

# Concept Note for the World Bank Education Strategy 2020

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## 1. Education's role in development

A country's prospects for development depend on the quality of its people—the skill and creativity of its work force, the capability of its leaders to govern and to manage its resources, and the ability of its adult generation to raise healthy and educated children. Education is the best investment in this quality. The Commission on Growth and Development<sup>i</sup> (2008), convened by the World Bank to review the evidence on the factors for growth, recognized strongly the role of education in fostering long-term growth reducing poverty and inequality.

No country has sustained rapid growth without also keeping up impressive rates of public investment—in infrastructure, education, and health. Far from crowding out private investment, this spending crowds it in. It paves the way for new industries to emerge and raises the return to any private venture that benefits from healthy, educated workers, passable roads, and reliable electricity. [...] Perhaps the best protections a government can provide are education, which makes it easier to pick up new skills, and a strong rate of job creation, which makes it easy to find new employment. (pp. 5-6)

The education of girls provides one strong test of a government's commitment to equality of opportunity. Many formidable obstacles stop girls from completing their schooling: family financial pressure, lack of safety, even things as basic as inadequate toilet facilities. But if these obstacles can be overcome, the payoff is very high. Educated women have fewer, healthier children, and they have them at older ages. Their children are then more successful in school, largely because they benefit from their mother's education. Educating girls and integrating them into the labor force is thus one way to break an intergenerational cycle of poverty. (p. 8)

The Commission also underlined the role of governments in financing education:

Education makes a legitimate claim on public money for at least two reasons. First, the Commission believes the social return probably exceeds the private return. [...] In other words, educated people contribute more to society than they get back in higher pay, although the social return is notoriously difficult to measure. [...] Second, some families are credit-constrained and cannot borrow as much as they would like to spend on schooling, even if the higher wages a diploma or degree would fetch could more than repay the loan. Thus public spending on education is justified on the grounds of efficiency and equality of opportunity. It corrects the failure of the market to allocate enough resources to education, and it also widens access to education beyond those who can pay for it upfront. (pp. 37-38)

## 2. Why a new sector strategy?

### Previous education strategies

A review of the World Bank's performance with respect to past strategies would be an appropriate starting point for the development of a new education strategy; a background study is planned to do this (see Annex 1). The current sector strategy (ESS'00), launched in FY 2000, states that the Bank's mission in education is "to ensure everyone completes a basic education of

adequate quality, acquires foundation skills—literacy, numeracy, reasoning and social skills such as teamwork—and has further opportunities to learn advanced skills throughout life, in a range of post-basic education settings.” The 2005 sector strategy update (ESSU’05) more explicitly reconnects education to the economic development agenda: “Our strategic thrust is to help countries integrate education into national economic strategies and develop holistic education systems responsive to national socio-economic needs.” Table 1 shows quite different priorities for the two strategy papers. Understanding how successfully the sector had shifted its priorities between 2000 and 2005 and with what impact would provide useful lessons for the development and implementation of a new strategy.

**Table 1 The focus of previous education sector strategies** <sup>ii</sup>

	ESS’2000	ESSU’05
<b>Vision</b>	Quality education for all	Dynamic, knowledge-driven economies and cohesive societies
<b>Objective</b>	Education for All	Education for All and education for the knowledge economy
<b>Priorities or themes</b>	<ul style="list-style-type: none"> <li>• Basic education (poorest, girls)</li> <li>• Early interventions (early child development, school health)</li> <li>• Innovative delivery</li> <li>• Systemic reform</li> </ul>	<ul style="list-style-type: none"> <li>• Integrating education into a countrywide perspective</li> <li>• Adopting a sectorwide approach</li> <li>• Becoming more results oriented</li> </ul>

***Changes and challenges in the international context***

The last decade saw important changes in the international context and the internal World Bank environment that require changes in how the education sector works. In addition, a number of challenges continue unabated from previous decades. Some key changes and challenges:

