DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
On the
Transfer of Real Resources to Developing Countries)

DC2001-0025
September 18, 2001

EDUCATION FOR DYNAMIC ECONOMIES:
ACCELERATING PROGRESS TOWARDS EDUCATION FOR ALL (EFA)

Attached for the 64th Meeting of the Development Committee (date to be determined) is a paper prepared by the staff of the World Bank entitled "Education for Dynamic Economies: Accelerating Progress towards Education for All". This subject will be considered under item II.C of the Revised Provisional Agenda. Ministers may wish to comment on this subject in their prepared statements.

* * *

Education for Dynamic Economies:
Accelerating Progress Towards Education For All (EFA)

Development Committee
Fall 2001

Education for Dynamic Economies: Accelerating Progress Towards Education For All (EFA)

Paper prepared by World Bank Staff for the
Fall 2001 Development Committee Meeting

September 18, 2001

Contents

EDUCATION FOR DYNAMIC ECONOMIES: ACCELERATING PROGRESS TOWARDS EDUCATION FOR ALL (EFA)

Executive Summary

1. The Dakar World Education Forum reaffirmed the international community's commitment to Education for All (EFA)-- achieving universal primary education by 2015 and eliminating gender disparities in education by 2005. When the Development Committee met in April 2001, Ministers agreed to consider the subject of Education for All at a future meeting. In July, 2001, the G8 leaders reaffirmed their commitment to help all countries meet the Dakar goals and urged the Multilateral Development Banks to sharpen their focus on education. The G8 leaders also agreed to establish a task force of senior G8 officials to advise on how best to pursue the Dakar goals.

2. Underlying these commitments is a recognition of the centrality of education in the promotion of the welfare of nations and a conducive investment climate, as well as the construction of democratic societies and knowledge-based, globally competitive economies. Combined with good policies, education is a key factor in promoting social well-being and poverty reduction because it exercises a direct influence on national productivity which largely determines living standards and a country's ability to compete in the global economy. To ensure their full participation in knowledge-driven development, countries need to build their human capital and adapt their entire education system to the new challenges of the "learning" economy. Education for All is a necessary first step in this process. Economic prosperity and the reduction of global poverty cannot be accomplished unless all children in all countries have access to, and can complete, a primary education of adequate quality.

3. This paper reviews the status of EFA attainment. While recognizing the multiple dimensions of EFA targets, the paper focuses mainly on the two International Development Goals, namely the achievement of universal primary education and the elimination of gender inequalities in education. It concludes that in spite of increased international commitment to education during the past decade, progress on the ground remains uneven and inadequate. With well over 100 million school age children out of school and nearly one billion illiterate adults, the Dakar goals will not be met unless progress is accelerated sharply. As a consequence, the opportunity to help reduce poverty and inequality will diminish. The regions at greatest risk are Africa and South Asia with 80 percent of the out-of-school primary age population, and the Middle East and North Africa, with wide gender disparities.

4. The attainment of EFA, however, goes beyond access to education. Raising school retention rates and learning outcomes is equally important. International research suggests that countries may be trapped in a low-returns equilibrium until their level of human capital accumulation rises beyond five or six years of schooling. Once the threshold is passed, countries seem to achieve a higher steady-state growth path. Related research also concludes that both quality and quantity of education matter, but quality matters more in

boosting economic growth. In assessing progress towards EFA, it is then important to use primary completion rates rather than gross enrolment rates and to focus assessment of progress on quality and learning outcome measures. In addition, the achievement of EFA goals should be regarded not as an end, but rather as the first critical step towards a broad based education which embraces secondary education and beyond. This is a necessary condition to ensure that countries have an adequate basis for participating and competing in the global economy and for reducing poverty.

5. While the challenge of achieving this broader definition of EFA remains considerable, there is reason to be optimistic. Countries, including some very poor ones, have demonstrated that with political leadership and commitment it is possible to attain rapid acceleration of progress. Further, financial projections show that for almost all of the very low enrollment countries, once the system stabilizes after an initial surge in enrollments has moved through the system (a period of about ten years) national resources should be able to sustain the system with rapidly declining external financial support.

6. The achievement of Dakar goals cannot be attained with a "business as usual" approach. It will require sustained, intensive and coordinated action. Accumulated international experience and research explain key factors behind the differential progress in achieving EFA. Education spending is necessary but not sufficient to achieve high education outcomes. Transforming resource inputs into learning outcomes requires not just a sufficient level of investment but also effective delivery and operation of the system, the right mix of resources (for example, qualified teachers and adequate learning materials), within an overall national context of sound economic and social policies.

