The past decade in Albania has been characterized by very rapid economic growth and substantial improvements in the welfare of the population. Once labeled as the continent’s poorest country, Albania has enjoyed annual real economic growth rates of around 6 percent over the last decade, enabling it to graduate from the Bank’s concessional lending arm (the International Development Association or IDA) and to join the ranks of the world’s upper-middle income countries. In July 2010, Albania’s gross domestic product (GDP) per capita stood at US$3,836, well above the IDA threshold. The last decade also saw important gains in the population’s welfare evidenced by falling poverty rates and substantially improved MDG indicators. The Albanian economy has proven quite resilient in the face of domestic and exogenous shocks – e.g., it was only one of two countries in Europe to achieve positive (albeit reduced) growth in the wake of the 2008-2009 global financial and economic crisis.

Challenge

Education is the single largest item on state and federal budgets in Mexico, accounting for around 5.5 percent of its gross domestic product (GDP), or US$40 billion a year. As Mexico develops, educated workers are increasingly in demand and are a bottleneck in many sectors. Unless Mexico can increase the quantity and quality of upper secondary and higher education graduates, it will fall behind international competitors.

The education sector is segregated into three systems, with limited coordination: basic (preschool, primary, and lower secondary), upper secondary education (USE), and higher education. Basic education has been decentralized to the states, with significant federal funding and little community participation. Coverage at the primary and lower secondary is essentially universal, with 98 percent and 88 percent respectively and no gender imbalance. Mexico has a diverse USE system, with federal, state, university, and private schools. The enrollment rates are high (98 percent of lower secondary graduates enroll), but the graduation rate is only 60 percent.

Education quality is a major concern at all levels since most students do not meet minimum standards. For example, only 18.3 percent of the fifteen year olds surveyed were satisfactory in math (level three and above), according to the 2006 PISA assessment. Learning varies greatly by region and ethnic group. In response, at the basic level, the federal and state governments and teacher unions have created an alliance to improve quality that promotes a number of concrete reforms. USE is undergoing a major reform that aims to strengthen the role of school directors, improve teaching and curriculum, and increase resources for disadvantaged students and schools.

Approach

The education sector accounts for a large percentage of public expenditure and the government has been quite selective in choosing areas for IBRD
intervention, focusing on areas where it can have a positive impact taking advantage of its strengths. IBRD offers both investment and knowledge products. These areas include assessment and evaluation, community participation, improved equity and inclusion, and policy dialogue.

**Assessment** is critical to understand conditions in the sector and the government has been working with the Bank, taking advantage of its global experience analyzing and disseminating national and international assessment data and promoting greater use of testing. The Bank is working with both federal and state authorities to improve the assessment systems. Mexico is a world leader in evidence-based policymaking and has been working with the Bank on a number of evaluation initiatives, focusing on the impact of scholarships and community participation, among others.

One important area in the National Education Strategy is promoting greater **community participation in schools**. The Bank has provided technical and financial support for community involvement in schools, including the Program of Quality Schools (PEC) and Support to School Management (AGE) grant programs that focus on disadvantaged schools and piloting of a greater role for municipalities. The Bank is also supporting the government’s efforts to improve inclusion through better targeting of scholarships and an increased focus on indigenous and disabled students.

**Policy dialogue** has been a major component of Bank support at the federal and state levels. The government and the Bank organized a major conference in June 2008 in Washington for stakeholders to discuss basic education reform and there are discussions with Mexican congressional leaders on the link between education and competitiveness, with a conference planned in Washington in 2011. Likewise, the Bank has been a partner in the ongoing Upper Secondary Education Reform (Reforma Integral de Educación Media Superior) providing technical support and a Development Policy Loan (DPL).

**Results**

Through IBRD-financed projects and technical cooperation, the Bank has contributed to the achievement of the following results:

- The creation of a targeted scholarship program for poor upper secondary students, focusing on students not covered by the Oportunidades Program, a Conditional Cash Transfer (CCT) program (mostly located in urban areas), that provided support to around 320,000 students in 2009. The program was established in 2007 with the Bank providing technical collaboration focusing on targeting and evaluation and support through the DPL, approved in 2010.
- The expansion of the PEC school grant program from 21,000 schools (2006) to 39,000 schools (2009), representing 18 percent of basic

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Improving the quality of primary and secondary education will better prepare graduates to enter the labor market and the higher education system. This preparation plays an important role in reducing poverty and enhancing the country’s competitiveness.

Sonia Meneses Martinez (picture below), a primary education supervisor, has had the opportunity to observe closely the impact of PEC in the school **Prof. Prisciliano Martinez Lopez**. This school started participating in PEC in 2005 to focus on improving several aspects of school management and quality. Initially, the school community ran into many obstacles but with significant community participation and dialogue, the school was able to design an educational project (plan) based on a diagnosis of the school and classroom conditions.