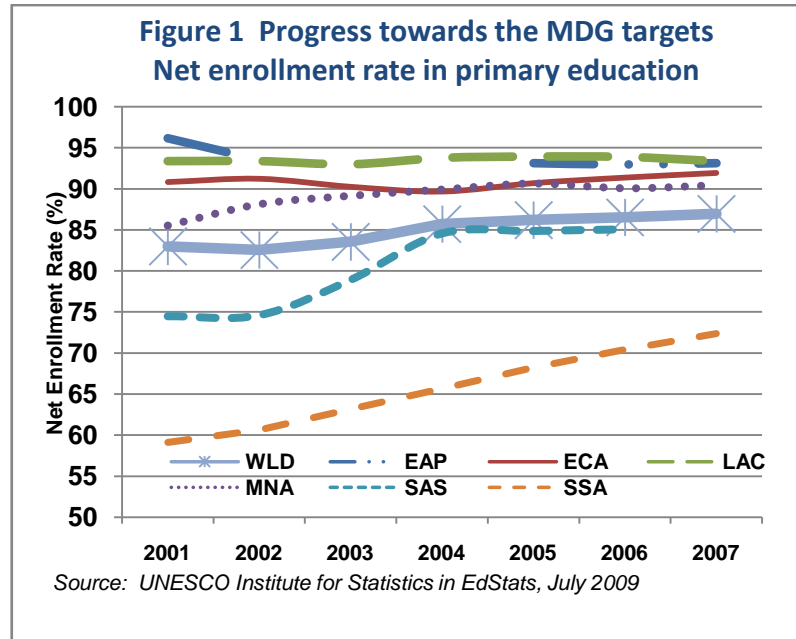
- Globalization and new information technologies have transformed how people live and communicate and how enterprises do business.<sup>iii</sup> In developing countries, the number of Internet users grew by an estimated quarter of a billion people between 2000 and 2005, most of them young people (World Bank 2007). These shifts are pressuring countries to become more productive and competitive, a challenge that translates into a call for a more highly skilled and more agile workforce.<sup>iv</sup> As a result, education systems face increased challenges to equip post-basic education graduates with knowledge and skills relevant to a rapidly changing context, which is made more difficult in the cases where the enrollment growth of the past decades came at the expense of quality. More systematic information is needed about whether and how school-based ICT can enhance learning and raise school completion rates.

- The increased inter-connectedness of economies is evidenced by the scope and severity of the current global financial crisis. Middle-income countries have suffered employment and earnings shocks, especially in their export-oriented sectors. In low income-countries, growth prospects have worsened as exports slowed and prices for commodity exporters started falling (World Bank 2009). The crisis is estimated to add 89 million to the number of people living below \$1.25 a day and 120 million to the number below \$2 a day (Chen and Ravallion 2008), a setback that will reduce the ability of countries to meet the MDGs. In addition, post-crisis growth are expected to be modest as countries reduce excessive current account imbalances and unwind stimulus policies, and as households pay off debt and rebuild their net worth (Brahmbhatt and Pereira da Silva 2009). The lower predicted growth rates could limit

investments in education by governments and households, as they try to reverse any deterioration in enrollment or education quality that occurred during the crisis.<sup>v</sup>

- Developing countries have made significant progress at the primary level since 1999, particularly in the poorest countries and for girls, but not all countries will achieve the education MDGs by 2015 (Figure 1). In Sub-Saharan Africa primary completion rates remain below 60 percent in more than one-half of countries. With the five-year countdown to 2015 beginning this year, the obstacles to schooling in those countries must be addressed.

- In the countries that have done better, the pressure has shifted to the expansion of secondary and tertiary education, in pursuit of opportunities to equip the workforce with the skills to support innovation and growth. In these countries, a critical challenge is to improve the quality of education at all levels, establish or strengthen quality assurance systems, and provide learning opportunities even to youth who are no longer in school. In addition, pockets of disadvantaged youth, including those from indigenous or minority groups, who remain on the fringes of the education system need support on both enrollment and quality. The immensity of these challenges draws attention to the role of the private sector in meeting demand across all education levels.<sup>vi</sup>



those from indigenous or minority groups, who remain on the fringes of the education system need support on both enrollment and quality. The immensity of these challenges draws attention to the role of the private sector in meeting demand across all education levels.<sup>vi</sup>

- There is greater recognition that how much a child learns may have a larger effect on future productivity and earnings than how many years a child spends in school. At the macro level, one estimate suggests that a one standard deviation increase in student scores on international assessments of reading and mathematics is associated with a 2-percent increase in annual growth rates of GDP per capita (Hanushek and Woessmann 2007). More countries are now participating in international tests and benchmarking themselves against other countries. For example, the number of countries in PISA has grown from 43 in 2000 to 66 in 2007. Still, few developing countries measure student learning on a regular basis or in a systematic manner—and those that do tend not to use the results to inform education policies.

- To maximize impact within a more crowded international aid community, the Bank needs strategic partnerships based on a shared vision for education. In 2002, the Bank played a pivotal role in the formation of the Education for All–Fast Track Initiative (FTI), a global compact that aims to help low-income countries achieve the education MDGs. Since 2004, it has provided support to selected countries through the Catalytic Fund. A recent external evaluation of FTI concludes that FTI has helped promote aid effectiveness in line with the Paris and Accra declarations, but recommends major reforms to achieve its goals. The Bank is taking concrete steps to help address those recommendations. The new education strategy would provide an opportunity to review the Bank’s role in the global partnership, and vice versa.

- Demographic shifts shape the demand for education and training services. For example, reductions in fertility rates in Eastern European countries are continuing to decrease student populations. Coupled with labor policies that do not allow large-scale teacher retrenchment, countries are experiencing enormous pressures on their budgets. In Africa, antiretroviral treatment, which has proved effective in prolonging life among those with HIV/AIDS, also has the unintended consequence of increasing the number of children of infected women who now live longer, and thus also the future number of orphans who may need special support.