7. This paper raises two basic issues for consideration by the Development Committee. The first is that the achievement of EFA goals is a necessary step towards achieving the Millennium goals and for establishing dynamic and democratic nations. The second is that EFA goals are achievable *if* increased action at the national and international level is sustained over a period of about ten years and if there is more effective coordination of the various EFA efforts.

8. The paper also discusses several dimensions of the required accelerated action. The first is financial. Over the medium term, additional resources would be required for primary education to cover the extra costs of enrolling all children in school, improving education quality and reducing the direct costs of education, such as user fees. For the countries lagging furthest behind, national resources would need to be complemented with substantial additional external financing. The second dimension is a sound policy framework. The paper demonstrates that the estimated costs of achieving EFA with no change in policies are almost double what they would be under a reform/quality improvement scenario. In addition, countries would reap much higher returns to education investment because these policy changes enhance learning outcomes which in turn enhance the potency of education. Linking additional international support to improved policies, therefore, is more likely to increase overall impact. Improvements would be needed on issues such as government commitment to education, inter-sectoral and intra-sectoral resource allocation, gender and regional equity, institutional delivery mechanisms and the

role of non government agencies in the delivery of education. Macroeconomic policies would include balanced investments in complementary inputs such as health and nutrition, water and sanitation, rural infrastructure and economic opportunities. In this context, a major threat is the HIV/AIDS pandemic which undermines both the EFA goals and national productivity.

9. It is proposed that the issues raised in this paper be shared with the key education partners and that an action plan be prepared for discussion at the April 2002 meeting of the Development Committee. The potential for increased prosperity and poverty reduction which is offered by adequate levels of quality education is sufficiently strong to make accelerated support of EFA an important global development priority. Though difficult for many countries, EFA is achievable by 2015 with redoubled national and international efforts.

Education For All: A Global Concern

10. Education is one of the most powerful instruments for reducing poverty and inequality and for laying the basis for sustained economic growth. It is fundamental for the construction of democratic societies and knowledge-based, globally competitive economies. For individuals and for countries, education is the key to creating, adapting, and spreading knowledge. Basic education develops capacity to learn and to interpret information. Higher and technical education are necessary for the effective generation, dissemination and application of knowledge and for preparing an entrepreneurial labor force that can adapt flexibly to a constant stream of technological advances. Therefore, to ensure their full participation in knowledge-driven development, countries need to build their human capital and adapt their entire education system to the new challenges of the "learning" economy. Education for All is a necessary first step in this process. Economic prosperity and the reduction of global poverty cannot be accomplished unless all children in all countries have access to, and can complete a primary education of adequate quality. In their research on the economic growth impact of average levels of human capital in different economies, Azariadis and Drazen, (1990)[1] argue that countries may be trapped in a low-returns equilibrium until their level of human capital accumulation rises beyond six years of schooling. Once the threshold is passed, countries seem to achieve a higher steady-state growth path.

11. A new OECD report, *The Well-Being of Nations: The Role of Human and Social Capital* (2001), draws attention to the importance of social and civic participation for economic development. By managing choices and conflicts in more socially constructive ways, governments can help to re-build and reinforce human and social capital. The report identifies a clear economic pay-off from investment in education and training: one extra year of education leads in the long run to an increase in an individual's output per capita of between 4 and 7 percent (in OECD countries).

[1] Azariadis, Costas and Drazen, Allan, 1990. "Threshold Externalities in Economic Development", *Quarterly Journal of Economics* CV(2): 501-526.

12. The case for EFA, however, goes beyond economic growth arguments. Education provides people with what Nobel Laureate Amartya Sen (1999)[2] calls "human capabilities" – the essential and individual power to reflect, make choices, and enjoy a better life. Education also has powerful synergistic effects on other development objectives: empowerment, protection of the environment, better health, and good governance. Mothers' education has strong and well-documented impacts on health, family welfare and fertility. A 10 percentage point increase in female primary education can be expected to decrease infant mortality by 4.1 deaths per 1,000. Education also reduces fertility through raising women's age at marriage and increasing contraceptive use. Age at marriage has been rising steadily in North African countries, for instance, due largely to school attendance. Education is one of the most effective preventive weapons against HIV/AIDs. In 17 African and 4 Latin American countries studied, educated girls have significantly lower risk of HIV infection. Thus, progress towards EFA has strong complementary effects on the achievement of other Millennium goals.

