

TC Document

I. Basic Information for TC

▪ Country/Region:	ECUADOR
▪ TC Name:	Inclusion of Migrants Into School System
▪ TC Number:	EC-T1433
▪ Team Leader/Members:	Olsen, Anne Sofie Westh (SCL/EDU) Team Leader; Elacqua, Gregory Michael (SCL/EDU) Alternate Team Leader; Blasco, Ivana (SCL/EDU); Calahorrano Tirado, Karina Alexandra (CAN/CEC); Dugand Ocampo, Juan Carlos (VPC/FMP); Escudero, Carolina (VPC/FMP); Negret Garrido, Cesar Andres (LEG/SGO); Scannone Chavez, Rodolfo Andres (SCL/EDU)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	
▪ Date of TC Abstract authorization:	03 Jun 2019.
▪ Beneficiary:	Ministry of Education of Ecuador
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC Strategic Development Program for Social Development (SOC)
▪ IDB Funding Requested:	US\$500,000.00
▪ Local counterpart funding, if any:	
▪ Disbursement period (which includes Execution period):	30 months
▪ Required start date:	15 July 2019
▪ Types of consultants:	Individual consultants and firms & non-consultancy services
▪ Prepared by Unit:	SCL/EDU-Education
▪ Unit of Disbursement Responsibility:	CAN/CEC-Country Office Ecuador
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality

II. Objectives and Justification of the TC

- 2.1 The world is witnessing the highest levels of human displacement on record. An unprecedented 65.3 million people around the world have been forced from their homes, whereof over 21 million are refugees (UNHRC, 2018). Over half of the world's refugees are children of school-age. In 2014 alone, the school age refugee population grew by 30% across the world. On average, refugee children are five times less likely to attend school than other children. Additionally, where refugee children and young people do access education, the quality is often poor, putting their learning and well-being at risk. Another great challenge for migrants and refugees is the process of integration and labor market assimilation. At the time of their arrival, they are on average at severe economic disadvantage compared to natives. They have lower employment rates, lower wages and lower occupational quality (World Bank, 2018).
- 2.2 The Venezuelan migrant crisis is a new challenge for Latin America and the Caribbean. By the end of 2018, the International Organization for Migration (IOM) reported that the number of Venezuelan migrants and refugees worldwide reached

more than 3 million people, of which 80% are in other countries of the region¹. As of December 2018, 280,000 Venezuelans were registered in Ecuador². Around 12% of these migrants (approximately 30,000 people) are minors between 3 and 17 years old, whereof about 13% are children of pre-primary school age, 77% are children of primary school age and 10% are children of secondary school age³. A large share of these children has not yet been assigned a seat in any Ecuadorian school, and of the Venezuelan population out-of-school children respectively represent 59% in pre-primary school, 52% in primary school age and 81% in secondary school. This influx of populations needing access to quality education is putting pressure on an already saturated Ecuadorian school system. Prior to the migration crisis, Ecuador had an approximate 50,000 out-of-school youth.

- 2.3 There are numerous reasons for lack of access to schooling of vulnerable and migrant children. One reason is related to how the current Ecuadorian system of assignment of students works. Students are assigned to a nearby school based on the address of their electrical bill. However, government officials are aware that some parents game the system by getting electrical bills of acquaintances who reside in neighborhoods with more desirable public schools. This is more likely to be exploited by parents that likely have more objective knowledge about schools and more dense social networks (Schneider et al., 1998; Bell, 2009; Bosetti, 2004). Vulnerable and migrant families are in disadvantage in this system because they are more likely to be less well informed and connected.
- 2.4 Another reason for the lack of access to schooling of migrant children is related to the critical teacher shortages faced by the Ecuadorian education system. In Ecuador, there is a deficit of circa 4,000 certified teachers to be able to incorporate all children (Ecuadorian and foreign children) in the education system. This generates lack of vacancies and waitlists in public schools. Migrants concentrate in more vulnerable areas, where the shortage of teachers is more severe. Indeed, UNICEF data shows that 25% of localities with greater shortage of teachers also have a higher share of foreigners in the education system. The vulnerable areas are where teachers have the greatest impact, the study in Ecuador “Cerrando Brechas” shows that the impact of a good teacher on student learning is significant, especially for disadvantaged children.
- 2.5 The objective of this TC is to provide support to the Government of Ecuador to improve quick response to inclusion of migrants and vulnerable populations in the school system. Specifically, this TC will finance: (i) increase efficiency of student assignment, especially beneficial for migrants and vulnerable populations, (ii) increase access to schooling in vulnerable areas with significant concentration of migrants (iii) evaluation and dissemination of the results.
- 2.6 The activities of this TC will be complemented by other TCs in SCL/EDU. RG-3445 "Artificial Intelligence and Behavioral Insights in Education" is supporting student allocation in Peru and Chile (and teacher assignment in Ecuador), while in this TC we will gather the lessons learnt to implement similar changes for student systems in Ecuador. In the area of migration, there will be possible parallel funding from BID LAB project EC-T1432 "Innovations for the inclusion of migrants". Additionally, the TC will