- Old and new armed conflicts have threatened education outcomes in the past decade and will likely continue to do so, because they damage school infrastructure and interfere directly or indirectly with school operation and learning. In these countries, education has the potential to be a powerful and cost effective tool to speed up social and economic recovery.

***Changes in the internal World Bank environment***

- Within the Bank, the operating environment has seen important changes in the past decade. First, the Bank has continued decentralizing its staff, both through transfer of international staff to field offices and through the recruitment of more local staff. At the end of FY09, about 40 percent of education staff were in field offices. A question that arises is how this greater field presence helps manage the Bank’s increasing education lending portfolio (Box 1). Second, the 2004 World Development Report on service delivery and the Bank’s Governance and Anti-Corruption strategy, adopted in 2007, shine a spotlight on the importance of addressing governance issues to promote effective service delivery.

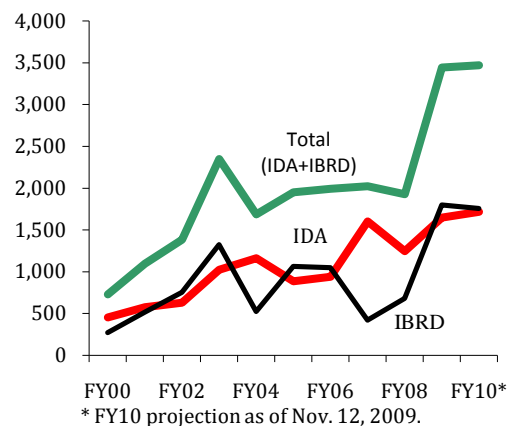
- The use of different operational instruments has been changing, in part to accommodate the changing nature of the policy dialogue with client countries. There is increasing demand and interest in lending instruments that incorporate performance-based approaches, sector-wide financing in the form of

direct budget support, parallel financing, pooled funding, programmatic lending to support medium-term development goals, and approaches that provide greater flexibility at reduced transaction costs. On the side of technical assistance, a number of middle-income countries are using a reimbursable technical assistance instrument in order to tap the Bank’s technical expertise in highly specific areas.

- The past decade has seen increased demand for an evidence base for policy. Accordingly, the Bank has been instrumental in the development of numerous rigorous impact evaluations, many of them in the education sector. These evaluations present an opportunity for the Bank to generate global knowledge and continually improve its operations and technical advice. <sup>vii</sup>

Box 1. Education Lending Portfolio

In 2009, the World Bank provided US\$3.4 billion in new funding to education projects, a substantial increase in support from a previous average of US\$2 billion per year. The active education portfolio totaled \$8.8 billion. FY10 projections indicate a higher lending volume.



### **3. Objectives of a new sector strategy**

Given the changes in the international and internal context of the sector since 2000 and the update in 2005, a new sector strategy would help:

- a. Promote discussion and debate within the Bank about the future challenges to the sector, the appropriate role for the Bank; help build consensus about strategic directions to address those challenges, especially in the current decentralized staff environment.
- b. Develop a coherent sector framework that reflects future challenges and incorporates appropriate core indicators of success and impact for the Bank's work.
- c. Discuss with a broad set of partners and stakeholders the future role and directions of the Bank in education. Some of the Bank's partners have recently defined, or are in the process of defining, their own education sector strategy (e.g., Asian Development Bank, IADB, DFID), so the new Bank strategy could be informed by the strategic directions of partners.
- d. Identify gaps in analytical and operational instruments that would be critical for the Bank to respond strategically to future challenges; and
- e. Anticipate needs with respect to the number, skills and deployment of staff that would be consistent with implementing the Bank's education mission.

### **4. Emerging themes of a new strategy**

This Concept Note is the first step of the process of developing a new education strategy for the World Bank. It cannot adequately cover the wide range of issues relevant to a new strategy, so this section samples just a few key themes drawn from early consultations within the sector, with other networks, and with regional senior management. In preparing the strategy, broad internal and external consultations, discussions among working groups, background studies, new analytical work and literature reviews will be used to identify issues and themes and shape the priorities and approaches for the sector. Fundamental overarching questions will guide the strategy development, including:

1. What are the most important challenges in the next decade for building knowledge and skills for life and work in different country contexts?
2. How can the Bank help countries to achieve efficient, equitable and durable educational progress in different country contexts?
3. What educational results should the Bank be accountable for in the next ten years, and how would we measure these achievements?
4. How should the sector balance the need to be strategic and selective, given our limited resources, alongside the need to be responsive to client demands?
5. What analytical and operational tools, staff capacity, and other resources are needed to implement strategic priorities?