Education For All: Progress Since Jomtien

13. Since the 1990 declaration on Education for All in Jomtien, national and international support for universal primary education has been broad-based and strong. In the last two years, political commitment to primary education for all children by 2015 and elimination of gender disparities in primary and secondary education by 2005 has been reaffirmed through the Dakar World Education Forum and the Millennium goals. The recent G8 decision to create a task force on how to best pursue Dakar goals comes in the context of a series of significant activities by the international community since the Dakar World Education Forum. Of particular note: UNESCO has convened several multi-agency working groups on EFA, UNICEF is implementing the United Nations Girls' Education Initiative (UNGEI), most agencies are in the process of scaling up their support for EFA and the Heavily Indebted Poor Countries initiative (HIPC) provides opportunity for countries to devote more resources to education. Yet progress on the ground remains uneven and inadequate overall.

14. *Dramatic progress has been made in some countries*. Many countries have achieved dramatic progress in expanding enrollments, improving schooling retention and completion rates, and reducing gender disparities (Table 1 below). Their progress holds out the promise of greatly accelerated progress in other countries as well. Guinea, for example, has achieved 12 percent annual growth in girls' enrollments for more than a decade. Enrollments in Uganda, Malawi and Mauritania have doubled in a matter of five years, approaching or surpassing 100 percent Gross Enrollment Ratio (GER). Benin, Guinea-Bissau and Mali have steadily expanded primary enrollments. Several states in India have registered rapid EFA progress.

[2] Sen, Amartya, 1999. *Development as Freedom*. Alfred Knopf, New York.

Table 1: Primary Education Enrollment Expansion, 1990-97*

Country	Change in GER (%)	Average Annual Growth Rate (%)
Bangladesh	27	5
Benin	19	7
Bhutan	17	7
Guinea	22	11
Guinea Bissau	12	7
Malawi	65	14
Mali	26	11
Mauritania	34	9
Morocco	18	5
Pakistan	23	5
The Gambia	17	8
Uganda	53	11
* or most recent available year		

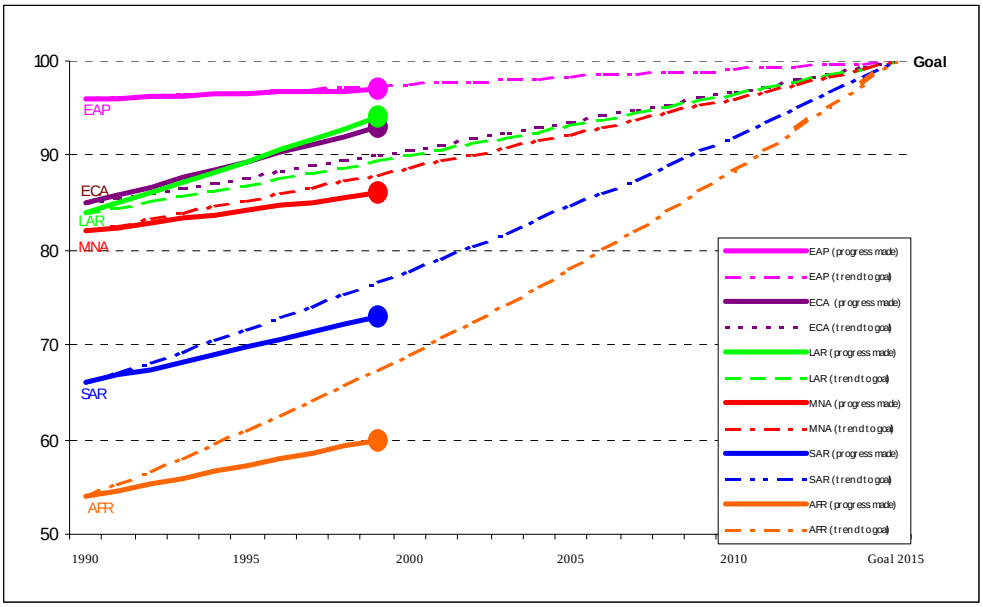
Source: Education For All Assessment 2000

But there is significant unfinished business. Without major acceleration, however, at least 32 countries are unlikely to meet the target of universal primary education by 2015. Included in this last category is India, home to about 30 per cent of the world's out-of-school children. Despite progress over the past decade, during which some 10 million more children were enrolled in school, the enrollment rate in India will need to increase, and retention rates will need to be improved significantly. At current rates of enrollment growth, only 21 of the 43 Sub-Saharan African countries will achieve a primary GER of 100 percent by 2015. Civil conflict in 11 of the 32 countries, and the HIV/AIDS pandemic present special challenges. In addition, many countries are struggling to balance rapid system expansion with adequate levels of quality, and some, such as Malawi, are in danger of losing ground.