This new form of working together, which includes parental participation, is totally new for the education system in Mexico. PEC has financed the remodeling of some parts of the school in addition to the purchase of didactic materials and books. It has financed new extra-curricular activities and other improvements to the schools.

In an end-of-year evaluation, parents were asked if they would “recommend this school to other people.” The results show that 99 percent of parents would. Sonia has been asked to explain the World Bank-financed project both in Mexico and internationally. Sonia argues that “PEC shows that change starts with a person and that education improvement is possible regardless of the economic, social, or political context.”
education schools mostly in poor and very poor communities. The average school grant was MX$43,000 per school, benefiting a total of 6.8 million students. These grants have supported the purchase of school furniture, computers, basic maintenance and infrastructure, among others.

The expansion of the AGE school grant program, covering 67,000 of the poorest schools and providing basic school supplies to around 5 million poor and indigenous students. School grants have largely focused on purchasing additional school supplies and very basic maintenance.

The introduction of an annual student assessment in the last year of upper secondary education (grade twelve) in 2008 along with universal training of upper secondary teachers and school directors, focusing on improved teaching techniques, enhanced curriculum, and school leadership. To date, 120,000 teachers have received training with a goal of 240,000 teachers by 2012.

**Bank Contribution**

In the past fifteen years, the World Bank has supported most areas of the Mexican education sector. The Bank has had a strong focus on early childhood development and rural education, through its work with CONAFE (Compensatory Education Project, approved 2010 for $100 million). Supporting school autonomy and school-based management at the basic education level has been a major area of Bank work (School Based Management II, approved in 2010 for $220 million). The Bank is also supporting secondary education (Upper Secondary Education DPL, approved in 2010 for $700 million) and higher education (Tertiary Education for Student Assistance, approved in 2005 for $171 million).

<table>
<thead>
<tr>
<th>Name</th>
<th>Year Approved</th>
<th>Amount (in US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Education, Early Childhood Development, and Compensatory Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Education (PAREIB) I</td>
<td>1998</td>
<td>115.0</td>
</tr>
<tr>
<td>Basic Education (PAREIB) II</td>
<td>2002</td>
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<tr>
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</tr>
<tr>
<td>School Based Management Project I</td>
<td>2006</td>
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</tr>
<tr>
<td>School Based Management Project II</td>
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<tr>
<td>Upper Secondary Education</td>
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<tr>
<td>Upper Secondary Education DPL</td>
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<td>Tertiary Education</td>
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<tr>
<td>Student Credit Project</td>
<td>1998</td>
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</tr>
<tr>
<td>Tertiary Education Student Assistance Project</td>
<td>2005</td>
<td>171.0</td>
</tr>
<tr>
<td>Innovation for Competitiveness Project</td>
<td>2005</td>
<td>250.0</td>
</tr>
</tbody>
</table>

The Bank has worked with the government in a number of technical studies focusing on a broad range of topics including education quality (Education Quality I and Education Quality II) to technical education (Skills for Growth).

**Partners**

IBRD, the Inter-American Development Bank (IDB), and OECD are the major international partners active in the education sector reform. All three have been highly selective with their support, focusing on specific areas where they provide value added. IDB has focused primarily on the school-to-work transition to enhance the relevance of the education system and has provided important technical assistance, particularly with an impact evaluation of education reforms. The OECD has been a key partner in bringing international experiences to the basic education reform and high-level policy advice. All three institutions have worked closely to coordinate their activities and to ensure complementarities. The federal government has played a leading role in identifying interventions and supervising the activities of each agency. The Organización de Estados Iberoamericanos (Organization of Iberoame-
American States, OEI), the United Nations Educational, Scientific, and Cultural Organization (UNESCO), and the United Nations Children’s Fund (UNICEF) have also provided support to specific programs including integrating youth issues and promoting international cooperation.

In addition to international partners, Mexico has a wide range of civil society and philanthropic organizations particularly at the basic education level. The Bank has maintained an active dialogue with these organizations, promoting their evaluation and assessment capacity, and working towards common goals. This has included strengthening the role of the community in education and improving education for indigenous students.

Moving Forward

Mexico realizes that it must continue to focus on improving access and equity while increasing the quality of the education system to remain competitive in a changing global environment. The Bank will continue to participate strategically in the education sector through a combination of knowledge products and policy dialogues, which will take advantage of the Bank’s global experience and its convening authority. This dialogue will be complemented by continuing IBRD-financed projects that support strategic interventions.

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Multimedia

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