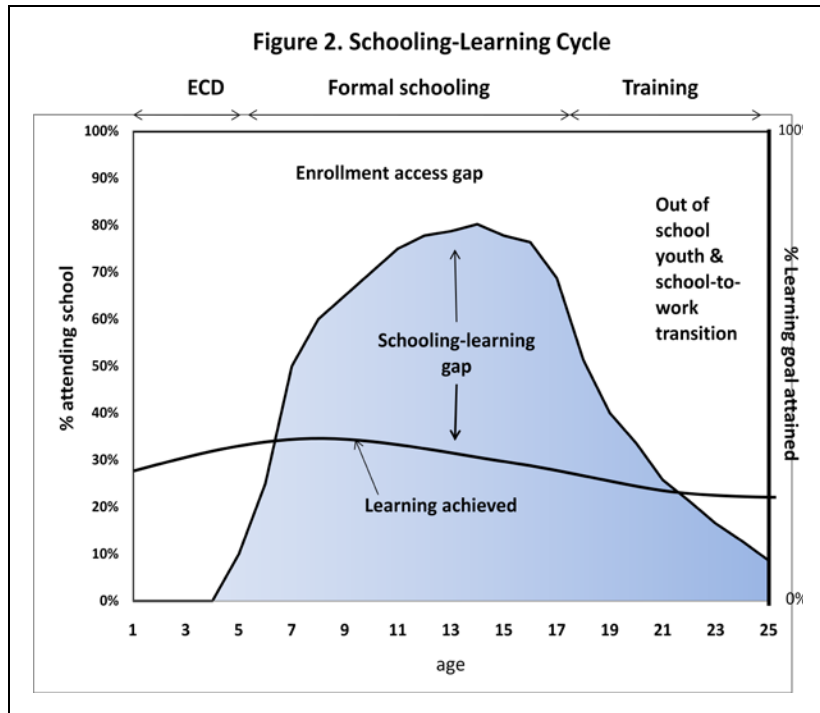
#### ***Focusing on learning and skills***

Education is about the acquisition of knowledge and skills, where skills include competencies that make people productive and employable, and life skills that enable people to live full and healthy lives. Basic competencies such as reading and math skills, as well as communication, teamwork, and problem-solving skills are all necessary for people to function well at home, in



their communities and at work. In addition, specific technical skills related to an occupation are valued in the labor market.<sup>viii</sup> And as markets and technologies change, the ability to adapt to those changes is vitally important.

A simple diagram of a life-cycle of learning possibilities (Figure 2) illustrates the wide range of challenges in the education sector. To begin with, learning neither commences nor ends in a classroom. It begins at birth with parents (caretakers) and siblings being a child’s first teachers. Neglect, ignorance and poverty are obstacles to this early childhood development (ECD), with profound and long-term negative consequences for the child. Between the ages of 6 and 12, classroom instruction is the dominant mode of learning, especially when compulsory basic education is successfully enforced. In middle-income



countries, enrollment rates during these ages are close to 100 percent, and a rising percentage of students continue on to secondary education; in much lower income countries, due to classroom and teacher shortages and/or low demand for schooling, many children do not enter school or they drop out too soon (enrollment access gap).

The ease with which youth will transition from school to work depends on the knowledge and productive skills they bring to the labor market. For those who have acquired skills that are in demand, the transition should be relatively smooth, especially in a growing economy. Unfortunately, according to PISA test results, many graduates in countries across the income spectrum will complete secondary education having reached only low levels of the basic competencies expected of them—because of deficient school quality and classroom instruction, together with difficult home conditions. Within countries, disparities in quality are probably wider than disparities in access, so investing in the improvement of learning and skills acquisition is as much a poverty-reducing strategy as it is an important part of a growth strategy.

### ***Using the comparative advantage of a global institution***

Past sector strategies have largely been based on a geographical grouping of countries. While useful, this region-based grouping does not fully exploit the Bank’s global coverage and its ability to link the countries that have similar levels of economic and educational development across the world.<sup>ix</sup> This comparative advantage has been mentioned with respect to South-South learning events and cross-support work by staff, but there are other analytical and operational benefits from this global coverage that should be explored. A client grouping based on economic

and educational development, overlaid on geographical location, would lead to clearer and more strategic priorities for the Bank. For example, could a new business model based on this client grouping emerge to develop efforts on staff capacity improvement, knowledge exchange, an analytical agenda and the design of new operational instruments? *Operating principles*

Work in the education sector would apply six operating principles: whole-sector and multisectoral approach, systems, governance, evidence, impact, and partnership.

- Adopt a whole-sector and multisectoral approach to achieving education goals. While the Bank’s operational work should be strategic and selective, the Bank’s engagement in a country should be underpinned by a broad understanding of the whole sector (e.g., the country’s learning needs for growth and poverty reduction, the range of available public and private services, its governance challenges) and its linkages to other sectors. The acquisition of learning and skills also does not depend only on education and training but also on other sectors such as health, nutrition, labor and employment, and private sector development. Children need to be healthy and well-nourished so they are physically able to attend school and learn. Youth look at available domestic or international jobs to decide how much schooling to have. For these reasons, an educational strategy requires a multisectoral approach, which should serve not only as a lens for analyzing the role of the sector but also as a business model for designing programs and policies. The challenge to date has been to implement this idea and to provide Bank staff with the right incentives, tools, and skills work across sectors.