16. *Globally, the challenge is considerable*. One out of every five children aged 6-11 in developing countries—an estimated 113 million children—is not in school. Forty percent of the out-of-school population resides in Sub-Saharan Africa; about 40 percent in South Asia; and over 15 percent in the Middle East and North Africa. Sixty percent of these are girls. One child in four drops out without completing 5 years of basic education. Some 600 million women and 300 million men remain illiterate. The education level of most adults in developing countries remains too low to enable them to participate effectively in a global economy. For example, in Mali and Niger, adults average just 0.8 years of formal education, 1.1 years in Mozambique and Ethiopia, 2.0 years in Nepal, and 2.5 years in Bangladesh. Intensified investments in adult education, especially for women, are needed to eliminate illiteracy and build human capital in this group. Without sharp change in the trajectory of primary education expansion, these three regions are at risk of not achieving 100 percent net enrollments in primary education by 2015 (see Figure 1).[3]

[3] Although many countries will come closer to the goal of 100 percent gross enrollments in primary, this paper focuses on two more meaningful measures: (i) net enrollments and (ii) primary completion (defined as

Figure 1: Net Enrollment Rate in Primary Education



Source: UNESCO

Removing gender disparities in primary and secondary education by 2005 is also likely to prove very challenging to accomplish for 44 countries. While achieving this goal may be very difficult, the impact of female education on the development process is sufficiently strong to justify increased resources and effort for that purpose.

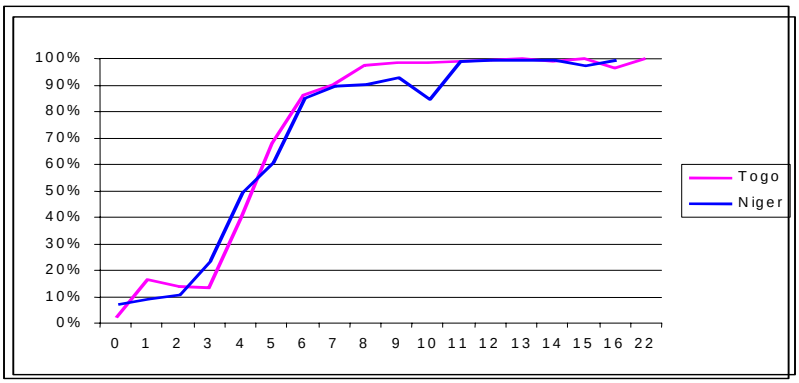
EFA: Broadening the Definition

17. EFA efforts have generally given more attention to aggregate enrollment numbers than to the actual learning experiences of individual students. Yet, while many children fail to complete the primary cycle, a growing body of research suggests that 5-6 years of schooling is a critical threshold. Literacy surveys from Togo, Niger and elsewhere indicate that adults with less than six years of primary education remain functionally illiterate and non-numerate (Figure 2) for the rest of their lives.

---

a minimum of 5 years of schooling). This is because, given the existence of high repetition in many developing countries, gross enrollments can reach or exceed 100 percent while a significant number of children remain without access to schooling. Further, GER provides no indication of the share of students actually completing primary education.

Figure 2: Proportion of Adults Who Can Read And Write Easily By Highest Grade Attained: Togo And Niger



Source: Multiple Index Cluster Survey, 2000

18. For these reasons, the proportion of children completing a primary school education is the most meaningful indicator of EFA progress. As Table 2 shows, even in countries where the GER is close to or over 100 percent, the proportion of the primary age group reaching grade 5 can be very low. Completion rates are typically far lower for girls, the poor, and children living in rural areas. Although Madagascar has technically achieved "education for all" on the basis of its GER, only 11 percent of rural girls reaches grade 5. Focusing on completion rates and looking at the indicators for vulnerable groups are both crucial for true monitoring of "education for all".