¹ <http://www.un.org.ec/el-numero-de-refugiados-y-migrantes-de-venezuela-alcanza-los-3-millones/>

² This represents around 1.7% of the Ecuadorian population according to CELADE population estimates.

³ In the Ecuadorian education system, there are two years of pre-primary education (“educación inicial”), ten years of primary education (“educación general básica”), and three years of secondary education (“bachillerato”).

support loan design of a migration loan in Ecuador, EC-L1258 “Inclusion of migrant and recipient populations in social services in Ecuador“.

- 2.7 **Alignment.** This TC is consistent with the Update of the Institutional Strategy (UIS) 2010-2020 (AB-3008) as it aligns with the objective of social inclusion and equality and it seeks to make quality educational services accessible to all population; the Strategy for a Social Policy for Equality and Social Productivity (GN-2588-4), particularly by “improving school quality” and “addressing youth-at-risk”; and with the goal of “promoting learning and skills necessary for the region to reach its potential” of the Education and Early Childhood Development Sector Framework Document (GN-2708-5). The TC is also aligned with the third pillar of the Country Strategy of Ecuador 2018-2021: the deepening of the social advances achieved over the last decade, more particularly regarding the objective of ensuring access to quality public education. It is hence also aligned with objective 1 of the National Development Plan 2017-2021 to ensure a life of dignity with equal opportunities for all. In addition, the TC is aligned with the objectives of the Strategic Program for Social Development (OC-SDP) financed with Ordinary Capital (SOC) (GN-2819-1): (i) increase the relevance, quality and volume of Bank financing aimed at supporting to the social sector; and (ii) strengthen the efforts made by public institutions to be more effective and efficient in their social programs, focus on specific groups and the execution of social sector projects.

III. Description of activities/components and budget

- 3.1 **Component I – Increase of efficiency of student assignment, especially migrants and vulnerable populations (USD 210.000)**
- 3.2 The goal of this component is to improve the transparency, efficiency and equity of the student allocation system in Ecuador. This component will: (i) assist the government of Ecuador in producing a diagnosis of the current student allocation system and in developing new allocation algorithms that include school choice (back-end), and (ii) assist the government in the development and piloting of an interface for student allocation that provides relevant information to parents and students using Artificial Intelligence (AI), Machine Learning (ML) and behavioral insights (BI) (front-end)⁴. This component will largely benefit vulnerable and migrant populations by levelling the field in terms of access to information and opportunities to get a seat assigned in an Ecuadorian public school. The IDB will work with the Ministry of Education to tackle any implementation challenge that might emerge in this regard, such as the implementation of such systems in places with poor internet connectivity. Also, since migrants are more likely to be less well-connected and have less information about how the system works, the IDB will plan outreach activities to introduce migrants to the new student assignment system.
- 3.3 **Expected outputs** from Component 1 include reports on: (i) a diagnosis of the current student allocation system and the new allocation algorithm developed including school choice (back-end); and (ii) a report describing the identification of suitable areas for the pilot, results of piloting the implementation of the interface and a proposed methodology for evaluation (front-end).