- Focus on systems. The term “education system” refers to the large number of (public and private) providers, users, communities, as well as levels of government, and the contractual and non-contractual relationships within this group for producing learning. These relationships exist within a production mechanism or organism for delivering teaching and learning services, one that consists of components that include teacher recruitment and hiring, teacher training and management, curriculum development and standard setting, production of learning materials, student testing, accreditation and supervision of learning institutions, and management information, among others. “Education system” is often used interchangeably to refer to the service delivery relationships as well as to the production mechanism or organism. The important point to note is that the effectiveness of any education investment or reform depends on the efficiency of the education system, defined as both levels. For example, the government may be able to enforce service standards from providers only if it has an adequate performance monitoring and information system.

- Understand and address governance issues in the education system. To achieve durable education reforms, the sector should support institutional reforms to improve the governance and accountability for service delivery, especially for the poor. These relate also to the political economy of implementing systemic change which can spell the success or failure of transformative reforms.

- Support the generation and dissemination of evidence (data, analytical findings, and field lessons) on education in the developing world:<sup>x</sup> The Bank’s global reach and experience place it in a strategic position to spearhead the development of global public goods for education in the developing world, such as internationally comparable testing instruments and the evaluation of the impact of key programs and policies, both existing and new. There is also a demand for more, timely and comparable education data.<sup>xi</sup> Enrollment data have improved tremendously in the past two decades. The greater availability of more household survey data supports analyses linking family background and personal characteristics to education outcomes. Increasingly, countries are measuring reading and math skills—and an even larger number should be doing so

in the next decade. Sample data on important skills such as problem-solving, teamwork, and communication, skills which are also acquired in school, are still notably absent. Good quality country data and sound analyses, empirical studies and evaluative research provide a solid basis for countries to make more effective education policies.

- Measure results and impact. To improve aid effectiveness, a culture of results monitoring and assessment should pervade the work in the sector. When budgetary resources and staffing are constrained, knowing which interventions produce the desired outcomes most efficiently and effectively is crucial. In addition, while there are many more impact evaluations in the sector than a decade ago, more needs to be learned about how to make these efforts be more useful to the Bank's engagement with client countries.

- Nurture effective global and local partnerships. Close relations with partners, including public and private donors, local and global technical institutions, and civil society groups, will continue to be crucial for mobilizing resources for education and for improving policymaking within countries.

## **5. Steps in preparing the new sector strategy**

### ***Undertake background analyses***

Background studies will examine, *inter alia*, future education challenges in client countries, programs that have been effective in improving the reach and quality of education, and implications of research findings on determinants of effective education and training. These studies are meant to inform the development of implementation and monitoring plans for the new strategy. The list of the planned background studies is contained in Annex 1. In addition to the background studies, lessons drawn from relevant Bank ESW/AAA/research on a host of topics, such as governance in service delivery, public-private partnerships, ICT, and gender in education, will inform the new strategy.

### ***Consult broadly inside and outside the Bank***

As a once-in-a-decade opportunity for consulting with staff and partners on big-picture questions about the sector, various approaches will be used—a mix of face-to-face interviews, large stakeholder meetings, working groups on specific topics, seminars and workshops, and electronic and web-based approaches—to reach different stakeholders. Details of the consultation plan are provided in Annex 2; updates on the plan will be available on a special website.

### ***Design implementation and monitoring plans and identify the necessary resources***

The strategy discussions will lead to the development of implementation, resourcing, and monitoring plans. Regional implementation plans will engage country units and country clients; in addition, the proposed country grouping by economic and educational development also calls for an implementation plan that would take advantage of the commonalities within these groups. An action plan for the first three- or five-year period, based on the implementation plan, would be more clearly grounded in the resource and staffing realities of the sector.

### ***Develop a publication and communication plan***

In addition to the publication of the strategy paper in hard and electronic formats, there will be a multi-media approach to communicating the strategy to staff, internal clients, governments and civil society groups, and global partners. The aims are to present a clear message of how the



Bank works in the education sector; strengthen the Bank’s engagement with a wide set of stakeholders at the national and global levels; and influence the focus of country programs.