Table 2: Proportion of Children Reaching Grade 5
Regional Averages and Selected Countries

	Primary Gross Enrollment Ratio (%)	Percentage of Age Group Reaching Grade 5		
	Latest Available Year	Total	Rural	Rural Girls
Africa	**77**	**48**	**..**	**..**
Benin	81	41	34	21
Burkina Faso	41	28	16	10
Madagascar	107	27	12	11
Malawi	133	38	..	..
Mozambique	76	35	22	17
South Asia	**100**	**66**	**..**	**..**
Bangladesh	96	45	..	..
Pakistan	84	48	..	..
Latin America & Caribbean	**113**	**61**		
Bolivia	97	60	..	..
Honduras	97	60	..	..
Nicaragua	102	54	..	..
Middle East & North Africa	**95**	**72**	**..**	**..**
Morocco	85	58	..	..

Note: ..means data not available
Source: UNESCO

19. Education for All is best conceived as education system development along a continuum of shorter-term goals. The necessary first stage would be full completion of 5 years of schooling. But the expectation must be that these goals will be pushed further out over time to embrace lower secondary schooling and beyond. Indeed, in most countries, improved functioning of secondary and tertiary education is necessary for sustainable progress in basic education. The supply of qualified teachers and school leaders, the capacity for curriculum design, research on teaching and learning, economic analysis and skilled management: these and many more components of basic education reform are hampered in many EFA countries by weaknesses at higher levels of the education system.

20. EFA progress also requires a sound macroeconomic framework and complementary policies in other sectors. Investments in human capital have the highest returns in contexts of growth and technological change. In India, education investments produced higher productivity growth in the states adopting "green revolution" innovations in agriculture than in states without the new seed varieties (Foster and Rosensweig 1996).[4] Rapid development results from the interaction of human capital with the availability of productive ideas (Romer 1990).[5]

21. EFA's focus on the quantitative side (growth of enrollments) must not obscure the fact that the quality of education provided is crucial. International assessments and other

[4] Foster, Andrew and Mark R. Rosenzweig. 1996. "Technological Change and Human Capital Returns and Investments: Evidence from the Green Revolution." *American Economic Review 86(4):* 931-956.
[5] Romer, Paul, 1990. "Endogenous Technological Change." *Journal of Political Economy* 98: S71-S102

studies show wide variance in the knowledge and skills students attain per year of schooling, irrespective of education spending (Table 3). The clear implication is that countries must maintain a strong focus on student learning achievement, and not simply on the expansion of schooling coverage. Standardized national assessments of student learning, being adopted increasingly in Latin America, South Asia and Africa, are an important instrument for monitoring system quality over time.

Table 3: Average Student Learning at the Primary Level

	Senegal	Burkina Faso	Cameroon	Côte d'Ivoire	Madagascar
Student scores*	40	50	58	48	56
Unit Cost (GNP per capita)	0.16	0.17	0.07	0.20	0.08

* As a percentage of mastery of the Math and French curriculum for Grades 2 and 5
Source: CONFEMEN/PASEC, 1999

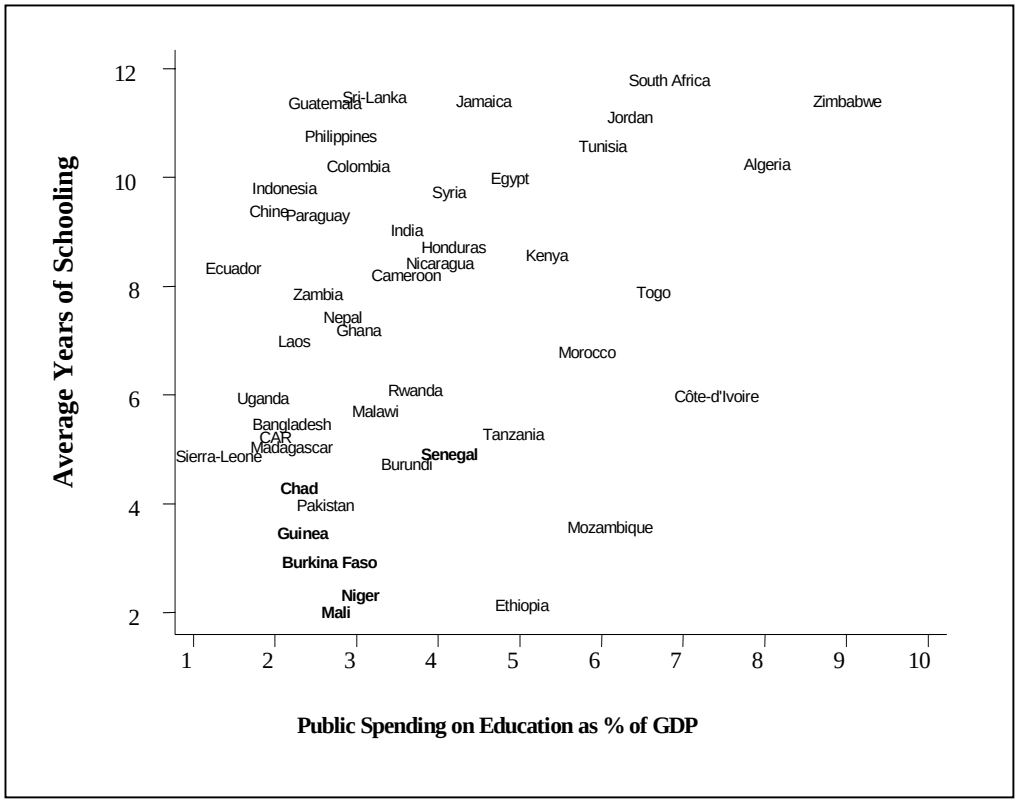
22. Recent research by Barro (2001)[6] analyzes the links between education quantity (increases in the average years of schooling of the population) and quality (increases in average student performance on international assessments) on the growth rate of real per capita GDP. He finds that an additional year of schooling is associated with 0.44 percent per year higher economic growth, but that a one-standard-deviation increase in science scores boosts the growth rate by 1.0 percent a year. He concludes that both quality and quantity of education matter, but quality matters more.

