

EDUCATION SECTOR STRATEGY UPDATE

Achieving Education For All, Broadening our Perspective, Maximizing our Effectiveness

**Copyedited version of document
presented to the Board of Directors on November 17, 2005.**

**World Bank
December 22, 2005 Final Draft
Copyedited version of document presented to the Board of Directors on November 17, 2005.**

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ABBREVIATIONS & ACRONYMS

AAA	Analytical and Advisory Activities
ADEA	Association for the Development of Education in Africa
AFR	Africa Region (World Bank)
APL	Adaptable Program Loan
BNPP	Bank Netherlands Partnership Program
CAS	Country Assistance Strategy
CDD	Community Driven Development
CEM	Country Economic Memorandum
CMU	Country Management Unit
CRN	Country re-engagement note
DAC	Development Assistance Committee (OECD)
DEC	Development Economics Department (World Bank)
DFID	Department for International Development (UK)
DGF	Development Grant Facility
DIME	Development Impact Evaluation
DRC	Democratic Republic of Congo
EAP	East Asia and Pacific Region (World Bank)
ECA	Europe and Central Asia Region (World Bank)
ECD	Early Child Development
EFA	Education for All
EPDF	Education Program Development Fund
EMIS	Education Monitoring And Evaluation Systems
EPDF	Education Program Development Fund
ESSU	Education Sector Strategy Update
ESW	Economic and Sector Work
EU	European Union
FRESH	Focusing Resources on Effective School Health
FTI	Fast Track Initiative
FY	Fiscal Year
GDP	Gross Domestic Product
GPI	Gender Parity Index
HDN	Human Development Network (World Bank)
HDNED	Human Development Network Education Department (World Bank)
HIPC	Heavily Indebted Poor Countries (IMF/World Bank)
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune-deficiency Syndrome
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technologies
IDA	International Development Association
IEA	International Association for the Evaluation of Educational Achievement
IFC	International Finance Corporation
IIEP	International Institute of Education Planning
LCR	Latin America and Caribbean Region (World Bank)
LIL	Learning and Innovation Loan
LLL	Lifelong Learning
M&E	Monitoring and Evaluation
MAP	Multi-Country AIDS Program (Africa Region, World Bank)
MDG	Millennium Development Goal

MIS	Management Information System
MNA	Middle East and North Africa Region (World Bank)
MOE	Ministry of Education
NGO	Non-governmental organization
NIS	National Innovation System
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OECS	Organization of the Eastern Caribbean States
OED	Operations Evaluations Department (World Bank)
OPCS	Operations Policy and Country Services (World Bank)
PAL	Programmatic Adjustment Loan
PCR	Primary Completion Rate
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PISA	Programme for International Student Achievement
PPP	Public Private Partnership
PREM	Poverty Reduction and Economic Management (World Bank)
PRSC	Poverty Reduction Strategy Credit
PRSP	Poverty Reduction Strategy Paper
QAG	Quality Assurance Group (World Bank)
R&D	Research and development
S&T	Science & Technology
SACMEQ	South African Consortium for Monitoring Educational Quality
SAR	South Asia Region (World Bank)
SEIA	Secondary Education In Africa
SHN	School Health and Nutrition
SIL	Specific Investment Loan
SSA	Sub-Saharan Africa
STD	Sexually Transmitted Diseases
SWAp	Sector- Wide Approach
TIMSS	Third International Mathematics and Science Study
TSS	Transitional support strategies
UIS	UNESCO's Institute for Statistics
UK	United Kingdom
UN	United Nations
UNAIDS	United Nations Programme on HIV/AIDS
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UPC	Universal Primary Completion
VTET	Vocational and Technical Education and Training
WBI	World Bank Institute
WDR	World Development Report
WHO	World Health Organization
WPA	Work Program Agreement

Executive Summary

This Education Sector Strategy Update builds on the World Bank's 1999 sector strategy for education. With the broad goal of achieving basic education for all, the 1999 strategy focused on the poorest children and girls, early childhood interventions, innovative delivery, and systemic reform. These priorities remain valid today. Nonetheless, they need to take account of some significant recent changes in the international environment, including the establishment of the Millennium Development Goals and the Education for All Fast Track Initiative; wider recognition of the impact of HIV/AIDS on education; greater concern about the huge learning gaps across and within countries; higher demand for secondary education; and greater awareness of the role of tertiary education and lifelong learning in promoting knowledge-driven economic growth. Furthermore, our knowledge has deepened as a result of important new analytical work, including the 2004 World Development Report, *Making Services Work for the Poor*, and several reports prepared by the education sector. Within the Bank, greater attention has been paid in recent years to country-led poverty reduction strategies, program-based approaches, and a focus on results. These developments pose challenges and opportunities alike, and the 2005 *Education Sector Strategy Update* (ESSU) seeks to help Bank staff and countries respond to this evolving context. The ESSU reflects feedback from the Board following an informal discussion on November 17, 2005 and is being widely disseminated within the Bank to offer guidance and strategic direction to staff and managers in the education sector. It will also be shared with external partners.

Maximizing the impact of education

The ESSU aims to help client countries maximize the impact of education on economic growth and poverty reduction—by providing support for attaining the Education for All and Millennium Development Goals and for strengthening education for the knowledge economy. Three themes are emphasized:

- Integrating education into a countrywide perspective
- Broadening the strategic agenda through a systemwide approach
- Becoming more results-oriented.

What do the themes mean? They call for ensuring that attention is given to education in overall development strategies and in specific macroeconomic and sectoral contexts. For example, what interventions supporting budgetary and civil service reforms or improving health, roads, and water would have maximum impact on education and improve labor market outcomes? The themes also mean reinforcing the momentum of the Education for All Fast Track Initiative, while aiming beyond compulsory education. They mean anchoring all education interventions in sectorwide analysis that would identify opportunities for efficiencies and tradeoffs within the sector and cover issues ranging from demographics to the political economy of education reform. Beyond the level of basic education, where demand is expected to rise dramatically, policymakers will have to expand access to include disadvantaged groups, improve labor market relevance, and address issues of teacher quality, governance, and financing. The emphasis on results will require the inclusion of key education outcome indicators in all Country Assistance Strategies and Poverty Reduction Strategies and the greater use of impact evaluation to refine and inform strategy. Such a results-oriented approach will succeed only if the country embraces it and if donors work together in developing monitoring and evaluation systems and data.

Although these themes may not be dramatically new, the ESSU entails a departure from business as usual because it seeks to mainstream the promising practices that have been tested in a number of countries, such as viewing education issues in a broader context, knowing more about what drives education outcomes, and more systematically building country capacity and harmonizing with donors. Furthermore, the ESSU has some genuinely new elements relative to the 1999 strategy: inclusion of education outcome indicators in country strategy documents; greater reliance on the Fast Track Initiative to channel donor assistance for primary education (including the Bank) in low-income countries; emphasis on measuring learning achievement; focus on education-labor market linkages, with more systematic attention to secondary, tertiary, and science

education; greater emphasis on accountability and incentive systems to improve service delivery; and urgent priority to equity in access and education quality.

The ESSU implies steady efforts by the Bank to strengthen collaboration with donors and other partners. As more donors begin to take a holistic view of the sector and expand their efforts beyond basic education, there will be a greater need to develop a common policy framework in such areas as secondary education and science and technology, as emphasized in the recent report of the U.K. Commission for Africa. The expanded agenda, coupled with the sustained focus on achievement of the Millennium Development Goals, also means scaled up efforts to mobilize substantially more resources, even while working together to develop reliable indicators for monitoring performance-based aid. Partners will also need to collaborate on capacity building and analytical work. Selectivity based on comparative advantage will be important, as the broader strategic agenda is not expected to translate into increased Bank support for every client country.

Maximizing the effectiveness of education

Highlights of Bank assistance under the ESSU are the inclusion of education in countrywide development strategies and active policy dialogue; country-specific analytical and advisory activities, complemented by education policy research at the regional and global levels; lending projected at about \$2 billion a year; and capacity building aligned with the main themes of the ESSU. A results framework has been developed to help monitor progress toward accomplishment of the ESSU's strategic objectives, consistent with the International Development Association's two-tiered Results Measurement System under IDA-14. Implementation of the ESSU is expected to be carried out with existing resources and without net additions to education sector staffing, although a mix of short- and medium-term measures will be needed to align staffing skills with the updated strategy. The pace of implementation will depend largely on the flow of resources at the country level—in turn dependent on relative country priorities at any given time. Moreover, it is recognized that key elements of the ESSU—such as results orientation and capacity building—involve behavioral and

transformational changes that will take time and require an evolution in the mindset and skills set of staff, which can be expected to occur only gradually.

Overview

The Education Sector Strategy Update (ESSU) is rooted in a vision of societies and economies that are increasingly dynamic, knowledge-driven, and cohesive. In this vision, all children complete school, learn well, and adopt healthy behaviors and positive values. More female, rural, poor, orphaned, and disabled children enjoy access to a good education, including early child development programs that promote lifelong success. More adults obtain skills—and gainful employment. More teachers are well trained and well paid, and more school curricula and learning materials are of good quality and relevant to labor market and societal needs. In this vision, more nations win the fight against HIV/AIDS. More universities produce skilled graduates who add to national and global knowledge. More countries use knowledge and technologies to leapfrog toward faster growth and improved welfare. More people and nations recognize the value of peace, cooperation, and democracy. And more education systems are well resourced and efficiently managed, enjoying active community and private sector involvement.

