processes (PD para 38). In terms of the activities, current and future infrastructure works will benefit from the "Guidelines for preschool infrastructure" funded by the GPE program development grant (PD footnote 13). Further, the completed infrastructure works will be incorporated into MINED's Beautiful, Clean and Secure Schools program (11 already have been), which provides training to the educational community and fosters their involvement in school maintenance. (PD para 13). An IRI on involving the community in school maintenance is included in the RF (IRI 17). The teacher	**Yes**

		training program in turn utilizes proven modalities, such as peer to peer learning, and builds the capacity of school principals and education personnel on the preschool curriculum and related pedagogical approaches/management, ensuring teachers are competent in teaching the curriculum. (PD para 21). While a financial sustainability analysis has not been provided, preschool education has been a government priority for the last two sector plans with an increase in preschool investment (teacher training, material and infrastructure) during the last decade, a trend that is expected to continue in the next ESP. Further, development partners such as UNICEF are helping the government to develop new strategies to ensure political and institutional sustainability of ECD efforts. (Jan 28 GA correspondence to Secretariat). Finally, MINED's directorates and technical staff were included in the design and preparation process for the ESPIG and the parent project. (PD para 37)	
7. Aid Effectiveness	Program is aligned with the main criteria of aid effectiveness	**The standard is met.** The ESPIG/program is broadly aligned with the ESP. MINED is the executing agency and country systems are used where possible (see Program Design and implementation arrangements for detail). Capacity-building activities are included in Component 3, aimed at strengthening the technical and fiduciary capacity of MINED by supporting the development of an infrastructure management system to monitor the implementation of activities (PD para 14). The program makes efforts to harmonize monitoring and reporting. Key program indicators correspond with the ESP and the project supports the operationalization of a new planning and monitoring system (PD para 38). An operations manual further facilitates monitoring. Further, faced with two FM systems for project accounting, budgeting and financial reporting that are not interfaced, the project ensures periodic reconciliation (PD para 49). The application form includes information on donor interventions in the sector and on the involvement of the LEG in the development of the ESPIG. The LEG will provide support to the program, where possible, to ensure objectives remain	**Yes**

		aligned with the ESP. (PD para 59). MINED coordinates with the LEG annually on planning actions that complement grant implementation (GA response to QAR II report) and shares biannual progress reports on the program.	