Determinants of Success in Achieving EFA

23. What underlies the differential progress in achieving EFA? Accumulated international experience and research offer a deeper analytical framework for understanding the determinants of EFA success. Research over the past decade has consistently found that education spending is necessary but not sufficient for educational progress. As Figure 3 shows, there is wide variance not only in countries' public spending on education (ranging from 2 to 9 percent of GDP), but also in what that spending produces, in terms of the average years of schooling completed by the population. Niger and Sri Lanka, for example, both spend slightly more than 2 percent of their GDP on education, but in the one country the student population completes less than two years of schooling, while in the other more than 11 years of schooling.

[6] Barro, Robert J., 2001. "Human Capital and Growth." *American Economic Review* 91 (2): 12-17

Figure 3: Average Years of Schooling by Public Spending on Education



Source: Tan et al, 2001: Enhancing Human Development in the HIPC/PRSP Context

24. Recent work has focused on why the effectiveness of education spending varies so much.[7] A handful of key factors emerge as crucial: (i) the level of national resources being devoted to education, (ii) unit costs, and (iii) repetition and dropout. Table 4 compares these for the 41 low income countries for which data are available. Of these, nine are on track to achieve universal primary enrollment by 2015, with 80 percent of children completing 5th grade (Group 1).[8] Another 17 countries are expected to achieve universal primary enrollment but not 80 percent 5th grade completion (Group 2). A third group of 15 countries are at risk on both measures. The summary table presents only the average values for each group of countries.

[7] Colclough et al "Achieving Schooling for All: Budgetary Expenditures on Education in Sub-Saharan Africa and South Asia", World Development Vol. 28, No. 11, pp. 1927-1944; Tan, Soucat and Mingat, "Enhancing Human Development in the HIPC/PRSP context", World Bank, May 2001

[8] Defined as GER above 100

Table 4: Education System Indicators in 41 Low Income Countries (grouped according to EFA progress)

	Allocation to Education Sector*	Allocation to Primary Education *	Unit Cost**	Teacher Salaries**	Pupil/ Teacher Ratio	Repetition Rate
Group 1: Countries not at risk on enrollment or 5th grade completion (9 countries)	4.2	2.2	10.4	3.2	39.7	7.8
Group 2: Countries not at risk on enrollment but at risk on 5th grade completion (17 countries)	3.5	1.7	10.1	3.4	41.5	19.6
Group 3: Countries at risk on both enrollment and 5th grade completion (15 countries)	3.2	1.8	14.4	5.5	50.5	18.8

* Expressed as a percentage of average per capita GDP
** Expressed as a multiple of average per capita GDP
Source: World Bank estimates

Several clear patterns emerge:

- Successful countries (Group 1) are characterized by a powerful combination of relatively high education effort (spending on primary education averaging 2 to 3 percent of GDP), reasonable unit costs, and relatively low repetition rates. Unit costs are sustainable and the pupil:teacher ratio is consistent with an adequate quality education.