Realizing this vision requires education strategies that maximize the impact of education on economic growth and poverty reduction. These strategies should aim for higher economic growth and more equitable distribution of that growth. The Bank's strategy for education is thus focused on helping client countries (a) attain the Education for All and Millennium Development Goals and (b) strengthen education as the basis for a knowledge economy, by building the higher-level skills and knowledge needed to compete in global markets and foster economic growth.

Such a strategy dovetails with the historical context of the education sector. Once limited to a context of manpower planning, education has over decades come to be seen as a priority economic investment, with evolving emphasis on quality primary education for all and the dual contribution of education to poverty reduction and competitiveness. World Bank support for education, too, has evolved. By the 1990s the Bank was providing strong support for Education for All, revitalized since 2000 to help countries achieve the 2015 Millennium Development Goals of universal primary completion and gender parity in primary and secondary schooling. Moreover, Bank assistance today recognizes that low- and middle-income countries cannot succeed unless they strengthen

their education systems to tackle the twin challenges of poverty reduction and economic growth.

The Bank last prepared a sector strategy paper for the education sector in 1999.¹ That strategy set the following global priorities: an emphasis on basic education, early interventions, innovative delivery mechanisms, and systemic reform, all underpinned by a “relentless pursuit of quality.” Education for All efforts have since successfully transformed the policy dialogue among donors and within client countries, and basic education is now on a generally positive trend. The progress has been more modest in implementing effective policies and financing for early child development and for innovative delivery and systemic reform. Secondary and tertiary education systems in many countries have yet to benefit significantly from reform efforts. Donor support for improved student learning outcomes, too, is still at an early stage.

The changing environment for education

Since the issuing of the 1999 sector strategy paper, several external and internal changes have occurred in the environment, requiring an update in the Bank’s approach to education (Table 1).

Changes in the external environment

- The share of students completing primary education has grown—up in Sub-Saharan Africa from 43 percent to 56 percent since 1999—but significant challenges remain. At least 52 of 154 developing countries (and 44 of 81 low-income countries) may be unable to attain the 2015 goal of universal primary completion without accelerated efforts.
- The Fast Track Initiative has gained wide acceptance and expansion of its reach from 18 to about 40 countries provides an opportunity for further progress. Fast Track Initiative is a partnership of developing countries and donors created in

¹ *Education Sector Strategy*, Washington, D.C., World Bank, May 19, 1999 (R99–68). The 1999 Sector Strategy and the 2005 Education Sector Strategy Update pertain only to IBRD and IDA. For IFC’s education sector strategy, see *Investing in Private Education—IFC’s Strategic Directions*, Washington, D.C., International Finance Corporation, 2005.

June 2002 to help low-income countries achieve the Millennium Development Goal of universal completion of primary education by 2015.

- Challenges following on from primary Education for All are becoming recognized: the ability to produce and use knowledge has become a major factor in economic development, even while demand for secondary education is surging—creating an opportunity to adapt post-primary programs to the new challenges of the “learning” economy. But donors have been slow to respond to this broader agenda.
- Armed conflict and HIV/AIDS continue to ravage education systems and compound existing challenges. One out of five children is out of school; one out of six adults is illiterate; the access gap for primary-school-age girls is closing, but 43 of 154 developing countries will not meet the 2005 Millennium Development Goal of gender parity in primary and secondary education.
- Most countries still lack sufficient information on student learning; based on recent learning assessment initiatives in Africa and Latin America, however, a large learning gap between industrial and developing countries is apparent. Within countries—low as well as middle-income—learning gaps between rich and poor and between male and female students also demand urgent attention.

Changes in the internal environment

- New lessons on service delivery from the 2004 World Development Report² relate to strategies such as tuition subsidies to poor families, elimination of primary school fees, and local involvement in teacher recruitment and management to improve accountability and incentives. The Bank’s Operations Evaluation Department reports,³ in addition, note that support for primary education in non education projects has not been sufficiently strategic and that there have been sectorwide problems of overly complex design, underestimation

² *World Development Report 2004: Making Services Work for Poor People*, New York, Oxford University Press, 2004.

³ *Rationales and Results in Secondary Education Investments: A Review of the World Bank's Portfolio, 1990-2001; Evaluation of the World Bank's Assistance to Primary Education* (September 27, 2004 draft).

of political and institutional constraints, and a lack of indicators to monitor impact on country goals.

- Programmatic and multisectoral approaches are in greater use, Bankwide, along with more work through partnerships and greater harmonization of donor activities. Other trends relate to greater focus on results focus and simplification of operational procedures.
- Education has represented about 8 percent of Bank lending since the early 1990s. New commitments during FY1999–2004 (\$1.4 billion) and annual disbursements (\$1.2 billion) were slightly below the level of the previous five-year period.

The main strategic themes

The Education Sector Strategy Update builds on the 1999 sector strategy paper while offering new guidance and directions to staff and managers to better respond to changes in the internal and external environment (see table O-1). This update, which may be seen in effect to replace the 1999 strategy, highlights three strategic themes to help the Bank meet the diverse challenges facing the sector: (a) integrating education into a countrywide perspective; (b) broadening the strategic agenda through a sectorwide approach; and (c) becoming more results oriented. These themes originate in the objective of responding to the changes in the environment discussed above, with the benefit of lessons from recent years' experience. In many instances, the proposals reflect the mainstreaming of innovative practices that have already been tried in specific regions or countries.

STRATEGIC THEME 1

EDUCATION IS CENTRAL TO DEVELOPING DYNAMIC ECONOMIES AND REDUCING POVERTY AND MUST BE ACTIVELY INTEGRATED INTO A COUNTRYWIDE PERSPECTIVE.

Integrating education into a countrywide perspective

An education strategy must be part of any comprehensive approach developed by a country to become economically competitive and socially cohesive. These strategies—

which will vary depending on a country's stage of development, as well as political, cultural, and other country-specific factors—should help build a labor force that can adapt to shifting demands locally and in global markets; promote complementarity and synergy between education and economic policies; and use tertiary education to build innovation systems, supply the skilled professionals that societies need, and help poor students raise their economic status. Integrating education into a country's overall development context would entail:

- Ensuring adequate attention to the role of education in overall development strategies.
- Analyzing education linkages with the macroeconomic context and with other sectors, including the impact of public policies for user fees, teacher supply, labor mobility, and decentralization, and identifying evidence-based priorities for intervention to maximize impact on education outcomes and other Millennium Development Goals.
- Strengthening education system responsiveness to labor market needs, in low- and middle-income countries alike, by reform of secondary and tertiary education curricula, ensuring teacher quality at these levels, building public-private partnerships, and mainstreaming science education.
- Ensuring a prominent role for education in the national response to HIV/AIDS.
- Helping ensure that national policy for information and communications technology incorporates the information technology needs of the education sector, including sustainable, low-cost access to Internet needed to multiply learning opportunities and improve teaching quality.
- Meeting internal challenges, which includes ensuring sufficient attention to education in country assistance strategies and multisector or non-education operations as appropriate; selective, customized assistance to clients reflecting efforts to optimize use of Bank budget resources; analytical and advisory activities and capacity building in these areas; and strengthening of the “integrator” skills of staff.
- Maintaining closer and more systematic collaboration between the Bank and the International Finance Corporation, especially at the stages of country assistance

strategy design and formulation or in the context of sector analyses for countries where private funding of education is crucial and/or where regulatory or other barriers exist to private provision of education services.

STRATEGIC THEME 2

THE BANK IS BROADENING ITS STRATEGIC AGENDA FOR EDUCATION AND ADOPTING A SYSTEMWIDE APPROACH THAT LOOKS AT ALL ASPECTS OF EDUCATION SECTOR DEVELOPMENT.

Broadening the strategic agenda through a systemwide approach

Adopting a systemwide perspective on the education sector entails a simultaneous effort to urgently speed up countries' progress on the Millennium Development Goals and aim beyond compulsory education to develop the advanced skills that countries need to compete in global markets. It also means identifying opportunities for efficiencies within the sector—such as investments in early child education to reduce repetition in later schooling—and tradeoffs in investments—for example between demand-side subsidies and bilingual instruction programs.

Accelerating momentum on Education for All is an urgent priority. The goal of universal primary completion by 2015 will not be met unless universal enrollment in Grade 1 is achieved by about 2009–10, accompanied by deliberate strategies to keep these children in school. Missing the 2005 target for gender parity in primary and secondary education, moreover, creates a new urgency around the second education Millennium Development Goal, especially because girls' education can have a powerful impact on attainment of the non-education Millennium Development Goals. For low-income countries, the Fast Track Initiative has since 2002 been a major catalyst, and opening up participation to all IDA-eligible countries is helping expand support for sector strategy formulation; resource mobilization through existing country-level channels as well as transitional financing for reforming countries with too few donors; and technical support in areas where the Bank has a comparative advantage, such as targeting of disadvantaged groups and support for data. Strategies to promote equity include elimination of user fees at primary level, building of capacity to identify and provide

services to rural children or children with disabilities, provision of early child development services in education programs, especially for children at risk, and scholarships for girls and poor children. Strategies to address gender and income inequality—in access as well as the quality of education—will also be important in Bank support for middle-income countries' progress toward Education for All.