⁴ Experimental evidence demonstrates that providing information influences parental choice (Corcoran et al., 2018; Gallegos et al., 2012; Hastings and Weinstein, 2008). The use of AI and ML in allocation systems remains largely unexplored. The United States and Chile, for example, have experimented with introducing nudges (BI) to student allocation platforms to improve their school choice (Allende et al., 2018; Glazerman et al., 2018). However, these nudges could be combined with AI and ML techniques to optimize allocation outcomes.

3.4 Component II. Increase access to schooling, especially in vulnerable areas with concentration of migrants (USD 200.000)

3.5 Integrating migrant children and young people into national systems is the most sustainable means of ensuring relevant and quality education opportunities for them. This component will support the inclusion of talented individuals to work as teachers in the Ecuadorian education system, especially in most vulnerable areas with greater shares of migrant children and youth. We will partner with the organization *Enseña Ecuador*, which is part of the global network *Teach for All*. The goal is to recruit, rigorously select and train individuals from diverse backgrounds to become effective teachers in disadvantaged communities for at least two years. The inclusion of talented individuals to work as teachers would allow the inclusion of vulnerable – principally migrant - children in the education system. Moreover, by taking advantage of the many talented professionals among Venezuelan migrants themselves, this component will target recruitment efforts among the migrant population. This will foster the economic integration of migrants and, furthermore, ease their assimilation to their host country by being part of the education system given its crucial role in society. This component will also support the development of specific community action plans led by the teachers.

3.6 **Expected outputs** from Component 2 include reports describing: (i) the training provided to the recruited individuals; and (ii) supervision reports with detailed information regarding recruited individuals to develop community action plans and a description of these plans.

3.7 Component III – Evaluation and dissemination (USD 90.000)

3.8 This component will fund: (i) an evaluation of the effectiveness of matching algorithms, AI and nudges in improving equity and efficiency in the allocation of students across schools, with a particular focus on the assignment results for vulnerable and migrant populations (ii) one workshop in Ecuador to share the results and a regional seminar to disseminate results and showcase the use of artificial intelligence and behavioral science techniques to improve transparency, efficiency, and equity in student allocation systems. These seminars will mainly be addressed to the Education Ministry in Ecuador and other countries where similar projects are being conducted (such as Chile and Peru, see TC RG-T3443). The workshops will also support loan preparation of EC-L1258. As part of this TC, the IDB also plans to present at the Global Forum for Migration to be held in November in Quito.

3.9 **Expected outputs** from Component 3 include: (i) report on the evaluation of the effectiveness of matching algorithms, AI and nudges in improving equity and efficiency in the allocation of students across schools; and (ii) national workshop and regional seminars.

3.10 **Expected Results.** This project aims to increase the government's response to the inclusion of vulnerable children– principally migrants - in the education system, by an improving the transparency, efficiency and equity of the assignment of students to schools and through the inclusion/recruitment of teachers – possibly Venezuelan - in the national school system.

3.11 **The results matrix** indicates an outcome related to the increase of inclusion of vulnerable children – principally migrants – in the education system, measuring the percentage of migrants school-age children assigned a seat in a public school which at the 2019 baseline was only 41.2%. According to MINEDUC official data and UNICEF analysis 18,293 out of the 37,000 children ages 3-17 residing in Ecuador need urgent access to education. As of February 2019, 8,568 girls and 9,662 were still excluded from education services.

3.12 **Indicative Budget.** The amount of funding needed to achieve the expected outputs is US\$ 500,000. There is no local counterpart.

Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Total Funding
Component 1. Increase efficiency of student assignment, especially migrants and vulnerable populations		210,000	210,000
Diagnostics and assessments completed	Consulting firm	50,000	50,000
Methodologies designed/strengthened	Consulting firm & Individual consultant	160,000	160,000
Component 2. Increase access to schooling, especially in vulnerable areas with concentration of migrants		200,000	200,000
Training workshops delivered	Consulting firm	170,000	170,000
Supervision reports completed	Consulting firm	30,000	30,000
Component 3. Evaluation and dissemination		90,000	90,000
Quasi-experimental impact evaluation performed	Individual Consultants	<u>60,000</u>	<u>60,000</u>
Seminars organized	Seminars	<u>30,000</u>	<u>30,000</u>
Total		<u>500,000</u>	<u>500,000</u>

3.13 **Supervision, monitoring and evaluation.** The Education Division will be responsible for the supervision and oversight, led by the Team Leader of this TC, Anne Sofie Westh Olsen (CEC/EDU). The monitoring of the execution of the TC program will be carried out through regular meetings with counterparts and consultants, as well as supervision missions, with supervision costs related to missions from Washington and missions in the field. The Bank will work closely with the Ministry of Education and the consulting firm and individual consultant to ensure direct dialogue between all the parts involved. It is estimated that the project will have a duration of 30 months for execution and disbursements counted from the date of approval of this TC.