## 6. Timetable

The key milestones of the strategy preparation are given below. Internal consultations with sector and non-sector staff and management began in November 2009, while external consultations will start after the Concept Note review. Both types of consultations will continue through August 2010. (Cf. Annex 2)

Activity	Date
CODE Review of Concept Note	27 <sup>th</sup> January 2010
OVP Review of draft strategy and consultation findings	July 2010
CODE Review of full strategy and consultation findings	September 2010
Board Review of final strategy	October 2010
Publication, launch and dissemination	November 2010-June 2011

## 7. Team

The Education Sector Board (EdBoard) is the author of the Education Sector Strategy—Svava Bjarnason (IFC); Amit Dar (SAS); Mourad Ezzine (MNA); Deon Filmer (DEC); Robin Horn (HDN); Kurt Larsen (WBI); Chingboon Lee (LAC); Mamta Murthi (ECA); Riikka de Reumann (HRS); Christopher Thomas (AFR); Eduardo Velez (EAP); their alternates; and Elizabeth King (Sector Director). The EdBoard members will lead discussions among staff and other stakeholders in order to analyze problems confronting the education sector, debate issues and solutions, build consensus and support for the Bank’s role in the next ten years, and formulate implementation plans. Although IEG is represented on the EdBoard, its contribution to strategy development will be to review the performance of the current sector portfolio. A small core team led by the Director will provide the technical and logistical support to the EdBoard (Felipe Barrera, Hilary Spencer, and Christel Vermeersch (HDNED)); EXT staff are also providing support for the development of the consultation and communication plans. An Advisory Committee composed of Bank and external non-sector experts will help guide the preparation of the sector strategy.

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## Annex 1. Background Studies

The development of the sector strategy will be informed by several background studies. These studies will provide critical input for concrete actions—and the resources needed—in the implementation phase of the strategy. Most of these will be brief notes but a few might be full papers. They will be prepared by staff and/or consultants; some of them will be prepared by working groups composed of invited staff members.

1. Reviews of two past strategies. An appropriate starting point for the new strategy would be a review of the sector's performance with respect to the past strategies. Annual reviews of the sector's operations and knowledge products undertaken by the anchor each year would provide useful early inputs for this note.
2. Performance of the sector operational portfolio. The education sector has traditionally performed at or above Bank average as rated at project completion by IEG, although recent assessments have pointed to shortcomings in the choice of development outcomes, results orientation, and implementation. The 2006 IEG report on basic education had recommended investing in the improvement of sector management to support learning outcomes, with particular attention to the determinants of education quality: incentives, accountability and supervision systems. This background work will examine if the sector has made addressed the recommendations made by IEG (and other assessments) to improve the performance and results-orientation of the sector. The background note will include a desk review as well as an analysis of operations data and staff interviews. This note will inform the development of a portfolio improvement action plan for the sector. This note will complement and take several inputs from a new review of the education portfolio by IEG.
3. Education outlook for low-income countries. The year 2015 marks a goal post for basic education. Existing analyses already indicate that a number of countries are not on track for meeting the education MDGs. Given the demographic changes, growth prospects, and capacity of the education system in these countries, what are the challenges in education for this set of countries in the next 10 years? How should the Bank help these countries address the identified challenges? What results should the Bank be held accountable for? How can we improve the Bank's effectiveness in doing this? What are the tools, staff and resources that are needed? This background work will analyze patterns and trends in the data for these countries and will review existing analytical work that pertain to them, including impact evaluations. The analysis will be undertaken from the perspective of both the general targeted population (individuals aged between 0 and early twenties) and marginalized groups (among others, low-income families, rural zones, minorities, and girls). It will identify also the knowledge gaps in understanding the education challenges and solutions in these countries.
4. Education outlook for middle-income countries. The goal posts in middle-income countries are likely to be different than for most lower-income countries, although there will also be similarities in those countries where, considering their average income level, educational development has lagged. Given the demographic changes, growth prospects, and capacity of the education system in these countries, what are the challenges in education for this set of countries in the next 10 years? How should the Bank help these countries address the identified challenges? What results should the Bank be held accountable for? How can we improve the Bank's effectiveness in doing this? What are the tools, staff and resources that are needed? This background work will analyze patterns and trends in the data for these

countries and will review existing analytical work that pertain to them, including impact evaluations. The analysis will be undertaken from the perspective of both the general targeted population (individuals aged between 0 and early twenties) and marginalized groups (among others, low-income families, rural zones, minorities, and girls). It will identify also the knowledge gaps in understanding the education challenges and solutions in these countries. Marginalized populations, such as indigenous and disadvantaged groups, will be one of the focuses of this note.