Momentum on Education for All will create pressure for expansion and structural change at higher levels of education systems. Crises are already looming in secondary education. Explosion of demand at the post-basic level will require policymakers to widely expand access to include disadvantaged groups, improve quality and labor market relevance, update teacher skills, address governance issues, and identify financing options. With few donors in post-basic education, the Bank has a critical role to play in these subsectors.

The poorest countries with stagnating economies, most of them in Sub-Saharan Africa, will demand special attention. Declining GDP per capita and a growing disease burden severely constrain teacher salaries and recruitment; technical and management capacity is low; and unstable political situations make it difficult to implement reform. Performance-based aid can play a role in creating the political space for reforms in such countries—albeit with the risk of high aid dependency for a sustained period.

The key features of this broader education agenda are:

- Systematic sectorwide analysis, to serve as an anchor for all education interventions and covering issues ranging from demographics and public expenditures to teacher incentives and the political economy of education reform.
- Greater reliance on the Fast Track Initiative to accelerate low-income countries' progress on Education for All, with nearly 40 countries identified as having potential for Fast Track endorsement in 2005 and 2006, implying redoubled efforts to mobilize the needed resources (\$2 billion in 2005 alone) and focus attention on learning achievement.
- Targeting of disadvantaged students to close the access as well as learning gaps.
- Strong support to help countries analyze their secondary education subsector.
- Systematic inclusion of tertiary education as an integral part of policy dialogue
- Support to help countries include an effective school health and HIV/AIDS response at all levels of education.

STRATEGIC THEME 3

TO MAXIMIZE THE EFFECTIVENESS OF BANK SUPPORT, EDUCATION INTERVENTIONS MUST BE RESULTS ORIENTED.

Instilling a results orientation

Donors are moving toward performance-based aid, as seen with Fast Track Initiative. But OED findings point to weak monitoring and evaluation in the sector.⁴ A strong orientation to results is thus critical. This effort will mean identifying desired outcomes and indicators, engaging in continual efforts to better understand what drives those outcomes, designing interventions accordingly, and systematically evaluating impact, to inform policy reform and project design. Results orientation as an approach will succeed only if the country is committed to it and if donors work together in the setup and use of monitoring and evaluation systems and data. Within the Bank, it will be essential to build on and integrate education into the evolving strategy and performance management process, aimed at developing a strong results-oriented culture in the Bank. Key features of the ESSU are:

- A global partnership to systematize capacity building for learning assessments and to help countries develop reliable, timely statistics about student learning.
- Inclusion of key education outcome indicators in all country assistance strategies and poverty reduction strategy credits.
- Greater use of impact evaluation—including in such areas as system efficiency and the cost effectiveness of education investments—and use of evaluation results to refine education strategy at the Bank and country levels.
- A joint staff-client learning program in results orientation and monitoring and evaluation, supported by toolkits and liaisons with national and regional research networks.

⁴ *Primary Education Portfolio Review, 2004* (Background paper of the World Bank Operations and Evaluation Department).

The implementation of strategic priorities

Implementation of the ESSU calls for new or modified ways of doing business in terms of viewing education issues in a broader (sectorwide or countrywide) context, knowing more about what drives a country's education outcomes, building country capacity more systematically in certain areas, and harmonizing with donors wherever feasible. While these approaches may not seem entirely new, the “novelty” of the ESSU relates largely to mainstreaming the approaches and innovative delivery mechanisms. Some of the more genuinely new elements relative to the 1999 strategy are highlighted below:

- Inclusion of education outcome indicators in country strategy documents.
- Reliance on the Fast Track Initiative to channel Bank assistance for primary education.
- Emphasis on measuring learning achievement, in part through a Global Student Learning Assessments Initiative supported by the Development Grant Facility, to enhance the capacity of global and regional education assessment institutions.
- Focus on linkages between education and labor markets, with more systematic attention to the challenges of secondary and tertiary education and greater awareness of the need for science education at all levels and for lifelong learning, and with support for the development of indicators for education for the knowledge economy.
- Greater attention to teacher and school accountability and incentives.
- More emphasis on inclusive education and improving learning outcomes for all children, including poor children, children with disabilities, HIV/AIDS orphans, child laborers, girls in secondary education, and vulnerable youth.
- More systematic impact evaluation and evidence-based research to inform education interventions.
- Greater reliance on sectorwide approaches to help scale up development efforts within a cohesive program-based strategy, with concurrent efforts to ensure account ability and adequate capacity for financial management.

Highlights of Bank assistance under this ESSU are:

- Inclusion of education in countrywide development strategies or processes and active policy dialogue—around public expenditure reviews, for example—stressing (a) the centrality of education to overall development, (b) the need for education that is of good quality and relevant to labor markets, and (c) the importance of a results orientation emphasizing inclusiveness and learning achievement for all.
- Country-specific analytical and advisory activities, emphasizing analysis of intrasectoral as well as macroeconomic and cross-sectoral linkages, and related consensus-building efforts to help design sector strategy, complemented by regional- and global-level education policy research on such topics as the funding of post-basic education, labor markets, and human resource policies (teacher training and career development, health personnel, impact of international labor market mobility), with particular emphasis on impact evaluation and drawing on the Bank’s diverse geographical experience.
- Lending projected at about \$2 billion a year, with a window of opportunity to increase IDA grants and credits given increased resources available under the IDA-14 Replenishment, and according priority where possible and relevant to program-based approaches, funding of recurrent expenditures, and (more systematically) addressing monitoring and evaluation in preparation and supervision.
- Capacity building aligned with the main themes of the ESSU, as well as prioritizing joint learning by clients and staff wherever possible. An important priority will be to identify “entry points” for better integrating education into the countrywide context, such as cross-sector analytical and advisory activities including poverty assessment, for example.

Results framework

A results framework for the education sector, drawn from the above priorities for action, has been developed to help monitor progress toward the accomplishment of the ESSU’s strategic objectives. The framework comprises Bank-level and country-level

indicators, including intermediate indicators at the country level, particularly important in the education sector in view of the medium- and long-term nature of progress with many human development outcomes. It is consistent with the two-tiered IDA-14 Results Measurement System emphasizing the monitoring of country outcomes (the two Millennium Development Goals for education) and IDA's contribution to country outcomes by measuring outputs at the project level (for example, through the number of teachers trained).⁵ Four final outcomes are identified in the ESSU:

- Attainment of the Millennium Development Goals for education
- Improved outcomes of learning
- Relevance of education to labor markets
- Better prospects for attainment of the Millennium Development Goals for health.

Examples of Bank process indicators supporting these outcomes include, respectively, the inclusion of education Millennium Development Goals in new country assistance strategies, inclusion of monitoring and evaluation plans in all operations, collaboration with partners to develop indicators for labor market relevance, and the share of Africa's Multi-Country AIDS Program resources going to the education sector's response to HIV/AIDS.

Staffing and skills

The updated strategy is expected to be implemented without net additions to education sector staffing. At about 185 in FY2005, the number of education staff is below its 1999 level of 228; and timely efforts will be needed to compensate for the prospective retirement of 20 percent of the sector's complement, three-fourths of whom are higher-level staff with the potential to become managers. Such efforts include a strong program of sector training—wherever possible jointly with clients to realize learning synergies—particularly in support of results monitoring and impact evaluation, student learning assessments, effective integration of education into countrywide strategies and reviews (such as Public Expenditure Reviews), and education sector analysis and planning. These

⁵ *Additions to IDA Resources, Fourteenth Replenishment—Working Together to Achieve the Millennium Development Goals*, Washington, D.C., International Development Association, 2005.

efforts will also include an attempt to ensure the right balance between “integrators” and sector specialists, both through the process of hiring new staff to maintain the present level of staffing and through staff sharing arrangements with other parts of the Bank, such as those piloted in Latin America. Greater attention to mentoring, possibly through cross-support arrangements, will be equally critical in transferring knowledge and the benefit of experience. More generally, building up the staffing needed to successfully implement the ESSU will take a mix of short- and medium-term measures, including timely strategic staffing reviews; training to replace retiring staff, with particular attention to the special challenges of the Bank’s Africa Region; and the introduction of incentives supporting the positive behaviors and Bank-wide solutions that need to be associated with the recognition of education as a top corporate priority.

Budget resources

Because the ESSU will be implemented with existing resources, applying principles of selectivity within and across countries, some budget savings will accrue from reducing reliance on stand-alone investment operations in favor of more program-based approaches. Additional savings are likely from increasing reliance on joint learning of clients and staff, strengthening local capacity for program supervision, identifying possible staff sharing arrangements, deploying capacity building efforts at the regional (rather than country-by-country) level, and being selective in including education components in non education operations (to ensure alignment with the ESSU). Many of these efforts are planned to produce efficiency gains. In addition, for some of the proposed capacity building and research activities, Bank budget resources are at present complemented by multi-donor support through the Development Grant Facility, which is aligning its support for education with ESSU priorities—and the Fast Track Initiative Education Program Development Fund, which supports low-income countries in the development of sound education sector plans and related capacity building activities. An important objective will be to ensure a budget that is well balanced between the twin objectives of Education for All and education for the development of knowledge economies. More generally, efficiency gains and resource shifts already targeted at the

corporate level, combined with the intraregional budget allocation mechanism, will provide the dynamism and flexibility needed to implement the ESSU.