- Countries likely to achieve 100 percent enrollment but not 80 percent primary completion (Group 2) present an intermediate but also unsatisfactory combination of low spending, low unit costs and low quality – reflected in repetition rates averaging 20 percent. The high repetition can be linked to two distinct underlying patterns – low spending, low teacher salaries, and relatively low pupil:teacher ratios (35:1) or low spending, high teacher salaries and high pupil teacher ratios (55:1). The data suggest that spending on quality inputs – books, materials, pedagogical supervision and support – has been squeezed and is a factor behind the high repetition rates.

- Countries "at risk" on both measures (Group 3) present a disastrous combination of low spending, high unit costs and high repetition. Primary education spending for this group is significantly lower, and unit costs are higher. In these countries, rather than signaling education quality, high spending per student is associated with high repetition and high pupil : teacher ratios. These education systems have allowed class size climb and quality slip because of the high relative cost of teacher wage bills.

25. The strong implication of this analysis is that countries cannot hope to achieve universal primary access and completion (and, implicitly, gender equity) unless key parameters of their education systems are within reasonable norms of efficiency and their

national efforts to invest in education are on par with those of other countries. These parameters also provide a sounder basis for calculating the level of international financial support required to ensure the achievement of EFA goals world-wide. Additional international financing would have greater impact in countries that put in place policies to reduce unsustainably high costs and make their primary education systems more efficient.

26. Clearly, many more factors enter into the delivery of an adequate quality education, including interactive classroom pedagogies, effective multi-grade teaching techniques such as Colombia's *Escuela Nueva*, language of instruction, availability of textbooks, instructional leadership from school principals, parental support, community involvement in school management, and the existence of student assessments to make schools more accountable for learning progress. In some countries, education supply and quality is increasingly constrained by high teacher mortality and absenteeism caused by HIV/AIDS.

27. EFA progress in many countries will also require action to reduce demand-side constraints. Schooling demand – particularly for girls – is constrained by low household income, catastrophic family health problems, and, in some countries, cultural factors. The school attendance of an estimated 12 million AIDS orphans in Africa, already representing 7 to11 percent of the school-aged population in the worst affected countries, is at risk. It may be impossible to help AIDS and other orphans stay in school without targeted subsistence stipends, similar to Brazil's *Bolsa Escola*. In Uganda, after the government eliminated primary tuition fees at the beginning of the 1997 school year, enrollments grew by 2.2 million children, in one year, and the impact was strongest on girls. The fiscal cost of eliminating school fees and introducing stipend programs can be high, and it is crucial that the education system secure additional resources to accommodate the inflow of students and maintain quality.

Financing Implications of EFA

28. For most countries, school enrollment growth of 5 percent per year over the next 15 years would suffice to achieve the EFA goals, although several will need growth of up to 10 percent per year. The progress in some countries shows that with strong political leadership and commitment, this sort of rapid primary enrollment growth is possible. The challenge will be to improve quality at the same time that enrollment growth is occurring.

29. Estimates of additional annual costs to achieve EFA, consistent with quality, have been put forward by OXFAM ($8 billion) and UNICEF ($9 billion). The recent Financing for Development Report (World Bank, 2001) suggests a preliminary estimate of $13 billion in additional external financing each year to achieve universal primary education and gender equality. While the estimates are still tentative, the additional resource implications are considerable. An urgent priority in any renewed push towards EFA must be a concerted effort by all partners to refine the basic enrollment statistics, national cost figures, and international financing parameters in the context of agreed policies that will improve the quality of teaching and learning.

30. Country-specific analysis suggests that in the lowest income countries, substantial funds will be required in addition to currently available domestic and external resources including resources from the debt reduction initiative for HIPC countries (Heavily Indebted Poor Countries). In Nepal, achieving EFA is estimated to require an increase in education's share of Government budget from 13 to 17 percent, the mobilization of additional external support as well as significant increase in private sector participation in post basic education. For India, it is estimated that to achieve EFA while improving quality would require a doubling of the primary education budget in real terms between 2000 and 2007. Partly as a result of HIPC, public spending on education in 18 African countries is expected to rise from an estimated $2.5 billion in 1999 to an average of $3.4 billion annually during 2001-2002. In Madagascar, for example, education spending is expected to increase from 2.2 percent to 3.4 percent of GDP. Of this, 0.4 percentage points would come from HIPC and 0.8 from the country's greater commitment to education. In Mauritania, the proportion of GDP going to education would grow from 3.5 to 4.7 percent.