5. Education outlook for states in conflict or fragile situations. The education systems in these countries face additional pressure from an unstable political or social situation due to armed conflict, past or present. Often overlaid on a context of extreme poverty, inequality and greatly weakened education systems, this fragile situation makes it very difficult to come up with straightforward or tested solutions. While these states are home to less than one-fifth of the total population in IDA-eligible countries, they account for over one-third of the extreme poor and of 12-year-olds who did not complete primary school in 2005. Given the demographic changes, growth prospects, and capacity of the education system in these countries, what are the challenges in education for this set of countries in the next 10 years? How should the Bank help these countries address the identified challenges? What results should the Bank be held accountable for? How can we improve the Bank's effectiveness in doing this? What are the tools, staff and resources that are needed? This background work will analyze patterns and trends in the data for these countries and will review existing analytical work that pertain to them, including impact evaluations. The analysis will be undertaken from the perspective of both the general targeted population (individuals aged between 0 and early twenties) and marginalized groups (among others, low-income families, rural zones, minorities, and girls). It will identify also the knowledge gaps in understanding the education challenges and solutions in these countries. It will utilize the Social Development Department's knowledge on fragile states, especially regarding pockets of inequality experienced by marginalized populations and youths outside of the formal education system.
6. Education in a multisectoral environment. What have been the benefits from a multisectoral approach to education work? Does education work reflect the knowledge and experience in other sectors—and does the work in other sectors reflect the knowledge and experience in the education sector? This background study will compile evidence from staff and products about the performance on and obstacles to multisectoriality in the education sector, with the objective of identifying measures to ensure that the Bank's multisectoral environment improves the impact of its education work. The strategy will work closely with other units, including Social Development, PREM, HNP and Social Protection. Also, the strategy will work together with groups working on other strategies.
7. Political economy of education reforms. The design and implementation of education reforms often encounter political constraints along the way, among them being resistance from teacher unions and from civil servants in education agencies, high turnover rate of ministers of education, and the unwillingness of the most senior officials to assume the short-term costs of reform, especially during an election year. A deeper understanding of these political (economy) constraints and the level of risk they imply could help education staff be more strategic, innovative and proactive in their effort to promote reform. A step beyond that is to use that understanding to identify the strategic opportunities for reform.

8. Multilingual education. Even in those developing countries have successfully expanded enrollments in primary education in the past two decades, marginalized groups of people are not being reached. One source of this marginalization is language. Children whose first language is not the main or official language of the country face severe disadvantage when learning materials and classroom instruction are not in their native language and family support is limited because of language differences. Many countries face a tension between imposing a national language of instruction and accommodating a population with multiple indigenous languages. How can an education system deliver effective learning for students who are marginalized by language differences and yet support efforts to prepare all students for a more interconnected global society and economy?
9. Education finance. Education constitutes one of the largest sectors of public expenditure in many countries. This note will analyze issues of resource constraints, the efficiency of expenditure, funding formulae, budget allocation among different levels of government, the role of private and public funding, and the role of user fees for education, among others, in light of the future challenges in the sector. This note will also include the role of external aid and aid effectiveness in education finance.
10. Sector staffing and staff development. The success of the sector relies, in no small measure, on the talents of and resources available to its staff and the ability of staff to balance the competing demands of their work. The number of education staff in the Bank fell from its 1999 level of 228 to about 185 in 2005 due to the retirement of a significant number of more senior staff, and has not recovered since. The 2005 ESSU was expected to be carried out without net additions to staffing. But is the breakdown of staff into 58 percent education specialists, 22 percent economists, and 20 percent operations officer appropriate for the future work in the sector? Have capacity development measures been adequate to prepare staff for their work and their continuous development, especially in a greatly decentralized Bank? The note will involve an analysis of staff and staff training data, and interviews with staff and management. Field staff will be given special focus.
11. Education data and knowledge generation and sharing. In preparing the strategy, the team will assess the availability of data on education systems and outcomes. The review will also examine the scope and emphasis of various Bank knowledge products and assess the evolution over the last decade in terms of frequency, areas of focus and usage. The strategy will assess also the frequency and effectiveness of dynamic learning from lending operations (including pilots and impact evaluations).
12. Partnership study. This study will present an aggregate picture of sector partners in the past decade, by region and country grouping. It will examine the volume, thematic focus, and operational instruments of these partnerships. A case study of some countries (possibly five) will look in more depth at the nature, issues and results of partnerships. An important part of this background study will be also a discussion of the role of the Bank in the global Education for All-Fast Track Initiative (EFA-FTI) partnership and the role of this partnership in the Bank's education mission. The discussion will draw upon recent assessments of the partnership.
13. Bank lending instruments and financial resources. The strategy will review the use of Bank lending instruments in FY05-FY09, by region, level of development of the education portfolio, and project development objectives. In addition, it will review the use of results-based disbursement in that portfolio, and assess the successes and challenges of integrating results-based disbursement into the various lending instruments. The strategy work will



analyze strengths and weaknesses of the different lending instruments, and in collaboration with OPCS, give guidance on the usage of lending instruments by level of development and project development objective.

## **Annex 2. Consultation Plan**

The development of the new strategy will be informed by a wide consultation process both inside and outside the Bank which will use a mix of approaches. To date, we have consulted representatives of all the geographic regions (senior management and staff); other networks (including PREM, HNP, IEG, and SD); and education staff—through attendance at regional retreats, consultation discussions led by the Education Sector Board, and a range of presentations and discussions in other fora—although broader and deeper consultations are yet to come.