Country selectivity

The broader strategic agenda is not expected to translate into doing more in every client country, although some activities such as integration of education into country assistance strategies and support for projects' monitoring and evaluation are expected to be pursued more systematically. On country assistance strategies, it is worth noting that (a) the emphasis is not on uniformly ensuring top priority for education, but on systematically assessing its role in relation to a country's particular needs and (b) where substantial support for education is envisaged, a country-specific discussion of aid sustainability—and exit strategy for funding of recurrent costs in particular—is to be included in the country assistance strategy. Regional action plans shed light on the selectivity that will be applied in implementing the ESSU at the country and regional levels. For example:

- The opening up of the Fast Track Initiative will now for the first time enable some IDA-eligible countries, such as Djibouti, Kyrgyz Republic, and Timor Leste, to benefit from Fast Track Initiative support.
- Support for many countries in the Middle East and North Africa to articulate education strategies for children and youth and to mainstream successful approaches will build on analytical work and regional workshops undertaken in recent years.
- The need for scaling up progress in South Asia is reflected in the substantial efforts to integrate education into poverty reduction strategy credits and multisector development policy lending focused on reforming civil service and governance, as well as encouraging participation of community and nongovernmental organizations in school management and increasing competitiveness.
- Support to middle-income countries is expected to pick up, as countries such as China, Mexico, and the Philippines aim to reach the hardest-to-reach out-of-school children, while others such as Argentina, Colombia, Croatia, and Tunisia

pursue efforts to build advanced skills and strengthen secondary and tertiary education systems to meet labor market needs.

- Support for strengthening prospects for private provision, in collaboration with the International Finance Corporation, where possible, will be important.

The issue of selectivity is intrinsically related to the Bank's collaboration with partners and its role among development agencies, at both the global and country levels. The Bank will continue to play a key leadership, convening, and resource-mobilizing role in the Fast Track Initiative partnership at the global level, while working closely with other donors at the country level to help countries design sector programs, to harmonize procedures and practices, and to mobilize resources. Bank support for primary education reflects donors' active engagement in this subsector. For example, in several Fast Track Initiative countries, including Tanzania, Uganda, and Zambia, the Bank is one of a large number of external partners, any one of whom may be designated "lead coordination agency" based on their relationship with the government and in-country presence. In Nigeria, for example, Bank activities have been more focused on technical assistance and capacity building, with a bilateral donor in the role of lead financier. Close relations with bilateral agencies will continue to be crucial for mobilizing increased resources for education. At the same time, it is essential that the Bank stand ready to help fill gaps in sectorwide—and indeed countrywide—knowledge as part of its recommendation for a broader strategic agenda, calling for stepped-up efforts to provide technical expertise and analytical leadership (being scaled down by other donors in response to tight budgets) and to support post-basic education, where fewer donors are present. Regional links, moreover, such as those with the Association for the Development of Education in Africa are proving uniquely effective in moving forward policy dialogue and strengthening the climate for reform.

Unquestionably, the most significant challenge associated with the ESSU is implementation. The pace of implementing the strategy will depend not in small part on the flow of resources at the country level—in turn dependent at any given time on relative country priorities across developmental needs, taking account of the Millennium Development Goals. It must also be recognized that key elements of the strategy, such as

results orientation, multisector and multidonor collaboration, and capacity building involve behavioral and transformational changes that will take time and that will require an evolution in the mindset and skills set of staff, which can be expected to occur only gradually. Thus, the speed of implementation may be uneven across strategic themes, with the new emphasis on learning outcomes, for example, requiring constant attention and advocacy, even while building up the specialized expertise needed to support client needs. Furthermore, it will take time to renew the portfolio of active projects: while some operations may more easily be adapted to the ESSU's recommendations, it is only as older operations are completed that new ones with ESSU-aligned features may be expected to dominate Bank assistance for education. At the same time, the increased resources available under IDA-14 will strengthen the Bank's capacity to support the efforts of low-income countries to educate their citizens and achieve broadly endorsed international goals.

Plans for dissemination

As the primary aim of the ESSU is to offer enhanced guidance to Bank staff and managers in assisting client countries, a substantial effort will be made to ensure that the updated strategy's messages and recommendations are fully integrated into staff and management thinking. A key element will be creating a learning program (annex 10), strengthening capacities in integrating education into macroeconomic and country diagnostic work, working across sectors, and monitoring and evaluation. The program will be updated with results of new research and evaluations (for example, on sectorwide approaches) and will include face-to-face exchanges as well as written materials (for example, guidelines on integrating education into Public Expenditure Reviews and a template for assessing and reflecting in a country assistance strategy the role of tertiary education). Finally, a strong effort will be made to ensure Bankwide familiarity with the main messages of the ESSU, particularly in those sectors where cross-sectoral collaboration is crucial. As seen in the Framework of Accountabilities for the ESSU presented in annex 11, success in implementing the updated education strategy will depend on players throughout the Bank. It is critical that these roles and responsibilities be fully understood.

Table 1. Summary comparison of the 1999 strategy and the 2005 update

WHAT'S NEW SINCE 1999?	
External and internal environment	New analytical work 1999-2005
<ul style="list-style-type: none"> ▪ Millennium Development Goals ▪ Poverty Reduction Strategy Papers ▪ Education for All Fast Track Initiative ▪ International and national data showing low progress in education achievement ▪ Recognition of the impact of HIV/AIDS and conflict ▪ Recognition of the role of knowledge in economic growth ▪ Greater Bankwide focus on results and reliance on program-based approaches 	<ul style="list-style-type: none"> ▪ <i>World Development Report 2004</i>: Service delivery to the poor ▪ Financing universal primary completion ▪ Education and HIV/AIDS ▪ Tertiary education ▪ Lifelong learning ▪ Education and post-conflict reconstruction ▪ User fees for primary education ▪ Secondary education ▪ Operation evaluations of primary and secondary education

HOW DOES THE 2005 UPDATE RELATE TO THE 1999 STRATEGY?			
	1999 Education Sector Strategy	2005 Education Sector Strategy Update	How the 2005 update relates to the 1999 strategy
Vision	Quality education for all	Dynamic, knowledge-driven economies and cohesive societies	Broader, includes dimension of education contribution to growth and links with overall economic and social development
Objective	Education for All	Education for All and Education for the Knowledge Economy	Maintains focus on basic education while recognizing in parallel the importance of post-basic education and lifelong learning
Priorities (1999) or themes (2005)	<ul style="list-style-type: none"> • Basic education (poorest, girls) • Early interventions (early child development, school health) • Innovative delivery • Systemic reform 	<ul style="list-style-type: none"> • Integrating education into a countrywide perspective • Broadening the strategic agenda by adopting a sectorwide approach that looks at all aspects of education sector development • Becoming more results oriented 	<ul style="list-style-type: none"> • Retains 1999 priorities but embeds them in a broader context • Expands the priorities where relevant, for example: focus on equity targets support to all disadvantaged groups, including children with disability, orphaned, and rural populations, etc.; and focus on delivery aims not only at innovation but also at improvements to service delivery especially to poor people with emphasis on accountability and incentive systems • Offers guidance not only on the “what” of the strategy but also on the “how”, by calling for attention to macro-economic and cross-sectoral linkages, intrasectoral tradeoffs and opportunities, and a systematic focus on results and learning outcomes

1. Maximizing education’s impact on growth and poverty

A World Bank Education Sector Strategy, last prepared in 1999, highlighted basic education for the poorest and for girls; early childhood interventions; innovative delivery; and systemic reform. Among these priorities, basic education has received the most attention over the past five years. Such attention has been warranted in support of the momentum since the year 2000 for Education for All, the joint country-donor initiative launched in 1990 to give all children access to primary education. Vigorous support for Education for All has restored the Bank’s leadership in the education sector.

This Education Sector Strategy Update (ESSU) revisits the challenges facing countries’ education sectors, reiterating that Bank assistance must be tailored to country needs and priorities. Factors such as demographics, history, and geography, as well as the fiscal, political, and institutional climate, will provide both opportunities and constraints as countries seek to improve educational opportunities.

Rationale for the strategy update

The years since 1999 have seen important changes in the international context for development. The operating environment within the Bank has also changed significantly, with implications for an education assistance strategy. It is also crucial that support for education be informed by recent research, policy work, and lessons learned in the education sector.

Changes in the external environment

A number of significant trends have begun to emerge, worldwide, with immediate impact on education systems and creating opportunities, notably, to close the still large gaps between rich and poor, male and female, and urban and rural populations.