- 3.14 The TC funds will not be used to directly pay for the technologies piloted in this project. We will hire a firm to conduct data analyses, evaluation, and development of technologies. As described in the Terms of Reference for the firm, the development of technologies corresponds to less than 10% of the firms' total contract.

IV. Executing agency and execution structure

- 4.1 At the request of the Ministry of Economy and Finance in agreement with the Ministry of Education and considering that the processes of contracting consultancy studies with the local standard may take times that would delay the achievement of the results of the TC, the Executing Agency will be the Bank, through the its Country Office in Ecuador (CEC/CAN) and the Education Division (EDU/SCL). According to TC guidelines (GN-2629-1), this is justified by the fact that complying with internal requirements would delay the execution of the TC, jeopardizing the achievement of its objectives which is related to an intersectoral agenda at the IDB as part of the newly approved Migration Initiative. All disbursements will be executed through the Bank's systems and will require approval from SCL/EDU. The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with Bank's current procurement policies and procedures (GN-2303-20). The TC will be executed over a period of 30 months.
- 4.2 EDU will be responsible for the administration, planning, control and supervision of the assigned financial resources, as well as all those activities related to the adequate preparation and programming of the operation. The corporate acquisition policies will be applied for the hiring of individual consultants and specialized firms (GN-2303-20).
- 4.3 The request from the Government of Ecuador is included in Annex I. The request includes letters from the Ministry of Education as well as Ministry of Economy and Finance.
- 4.4 **Procurement.** All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with GN-2629-1 "Criteria for Bank contracting" and Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-1 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) GN-2303-20 for logistics and other related services. Procurements procedures will be revised ex-ante by the Bank.

V. Major issues

- 5.1 Risks include that governments, local authorities and schools do not consider migrant populations first priority, and mitigation measures would include strong alignment with Ministries and other actors involved. Furthermore, since there is a lack of teachers in Ecuador, a risk could be to ensure that teachers are used to add to support classroom of currently enrolled students and not fill empty spots in schools. Specific risks related to student enrollment include changes in administration which could delay systemic changes of centralized admissions systems. Additionally, for recruitment of possible Venezuelan candidates there might be a risk of not having the appropriate paperwork/permissions to work legally in Ecuador. The key mitigation measures include close coordination and supervision with MINEDUC, district officials and school directors.

- 5.2 One of the goals of this project is to use a platform to pilot strategies and technologies to improve student allocation in Ecuador. The Bank will not hold intellectual property rights of the platform piloted. We also will not finance licenses for governments to use these platforms over the long-term. However, we will take some actions to avoid that governments become dependent on a platform that they do not owe and provide them with assistance in case they want to scale up the platform. Actions include, for example, negotiate with the firm the terms of references that better address the governments' needs. Moreover, to ensure that the government of Ecuador develops the institutional capacity required to run the improved admission systems autonomously after the end of the TC, we will work closely with the technical teams at each Ministry of Education and provide technical support to assist in the development of allocation platforms. We will continue to offer technical support if needed up to two years after the end of the TC.

VI. Exceptions to Bank policy

- 6.1 None

VII. Environmental and Social Strategy

- 7.1 The TC is not anticipated to have direct environmental or social impacts and has been classified as "C" according to the Safeguard Classification tool (see [Safeguard Policy Filter Report](#) and Safeguard [Screening Form](#)).

Required Annexes:

[Request from the Client - EC-T1433](#)

[Results Matrix - EC-T1433](#)

[Terms of Reference - EC-T1433](#)

[Procurement Plan - EC-T1433](#)

* If TC Document is sent for BOD approval, the only Annexes that need to be translated are the Results Matrix and the Procurement Plan. The Request from Client and the ToRs should be included as links and no translation is required.