31. A detailed study of four African countries (Burkina Faso, Guinea, Niger and Senegal) shows the sensitivity of any financing estimates to education policy parameters. The estimated costs of achieving EFA with no change in these countries' policies are almost exactly double what they would be under a reform/quality improvement scenario. In order to reach the EFA 2015 targets, countries need to enroll all children in school by 2008. Globally, the funding gaps are, therefore, likely to be most severe over the next five years as countries accelerate the pace of enrollment. Financial projections show that for almost all of the very low-enrollment countries, once the system stabilizes after an initial surge in enrolments has moved through the system (a period of about 10 years), national resources should be able to sustain the system with rapidly declining external financial support.

32. The preparation of Poverty Reduction Strategy Papers (PRSP) in many countries has helped to put education within a broader macro-economic context, and to ensure that education resources, policies, expenditures and expected outcomes are integrated into the country's priority economic, social and poverty reduction goals. The involvement of many stakeholders in the preparation of a PRSP can also help build the domestic political support necessary for structural policy changes.

Next Steps For Accelerating EFA

33. The following issues emerge from the above discussion:

(a) Without significant policy changes, existing structural imbalances will prevent attainment of the Dakar goals for many countries. The cost of attaining EFA is almost twice as high in countries without the optimal policy framework. Countries cannot hope to achieve EFA unless their education system are within reasonable norms of efficiency and their national efforts to invest in education are on par with those of other countries at similar income levels. EFA national plans, which should be seen as evolving instruments, will need to include such considerations.

(b) The Financing for Development Report recommends that "the Bank, in particular, should intensify its efforts to help countries identify resource and other requirements to reach the education, health and environmental goals". In this context, we propose that the financing needs for EFA be established through country-by-country analysis. This will include tracking of expenditures from debt relief and determination of the scope for additional national resources.

(c) Considerable knowledge and experience exist about what works (and what does not work) in achieving EFA. However, this knowledge is not widely available to the countries most at need. Strengthening mechanisms for synthesizing and disseminating this knowledge and for harnessing experience of effective development cooperation in EFA would constitute an important element of acceleration of the EFA agenda.

(d) The poor quality of existing education data is a major constraint to informed decision making. The latest official statistics for many countries at present date back to 1997, a grossly inadequate basis for making policy decisions in 2001. Many countries do not collect or publish data on primary completion rates nor do they have standardized measures of student learning achievement. A crucial step to underpin accelerated action on EFA would be an intensive joint effort by UNESCO Institute of Statistics, the World Bank and other partners to develop basic education data that are more timely, accurate and relevant than those currently available.

Primary school completion rates, rather than gross enrollment rates should be the focus of efforts. Further, since completion rates are closely linked to quality, this implies the need for much more attention to classroom level issues, with greater efforts to measure and to improve the quality of teaching and learning.

The HIV/AIDS pandemic is a major threat to the attainment of EFA goals but at the same time, education could be a major force to fight the epidemic.

34. The World Bank will work with its partners in the donor community over the coming months to develop a firm and coherent framework for addressing these issues. The Bank's own performance will be examined in this context as well as directions for the future. World Bank lending to education has declined from an average of $1.8 billion annually in the 1990s to just under $1 billion in 2000 and 2001, without clear evidence that other World Bank products for education (advice, analysis, capacity building) have been increasing at the same time. It is proposed that a careful analysis of the issues underlying the decline, including a discussion ofthe need for new instruments, would lead to an action plan that would be discussed with all key partners, in particular, the four other EFA convening agencies (UNDP, UNESCO, UNICEF, UNFPA), key bilateral donors and the regional multilateral banks. This action plan would be presented at the April 2002 meeting of the Development Committee.

Conclusion

35. The urgency of the current situation, and the potential offered by increased international attention to education, call for a renewed global commitment, based on a rigorous financial framework and closer attention to what is already known about better teaching and learning and more efficient system management. While many donor agencies and partners are working with the countries most in need, the efforts should be consolidated in order to quickly develop the basis for a global framework and agreed action plan. Universal primary completion, no matter how challenging a goal, is only a modest step toward the ultimate goal of lifelong learning for all citizens, which is as relevant for the low-income world as for OECD countries. But universal primary completion is the necessary first step and its achievement is of global interest. With redoubled national and international efforts, it can be achieved by 2015.