Increased global momentum on Education for All. Worldwide consensus around the need for faster progress on Education for All⁶ has grown remarkably since the

⁶ These are: (a) expanding and improving early childhood education; (b) ensuring that by 2015 all children complete primary education of good quality; (c) ensuring access to appropriate learning and life skills

adoption in 2000 of the Dakar Framework for Action and the Millennium Development Goals, and the launching in 2002 of the Fast Track Initiative. As a first test of the Monterrey Consensus' principle of performance-based aid, the Fast Track Initiative has key implications for policy dialogue, work with partners, resource mobilization, and results focus.

Imminent explosion of demand for secondary education. With progress on Education for All, secondary schooling in nearly all developing countries will be under pressure in the coming decade to expand at rates rarely achieved in the more advanced countries. Finance and policy dialogue will be informed by the recent policy paper on secondary education,⁷ as well as country-specific analysis, emphasizing equity, access, teacher quality, curriculum, labor market linkages, and financing.

Growing importance of the knowledge economy. The information revolution and pace of global integration have led to more rapid evolution of market niches and the need for a flexible, skilled labor force able to strengthen nations' competitiveness.

Global threats to education. The HIV/AIDS pandemic and armed conflicts continue to pose serious threats to education outcomes worldwide. Both phenomena can destroy education systems, but education has the potential to be a powerful—and cost-effective—weapon in fighting both ills.

Decentralization. The trend toward decentralized management and financing of education has been gaining momentum. Decentralized management can improve local accountability but also lead to inconsistent roles of central, regional, and local authorities, as well as inequitable financing across communities. Policy reform toward effective decentralized service delivery is essential.

Changes in the internal environment

An update of the Bank's education sector strategy is also necessitated by trends within the Bank. These include more programmatic support, which can facilitate cross-sectoral interventions, provide flexibility to scale up Bank assistance quickly, and enable

programs; (d) achieving a 50 percent improvement in levels of adult literacy by 2015; (e) eliminating gender disparities in primary and secondary education by 2005 and achieving gender equality in education by 2015; and (f) focusing on learning outcomes.

⁷ *Expanding Opportunities and Building Competencies for Young People: A New Agenda for Secondary Education*, World Bank, 2005.

closer client-donor collaboration under sectorwide approaches; greater partnership with donors and civil society; simplification of operational procedures that enable more client-responsive assistance; and a growing awareness of the need to identify and monitor performance against expected outcomes of development efforts—which in education relate to what students are learning and how relevant the skills learned are for evolving labor market needs.

New inputs to Bank education policy. The ESSU incorporates the recommendations of policy work on the financing of universal primary education, the relationship of HIV/AIDS and education, the challenges of tertiary education, the need for lifelong learning, the rising demand for secondary education, the elimination of user fees, and the role of education in post-conflict reconstruction;⁸ and studies on the role of knowledge in development covering East Asia and Latin America. Key messages of the *World Development Report 2004: Making Services Work for Poor People* have been crucial in shaping the ESSU, as follows: (a) poor people will receive services only when politicians and policymakers, service providers, and citizens work within a framework of mutual accountabilities; (b) successful educational systems can vary widely, from centralized to decentralized approaches and from public to private provision; and (c) school systems can be improved by empowering managers and strengthening teacher incentives, encouraging parent and community participation, and adopting demand-side strategies to increase coverage and quality. The present strategy also incorporates the recommendations of IFC's education strategy, *Investing in Private Education: IFC's Strategic Directions 2001*.⁹ Notably, the ESSU presents a strategy for the Bank, rather than the World Bank Group, in the education sector, insofar as the Bank and IFC have complementary but distinct institutional priorities, with IFC support to the sector still in a nascent stage and evolving. At the same time, close collaboration and alignment of IFC support with the ESSU will be important objectives. See also annex 5.

⁸ *Achieving Universal Primary Education by 2015: A Chance for Every Child*, World Bank, 2003; *Education and HIV/AIDS: A Window of Hope*, World Bank, 2002; *Constructing Knowledge Societies: New Challenges for Tertiary Education*, World Bank, 2002; *Lifelong Learning in the Global Knowledge Economy: Challenges for Developing Countries*, World Bank, 2003; *Expanding Opportunities and Building Competencies for Young People: A New Agenda for Secondary Education*, World Bank, 2005; *Reshaping the Future: Education and Post-Conflict Reconstruction*, World Bank, 2005.

⁹ *Investing in Private Education: IFC's Strategic Directions, 2001*, International Finance Corporation, 2001.

Lessons of experience. Findings from Quality Enhancement Reviews, Implementation Completion Reports, Quality Assurance Group analyses, and the Operations Evaluation Department (OED) assessments are embedded throughout the report. The ESSU also recognizes OED's call for more guidance to staff in sector strategy papers (*2001 and 2002 Annual Reviews of Development Effectiveness*); the Quality Assurance Group's suggestions to broaden Bank support for education and address systemic issues such as governance, finance, and efficiency (*2003 Education Sector Board Assessment*); OED's findings that secondary education operations have suffered from overly complex design, underestimation of institutional and political constraints, and weak linkages between secondary outcomes and labor markets and economic growth (*2004 evaluation*); and OED's call for greater focus in primary education support, more emphasis on learning outcomes and monitoring and evaluation, more attention to institutional development, and greater infusion of the content of education interventions in non-education operations (*2004 Primary Education Portfolio Review*).

Context for the ESSU. The ESSU is informed by a review of (a) past lending and analytical services in the education sector and (b) global education challenges in terms of the two education Millennium Development Goals—universal primary completion and gender parity in primary and secondary education—and secondary enrollment (annexes 1 and 2). Presented below is a regional summary of Bank support for education in the five years ended in fiscal 2004:

- Of total lending for education of \$7.2 billion, Latin America and the Caribbean accounted for the largest share (\$2.2 billion), followed by Africa (\$1.7 billion) and South Asia (\$1.5 billion). These commitments supported a total of 110 projects, the largest number in Africa (32) and Latin America and the Caribbean (27). All but two of the Latin American operations were in IBRD countries.
- Of total support for primary education (\$2.7 billion), South Asia, Africa, and Latin America and the Caribbean accounted for the largest shares, in that order. Latin America and the Caribbean, Africa, and Eastern Europe and Central Asia led lending for secondary education (\$0.8 billion), and Latin America and the Caribbean and South Asia accounted for the majority of lending for tertiary education (\$1.0 billion).

- An increasing number of operations have been using the sectorwide approach (15 in fiscal 1999–2004 out of a total of 110 operations, 12 of them in Africa, 3 in South Asia, and 1 in Latin America and the Caribbean). Poverty reduction strategy credits with education components have also been significant in Africa (10 out of 17 operations).
- Of total disbursements of \$6.4 billion, Latin America and the Caribbean accounted for the largest share (\$2.1 billion), followed by South Asia (\$1.2 billion), and East Asia and the Pacific (\$1.1 billion).
- A total of 148 products of economic and sector work were prepared in the five-year period. Nearly one-third of these came from Africa (47), followed by the Middle East and North Africa and Eastern Europe and Central Asia (22 each). The Africa total included a large number of regional studies (21); Eastern Europe and Central Asia was a distant second, with 4 regional studies. With respect to multisector work, reports of the Quality Assurance Group showed that where lead economists from the Bank’s Human Development Network were present, education fared better in public expenditure reviews, country assistance strategies, and similar analyses.
- Innovations in analytical and advisory activities include programmatic, multiyear economic and sector are being piloted in the Middle East and North Africa, Latin America and the Caribbean, and Eastern Europe and Central Asia, while Latin America and the Caribbean and East Asia and the Pacific are currently experimenting with cross-regional economic and sector work.

Objectives, expected outcomes, and approach

The ESSU builds on the 1999 sector strategy paper while offering new guidance and directions to staff and managers to better respond to changes in the internal and external environment (table O-1 in the overview). In effect replacing the 1999 strategy, it aims to sharpen assistance to developing countries to improve educational outcomes, with the benefit of new analysis and lessons learned. It identifies approaches that show promise for making Bank assistance more effective and attempts to consolidate and

mainstream these approaches under the umbrella of an updated strategy. The education Millennium Development Goals and education for knowledge economies will constitute the two main objectives of all Bank support, entailing improvements to access, equity, and quality, along with more efficient and financially sustainable education systems.

The ESSU is intended primarily for an internal audience. It departs from the 1999 sector strategy paper in insisting on a broader strategic agenda that expands not only on *what* constitutes education strategy, but also on *how* to achieve the desired results, focusing on service delivery and implementation. The guiding principles are to reduce poverty, scale up progress, increase development effectiveness, do more to meet middle-income country needs, and focus on results.