1. Staff. The strategy will draw on the experience of sector (and non-sector) staff, their technical expertise, and the lessons they have learned through their work. Consultation activities will include interviews; presentations and seminars on the overall themes; web-based consultation and dialogue; issue-focused working groups (e.g. fragile states, skills, and staff training).
2. Internal stakeholders. Education is intrinsically linked to other sectors; the sector strategy should reflect this by taking into account the lessons learned from assessments of the sector's effectiveness; and forge links with other strategies currently being produced (e.g. ICT, public sector governance, children and youth, environment, urban, Arab world).
3. Client countries. The relevance of the strategy depends partly on knowing what the countries want and value from the Bank. The consultation will include regional sector managers leading meetings with country teams; holding major multi-stakeholder events in 2-3 countries in each region, inviting governments, donors, partners and civil society groups to participate in order to get a broad cross-section of views; and creating an external website. Because of the limited timeline for strategy preparation, the choice of countries will depend on the availability of pre-planned related events to which a consultation session or side event can be added. It also will depend on the availability of field staff who are able to help organize a consultation event.
4. Global partners. At the global level, consultation activities will include meeting with bilateral donor partners and with international organizations to discuss collaborative relationships as well as future directions of the education sector; with international NGOs such as those representing teachers unions and youth groups; and with private sector groups, such as private foundations engaged in education work and employers' organizations.

<sup>i</sup> The Commission’s report brings together the views of 19 leaders, mostly from developing countries, and of internationally known academics, and draws upon the discussions in workshops that featured papers presented by more than 300 distinguished academics.

<sup>ii</sup> Source: World Bank (2005)

<sup>iii</sup> Autor, Levy and Murnane (2003) conclude that within industries in the U.S., computerization is associated with reduced labor input of routine manual and routine cognitive tasks and increased labor input of non-routine cognitive tasks.

<sup>iv</sup> The same call is being made in OECD countries (OECD, *Going for Growth*, 2009): “Early education helps to broaden opportunity and stimulate subsequent learning, while secondary and tertiary education improves workforce skills and enhances absorptive capacity. ...Policies to improve higher education performance and output are a priority for Austria, the Czech Republic, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Poland, the Slovak Republic, Sweden, Switzerland and Turkey.”

<sup>v</sup> Poor people are less able than non-poor people to maintain their consumption in the face of income shocks. For example, during the East Asian crisis in the late 1990s, poorer households in Indonesia resorted to taking their children out of school (Thomas et al. 2003).

<sup>vi</sup> Enrollments in private education and private expenditures on education are sizable in many countries (about one-quarter of all education spending in developing countries) (Patrinos, Barrera-Osorio, Guaqueta 2009).

<sup>vii</sup> Examples are demand-side interventions, such as conditional cash transfers, implemented mostly in middle-income countries with the aim of reaching children not in school as well as keeping children in school. This type of intervention is spreading also to low-income countries (Fiszbein and Schady 2009). On the supply side, examples include public-private partnerships (Patrinos et al. 2009), school-based management reforms (Barrera-Osorio et al. 2009), providing parents or the community with information about the quality of the institution (Duflo et al. 2008), and different incentives to teachers (Lavy 2007).

<sup>viii</sup> “Knowledge ... includes the codified knowledge that can be set out in books, blueprints, and manuals, but also the tacit knowhow acquired through experience. ... It extends from abstract ideas, such as scientific formulae, to eminently practical ones, such as the traffic circle or roundabout. ... Knowledge does not only consist of ideas for making more things, cheaper things, or new things. It includes the accumulated wisdom of human and social experience—as historians and social scientists interpret and reinterpret it. For example, the “invention” of the separation of powers between three branches of government, and the checks and balances it ensures, is possibly one of the most creative and influential innovations of the last few centuries. Many other institutional innovations have been tried and refined through trial and error, and have helped achieve economic and social goals more efficiently and fairly. (Commission on Growth and Development, 2008, 41)

<sup>ix</sup> The World Bank Group’s International Finance Corporation has emerged as an increasingly strong investor in private sector education since 2000. Working with IFC to identify joint projects and opportunities for public private partnerships will provide new opportunities to meet national education goals.

<sup>x</sup> A strong criticism of the sector in this regard is found in the Growth Commission’s report: “Researchers in this field have settled on “years of schooling” as a convenient, summary indicator of education. This is the measure they most often cite in debate, and it is much envied by their counterparts in health policy, who lack a single, “vulgar” measure (to use their term) in their field. ... But years of schooling is only an input to education. The output—knowledge, cognitive abilities, and probably also social skills and other noncognitive skills—is often not captured. When it is measured, the results are often quite worrying. ... We still need to know much more about education—how to get the most out of the government’s budget, and how to get the best out of teachers and their students. We recommend this as a high priority for policy research. One place to start is measurement. The abilities of students—their literacy and numeracy—need to be gauged far more widely around the world.” (Commission on Growth and Development 2008, p. 38, 40)

<sup>xi</sup> For example, in FY09, the EdStats site had a total of 82,394 visitors—an increase of over 500% from one year ago. This site has been updated with, among other data, public expenditure information extracted from Public Expenditure Review (PER) documents, making available education finance data that World Bank staff have compiled and analyzed over years of research.