Strategic themes

The main recommendations of the ESSU are contained in three strategic themes, discussed in chapters 2 through 4:

- ***Strategic theme 1:*** Education is central to developing dynamic economies and reducing poverty and must be actively integrated into a countrywide perspective. Education strategies must be part of any comprehensive approach for putting developing countries on the path to economic competitiveness and social cohesion. These strategies should help open up opportunities for poorer segments of society; build a labor force that can adapt to shifting demands locally and in global markets; promote complementarity between education and economic policies; and use tertiary education to build innovation systems, supply the skilled professionals that societies need, and help poor students raise their economic status. Participation in country assistance strategies and preparation of public expenditure reviews are key obligations of education sector staff, as articulation of these linkages in country assistance strategies is vital to ensuring that education interventions are adequately resourced and embedded in broader policy dialogue.
- ***Strategic theme 2:*** The Bank is broadening its strategic agenda for education and adopting a systemwide approach that looks at all aspects of education sector development. Significant progress has been achieved in support of primary

education, and it is critical to sustain that momentum, with the Fast Track Initiative now providing a strong, partnership-based framework through which to empower regional teams and accelerate progress on Education for All. Efforts to mobilize external resources toward meeting the education Millennium Development Goals warrant urgent attention, alongside financing and reform efforts within countries, with heightened impetus from the world's failure to meet the 2005 gender parity Millennium Development Goal. At the same time, strategic dialogue is expected to increasingly include post-basic education, which countries cannot afford to ignore in today's knowledge-driven societies. Key challenges are to help countries design and implement secondary education strategies tailored to their particular needs and to deepen the dialogue in support of tertiary education programs.

- ***Strategic theme 3:*** To maximize the effectiveness of Bank support, education interventions must be results oriented. Given weak data on learning outcomes, education strategies have often been driven by inputs rather than outcomes—and silent on how to improve learning consistently over time. It is essential to identify and understand indicators of progress, with monitoring and evaluation systems that support knowledge-driven reform. Resources need to be channeled, moreover, to where they can have the largest impact, i.e., the school and classroom level. Such a commitment will require a major shift in donor support.

The Bank's comparative advantage

Bank assistance will capitalize on areas of comparative advantage. The Bank is able to take a comprehensive view of needs in the education sector and thus help clients integrate education into a country's policy and institutional context. Its analytical and technical strengths enable it to influence country policy and strategy, while the Bank's poverty reduction mission is also central: a broad array of instruments, including poverty reduction strategy credits, can support efforts to maximize the role of education in opening doors for the poorest segments of society. In addition, the Bank's role in advocacy and knowledge sharing will draw heavily on its strong global presence and

worldwide geographical reach and experience. Its convening power enables it to take the lead in donor harmonization and program-based approaches, allowing savings to client countries and greater complementarities among donor efforts. Finally, its engagement of the private sector through IFC adds a crucial dimension, with Bank-IFC collaboration helping countries to raise additional resources particularly for post-basic education and build the public-private partnerships needed to diversify service delivery and promote labor market relevance.

Countries need sound policies and strong institutions to ensure that domestic and external resources are used well. To that end, Bank support for education will emphasize a sound knowledge base to inform all policy dialogue and other interventions, capacity building efforts to strengthen country systems and institutions, close partnership with other donors—as much as possible within program-based approaches—as well as strategic partnerships with the private sector, and financial support that is designed on the basis of sound knowledge and that is used as much as possible as a lever for policy reform.

Implementation highlights

Chapter 5 of the report summarizes the ESSU’s contributions to aid effectiveness and presents implementation highlights for the next three years. The chapter spells out the strategy’s implications for lending, analytical and advisory activities, inputs into country strategy processes, resources, staffing, and partnerships, and includes a proposal for revitalized education policy research.

Annexes to the ESSU provide additional information:

- **Annex 1** reviews World Bank support for education over the past five years.
- **Annex 2** presents a set of maps showing a global picture of prospects for meeting the two education Millennium Development Goals and the gross enrollment rate for secondary education.
- **Annex 3** gives examples of good practice among country strategies to achieve Education for All.

- **Annex 4** highlights– good practice examples among country strategies to support education for the creation of knowledge economies.
- **Annex 5** lists IFC investments in education in recent years.
- **Annex 6** describes regional action plans for the ESSU.
- **Annex 7** takes stock of key elements of the ESSU on a country-by-country basis.
- **Annex 8** presents the results framework for the ESSU.
- **Annex 9** describes the summary action plan for the ESSU.
- **Annex 10** outlines the capacity-building plan supporting the ESSU.
- **Annex 11** defines the framework of accountabilities for the ESSU.

2. Integrating education into a countrywide perspective

Education is central to developing dynamic economies and reducing poverty, but it can play this role effectively only when it is viewed in a countrywide perspective. Although only two of the eight Millennium Development Goals relate specifically to education, education will be a significant factor in achieving other Millennium Development Goals, such as those related to infant mortality, HIV/AIDS, maternal health, and the environment. Education at the higher levels can unlock innovation and productivity and help countries adapt to change; it can develop a base of skilled professionals—such as doctors, accountants, scientists, engineers, private entrepreneurs, and public administrators—and nurture leaders and educators. Education can also help to build societies that value democracy and debate, while creating capacities in the workforce necessary to stimulate economic growth.

The potential for education to contribute to development, job creation, and social cohesion can be fully realized only through the adoption of a countrywide perspective predicated on:

- Articulation in every country assistance strategy of the role of education in meeting national goals—including the role of girls' education at all levels in attaining all the Millennium Development Goals and in empowering girls with voice and opportunity—and inclusion of key education outcome indicators in country assistance strategies and poverty reduction strategy credits.
- Systematic inclusion in sectorwide analysis of the linkages between education and the macroeconomic context and of their implications for sector and country strategy. Systematic inclusion of education issues in countrywide diagnostic and strategy work (preparation of country assistance strategies, poverty reduction strategy credits, public expenditure reviews, poverty assessments) and in operations originating in other sectors that have education components, with efforts to tailor Bank assistance to a country's needs and such specific contextual factors as income, willingness to reform, implementation capacity, and other donor presence (see Table 5-3).

- Monitoring of participation of marginalized groups at all levels of education systems, with a commitment to ensuring equitable access for all.
- Strengthening of staff skills for designing and supervising multisector operations and working effectively across sectoral teams.
- Building client capacity for analysis, participation in countrywide efforts, and collaboration with the Ministry of Finance and other sectoral ministries. Linkages with the macroeconomic and public policy context.

As a crucial input into country assistance strategies, poverty reduction strategy papers, poverty reduction strategy credits, and public expenditure reviews, sectorwide analyses should draw explicit linkages between education and core development objectives, such as poverty reduction, economic competitiveness, and private investment. The role of poverty and social assessments in informing such analyses cannot be overstated: disaggregated information on demographics, income, household expenditures, preferences, and constraints can go a long way in helping to design strategies aimed at reaching the poorest and most vulnerable segments of society, including those seeking to increase these groups' demand for education (“demand-side strategies”). Such analysis is a prerequisite for building country ownership and for ensuring that education interventions receive and are sufficiently well designed to improve service delivery. The experience to date with poverty reduction strategy credits in the Bank suggests that education is put on the “country radar screen” only in some good-practice cases (Box 2-1). Education staff should ensure that all poverty reduction strategy credits and country assistance strategies include education issues and indicators—and prioritize interventions that reduce poverty and inequity.

Box 2-1.
Education and poverty reduction strategy credits, 2001–04

Of 21 poverty reduction strategy credits:

- All have addressed general education issues, such as management, financing, and primary education.
- Eight have dealt with issues related to teachers and teaching in disadvantaged areas, such as recruitment, salaries, skill upgrading, and standards.
- Seven have textbook components to cut the cost of books or provide free or more textbooks.
- Six have addressed issues of secondary education.
- One has acknowledged the role of tertiary education.

Macroeconomic conditions and labor markets

The macroeconomic and labor market context is crucial for mapping out a country's education strategy. Clear strategies are needed to help countries' education and training systems respond to skill needs in the labor market, promote national competitiveness, and address youth unemployment, as in South Asia, for example (Box 2-2). Close attention to public policies relating to business climate, wage ceiling, and job protection can increase jobs for graduates, returns to education investments, and labor mobility. The challenge of integrating education into labor market strategies implies the need to:

- *Identify and develop those skills that are most demanded in the global economy, while emphasizing lifelong learning—and learning how to learn—rather than occupation-specific skills. Countries need to set priorities (particularly in public funding) for their education systems relative to their stage of development.*
- *Clearly articulate in country development strategies the links between education and globalization—and related challenges and opportunities.* For example, demand for higher skills and in particular tertiary education is rising faster than demand for less-skilled workers in much of Latin America. This trend implies that inequitable access to education will perpetuate inequality in wages—or that strategies to expand good quality, higher-level education could produce a superior workforce and raise productivity.¹⁰ It is increasingly essential to address issues of international labor mobility.
- *Ensure that skills development is aligned with employability on graduation.* In Sub-Saharan Africa, for example, finding productive employment for the 7–10 million annual new entrants to the labor force is a key challenge, given largely

Box 2-2. Education and employment in South Asia

Bhutan: A tracer study is providing information on those leaving Grades 10 and 12 and college to assess how the education and training system can better meet the country's economic and social needs; the effort is being institutionalized to help continually upgrade education and training programs.

Sri Lanka: Sri Lanka is linking the curriculum, teacher training, and examination systems at the basic and secondary levels to the labor market, building capacity for education policy research, and promoting information technologies and English language skills to make school and university graduates more marketable.

¹⁰ *Closing the Gap in Education and Technology*, page 110. World Bank, 2003.

stagnant wage employment and an informal economy accounting for typically as much as 85 percent of total employment. Given the region's low literacy rates and educational attainment; the impact of wars; and the impact of HIV/AIDS—which is deskilling the workforce, driving up labor costs, and reducing incentives for investing in skills—reaching the informal sector with skills development will be important for poverty reduction.¹¹

Finance

Education finance is an area in which the macroeconomic context has perhaps the most immediate impact on education outcomes. Strong articulation of the linkages between education and national outcomes must be coupled with persistent efforts to realize those returns. This includes close attention to fiscal policies (financing education services, user charges and access, taxation incentives, expenditure mix, and allocative efficiency) and decentralization policies affecting school finance and management. The Bank should work systematically with client countries to remove user fees at the primary level, while ensuring an adequate flow of funds to schools to maintain or improve service delivery. Systematic efforts are also needed to identify areas of underfunding in relation to the needs of the country or the potential for high returns. A subnational public expenditure review for Mexico's Veracruz state, for example, supports expanding incentive schemes to keep poor children in school and offering basic education scholarships to extremely poor children.

Private sector development

Greater attention must also be given to the role of the private sector in education provision, given the large numbers of children in low-income countries without access to primary education and the significant unmet demand for higher education in many countries. Enrollments in private education are significant in some countries (one-third of secondary school students in all of Latin America and four-fifths in Haiti); and private expenditures on education are sizable in many countries (about one-quarter of all

¹¹ Richard K. Johanson and Arvil V. Adams, *Skills Development in Sub-Saharan Africa*, World Bank, 2004.

education spending in developing countries). Public provision of good-quality primary education at no cost to parents or children is the cornerstone for achieving the Millennium Development Goals, but there is room and need—in low- and middle-income countries alike—to promote increased private participation in education. The aim is to help meet demand; improve education quality (international assessments show that some private school students consistently outperform public school students); increase private sector access to public funding; promote teacher training for primary and secondary education; and support systemwide capacity building at tertiary and vocational levels.

Although the Bank does not support tuition fees at the primary level, private provision is often as good as, if not better than, public provision, and governments can subsidize private schools by paying teachers' salaries, as happens in some African countries, or by contracting, as in Colombia, for example. Bank support—in collaboration with IFC where private provision is especially crucial or where associated constraints to private sector development are severe—can help to mobilize private resources by improving cost recovery at upper levels of education systems, offering innovative student loans, providing subsidies for poor but deserving secondary and tertiary students, or supporting innovative schemes to promote private construction of public schools. Increased competition among public and private education institutions (for example, through new methods of public finance that shift education decisions to private households) is providing more incentives to improve quality. The Bank can also help countries investigate the market for education, develop an enabling environment for private participation and competition, and align private provision whenever possible with equity principles laid out in national education strategies.

Public administration

The links between teachers and public administration are a crucial area of intersection between education and the macroeconomic context. Public sector recruitment, assignment, and compensation policies merit a prominent place in policy dialogue to address possible tensions between fiscal (rationalized civil service) and sectoral (more qualified, motivated teachers) objectives. As civil servants and a large voting group, teachers and teacher unions can have a positive impact by extracting

needed policy commitments from government for adequate wages and a working environment that protects the interests of teachers and children alike. This includes protection from capricious hiring, firing, and promotion decisions. Support should be given to ensure that teachers who are working under the newly created contracts have access to adequate training opportunities, a career ladder, and decent conditions of employment. If taken too far, or applied unwisely, however, teacher policies can make the sector more rigid and harder to manage. Yet, reform of these issues is difficult where solutions are held hostage to broad civil service reform, as recently in the case of Zambia, and where labor regulations may be inflexible. Where teacher laws are distinct, regulation may be more flexible—and easier to change. One possible area of reform is to create separate legislation for teacher employment and to advocate for a legal and labor-organization approach that factors in the peculiarities of teaching. Even where laws are inflexible, teacher performance can be improved by promoting sound pedagogical practices and technologies and support systems that are teacher-friendly.

Information and communications technologies

Countrywide policies related to information and communications technologies are crucial for education as well. For policymakers aiming to tackle the growing digital divide, the challenge comprises massive investments in information infrastructure and equipment—and a lot more. There is a need to go beyond inclusion of technology components in projects and focus support on the full range of efforts needed to effectively integrate information and communication technologies in education systems, including in the area of curriculum and pedagogy, institutional readiness, teacher and principal training, long-term financing, and establishment of an enabling environment for technology investments. National policy for information technologies must be rewritten to incorporate the needs of the education sector, including sustainable low-cost access to the Internet. Moreover, it is essential that such support be informed by evaluation of previous information and communications interventions, at the country-specific as well as global level (see also Chapter 5, which includes this topic in the proposed policy research agenda).

Governance and decentralization

In the area of governance and decentralization of education management, a priority is to help ensure that the responsibilities of local governments are aligned with their resources and decision-making authority to promote accountability—and better educational outcomes. Sector analysis should inform the sequencing of reforms, so that financing issues are addressed within the overall framework of decentralizing governance and service provision. Analysis should also identify weaknesses in institutional capacity and examine the role of communities and teacher unions in strengthening accountability. The issue of transparency should also be addressed: in Chile, for example, reliable information on labor market outcomes has greatly enhanced the transparency of tertiary education, enabling students to make more informed choices.

A governance issue that poses a fundamental threat to education outcomes is corruption. It is essential that sector assessments identify both the problem—whether it occurs outside the education sector (buying and selling of civil service jobs) or inside (buying and selling of grades or admission to preferred schools)—and the options for remedy. Education interventions can contribute to higher standards of integrity. For example, the government of the Kyrgyz Republic introduced high-quality standardized university entrance examinations in 2002 to eliminate corruption in university admissions, which immediately produced a sharp increase in the number of poor rural students admitted to university.

HIV/AIDS

The education sector has a unique role to play in the multisectoral response to HIV/AIDS. The Global Campaign for Education estimates that 7 million cases of AIDS could be avoided by the achievement of Education for All, and an even larger number if education also incorporated specific prevention programs. The Bank’s policy note labels school children as the “window of hope”: even in the worst-affected countries the vast majority are uninfected, and there is now clear evidence that staying in school and completing an education can help them remain that way. But the note also illustrates how HIV/AIDS is destroying the education systems that can deliver this “social vaccine” and calls for extra support to mitigate the epidemic’s impact on education, to fully realize the

potential of the education sector in preventing infection, and to achieve Education for All in a world of AIDS. Efforts must be made to strengthen the role of education in National AIDS Councils, increase the sector's use of MAP resources (multisectoral Multi-country AIDS Programs, which now distribute only 2 percent of total disbursements to education), and increase the share of education projects supporting the response to HIV/AIDS (currently 60 percent).

Post-conflict reconstruction

Education can play a significant role in fostering social cohesion in post-conflict settings or in countries with ethnic and linguistic minorities. Education has been used constructively in some cases to promote reconciliation—but in others played a more perverse role in furthering hostility even after cessation of conflict. Educational interventions are of several kinds, including efforts to raise the educational performance of ethnic and linguistic minorities, development of specific content in curricula and educational materials to promote acceptance and integration of minorities, and use of minority languages in

instruction (Box 2-3). The Bank's policy paper on education and post-conflict reconstruction¹² underscores the need for a long-term, systemic perspective in rebuilding education systems following conflict. Substantial

Box 2-3.
Using the language of instruction to foster social cohesion

Although the simple recognition of linguistic differences does not necessarily ensure social harmony, subordination of minority groups almost inevitably promotes antagonism. Some 14 nations in Central America and the Andean region are enjoying reduced tensions because of bilingual education programs that use indigenous languages in early basic education. Such programs can also be expected to result in improved student learning. In Eritrea, within two years of independence the government provided public education in eight of its nine languages for Grades 1–5, to preempt internal disunity and feelings that any one segment of the population was being favored. To promote social cohesion in Sri Lanka, the Bank is supporting the establishment of multiethnic textbook review panels to eliminate bias and hurtful material and the introduction of English as the medium for education in schools designated as “Amity Schools,” to promote interethnic schools.

interministry and interagency collaboration is needed to mount rapid assessment missions; establish links with overall country policies; develop policy options for financial decentralization and management, school governance, and legal and regulatory frameworks helping transition to sustainable systems; and prioritize interventions for

¹²*Reshaping the Future, Education and Post-Conflict Reconstruction*, World Bank, 2005.

donor financing. Establishing sound teacher policies is a priority, working with civil service authorities, finance ministries, and social welfare and pensions departments. Education systems in post-conflict settings also need to collaborate across sectors on HIV/AIDS and other youth programs, health education, safety in schools, mine awareness, infrastructure, and psychosocial support.

Linkages with other sectors

An understanding of the linkages among education and other sectors is especially crucial for countries that have not reached Education for All and Millennium Development Goal targets for education coverage, and for which multisectoral interventions in school health, early child development, and post-conflict reconstruction are important, as discussed below. These interventions, moreover, are often intrinsically linked with others in transport, water and sanitation, energy, rural development, community-driven development, and efforts to expand provision of nonformal education (Table 2-1).

The quality of the learner is an essential component of the education process. Children who have not had the chance to realize their development potential or who are too ill or malnourished to attend school cannot take full advantage of their learning opportunity. Programs for early child development and school health and nutrition are thus essential complements to effective education programs, particularly for poor and disadvantaged children who are most likely to suffer from ill health and malnutrition. Early child development programs help ensure that growing children in the preschool years enjoy the good health and intellectual stimulation needed to realize their development potential, and so ensure readiness for school and for life. School health and nutrition programs help children remain healthy and well nourished during their school years and able to attend school and fully realize their cognitive abilities.

Early child development programs link education, health, and nutrition interventions to ensure that children age 0 to 6 years receive the foundation needed for healthy cognitive and emotional development. They yield substantial benefits to education outcomes, in terms of higher intelligence scores, higher and timelier school

enrollment, less grade repetition and lower drop-out rates, higher school completion rates, improved nutritional and health status, improved social and emotional behavior, increased earning potential as an adult, and increased female labor force participation. With more studies showing that primary school completion often does not translate into learning achievement, the need for well-designed, targeted early child development programs assumes even greater importance, to strengthen prospects for learning achievement and increase returns to investments in education. Such programs can help children with illiterate or poor and disadvantaged parents in both low- and high-income countries.

Linkages across education, health, nutrition, water and sanitation, infrastructure, and “youth” ministries are all crucial in addressing challenges related to HIV/AIDS—the epidemic that has killed African teachers faster than they can be replaced, created huge numbers of orphans, and begun to threaten the stability of other regions (Box 2-4). New analytical work on education and HIV/AIDS,¹³ undertaken since the 1999 strategy, urges high priority to education both because it is a highly cost-effective weapon for HIV prevention and because education systems risk being devastated by the epidemic. In fact, education is often referred to as the “social vaccine” because of its strong positive impact on safe behaviors and infection rates.

Issues related to uneducated or undereducated youth can be addressed through nonformal education (Box 2-5). Many youths have been left out of the formal education system and do not have access to the labor market, creating an increasing social burden and representing a significant challenge to governments and to the international

Box 2-4.
FRESH: multisectoral partnering to fight HIV/AIDS

A notable example of school-based HIV prevention comes from FRESH (Focus Resources on Effective School Health) a framework created by a partnership among UNESCO, the World Health Organization, the United Nations Children’s Fund, the Bank, and others to enable a unified approach to school health. Now adopted in over 40 countries in Africa and Asia, FRESH implements sound health policies, a healthy environment, skills-based health education, and access to health services. In Uganda, a school health education program lowered the share of students in the final year of primary school who reported being sexually active from 43 percent to 11 percent.

¹³*Education and HIV/AIDS: A Window of Hope*, World Bank, 2002.

development community. Ironically, the Education for All movement will most likely exacerbate these pressures, insofar as post-primary students lack adequate opportunities for secondary schooling and/or employment. What is needed is a lifecycle approach that goes beyond survival goals to address issues of basic education, health, and economic and social well-being. Cooperation with nonformal educational organizations for youth will be crucial. A strengthened program of support for nonformal education of adolescents and youth can also be important in dealing with reproductive health and HIV/AIDS issues and for reducing the incidence of child labor. While cross-sectoral interventions will be essential, it is essential that the education sector develop a far more proactive stance in addressing youth issues, particularly those relating to the transition from schooling to the labor market.

Box 2-5.

**Meeting the needs of vulnerable children and youth:
a multisectoral approach in the Middle East and North Africa**

In the Middle East and North Africa Region, up to 20 percent of children and youth are not reached by formal service delivery systems in health, education, and social safety nets. These children are malnourished, sick, disabled, out of school, working at a young age, living on the streets or in orphanages, or turning to crime. Global experience shows that school construction and improvement of education quality offer little benefit—and point to a multisectoral approach involving communities and parents.

Highlights of the Bank's efforts to help countries mainstream attention to the needs of these children and youth, across sectors, include:

- Support for a Yemen National Strategy for Children and Youth, being prepared jointly with UNICEF with a high degree of intersectoral collaboration among Ministries of Education, Health, Social Affairs, Labor and Youth, and international nongovernmental organizations, and informed by a regional social development strategy, a regional disadvantaged children study, and child labor studies of Yemen and Morocco identifying risks as well as policy and programmatic gaps
- Support for implementing recommendations of the above studies in Egypt, Jordan, and Yemen, through support, respectively, for enhancing early childhood education and preventing child labor, rehabilitating and integrating vulnerable children into mainstream society, and improving basic education. The new Basic Education Development Project in Yemen incorporates measures for children with special needs.

Focus on service delivery

A countrywide perspective is crucial to understanding and improving the quality of education service delivery—and in particular, the accountability and incentive frameworks that drive education delivery. The 2004 *World Development Report* argues that progress in education

outcomes is possible only if schools and bureaucracies are held accountable for using effectively the inputs they are provided (Box 2-6).

The decentralization of school management can create opportunities to improve incentives and accountability, but these opportunities are unlikely to be unique to the education sector. Gains to education can come from clarifying central and local roles for all sectors. This will include

issues related to school finance and management (for example, in teacher hiring) and improving financing to encourage transparency, predictability, equitable resource allocation, and efficient resource use. The overall context of the country is also important. A recent analysis identified a variety of good governance practices associated with good secondary education services: a transparent and well-known set of regulations (on, for example, curriculum, standards, admission policies, student assessment, school operation, and resource allocation); a precise definition of responsibilities (including those of

Box 2-6.

Improving accountability in education

*Education after the WDR 2004: An inventory of accessible implementation ideas*¹⁴ aims to suggest practical, accessible applications of the messages of the *World Development Report 2004: Making Services Work for Poor People*, bringing together concrete ways of strengthening accountability across citizens, politicians, and service providers. For example:

- *Armenia.* Involving parent committees in identifying vulnerable children in schools; making grants directly to schools and involving local communities in selecting activities for funding; creating pilot autonomous schools and funding them on a per pupil basis with a formula prompting schools to save money and use savings to raise pay for better-performing teachers.
- *Kenya.* Providing textbooks and instructional materials on a formula-based grant basis, with school-level choice of purchases and a related revamping of accounting systems and training.
- *India.* Decentralizing administrative management of basic education to local governments; having village education committees, mothers' groups, Parent-Teacher Associations ensure some degree of accountability and monitor school and teacher punctuality and attendance.

¹⁴ *Education after the WDR 2004: An inventory of accessible implementation ideas.* World Bank, 2005 draft.

citizens and all levels of government); a strong system of public management; and a precise definition of outcomes and measurement of results.

Delivery of high-quality secondary education services depends on the reform of traditional modes of state intervention and public management strategies, according to the Bank's policy paper on secondary education (World Bank 2005). Significant changes in the economic and political conditions that once framed government actions have now made way for new forms of interaction between state, communities, and markets in the provision of secondary education. With greater focus today on education equity and quality, policymakers are giving priority to intervening at points closest to service delivery—namely, the school level or the subnational level. Thus, while the central government retains a key role in financing and regulation, it is gradually shifting away from program designer and implementer, administrator, and total service provider toward creator of vision, goal and standard-setter, results monitor, facilitator of good service provision, and provider of resources for target populations. It is essential that sectorwide analysis, as proposed in the following chapter, assesses the country-specific institutional, sociocultural, and economic factors affecting governance structures and education provision.

The role of communities is highly relevant for accountability and quality service delivery across sectors, including for education. Empowering local communities to control money targeted to help them can contribute importantly to improving education services, by affecting such inputs as teachers, learning materials, and curricula. The key to success, experience shows, is to put incentives in place for collective action and for politicians, service providers, and beneficiaries to work in concert. Parents and communities also need to have information they can use to hold teachers accountable—through, for example, school report cards as in the case of Nicaragua—and to be empowered to voice their views on school improvement.

Table 2-1 indicates some of the interlinkages among education and other sectors—areas where dialogue and coordination across sectors within the Bank, and between the Bank and IFC, can help to exploit synergies, avoid crossed purposes, and strengthen outcomes in several sectors. The Bank is also in a strong position to facilitate such dialogue and coordination in client countries. These linkages provide a powerful

argument in favor of a countrywide approach to education through country team collaboration in country assistance strategy preparation, in cross-sectoral analytical work, such as public expenditure reviews and poverty assessments or cross-sectoral work of a stand alone nature, and in design of operations. Whether and when multisectoral operations are also indicated, with or without supporting education operations, are separate questions that need further work, particularly at the country level. Analysis of the overall country context, as shown in Table 5-3, will be especially helpful in assessing those country-specific linkages that offer the greatest scope for improving development outcomes.

Table 2-1. Linking education with overall development efforts

	Education affects other sectors	Other sectors affect education
Health	<p>Expansion of schooling, especially of girls, lowers fertility rates, reduces child mortality, and improves maternal health.</p> <p>Through nutrition and other programs, schools improve children’s physical as well as mental development.</p> <p>Life skills courses, health clubs, and other school-based programs including counseling, can promote health awareness and lifelong healthy behaviors (tobacco, substance abuse, hygiene, nutrition, HIV prevention).</p> <p>Better education and training produces more effective health care workers.</p>	<p>Improved child nutrition and health, through early child development, health, and feeding programs, contributes to school attendance and learning achievement.</p> <p>Health information programs and access to health care improve attendance and performance of teachers.</p> <p>Combating HIV/AIDS reduces losses to the teaching force from the disease, absences from school of teachers and pupils charged with caring for relatives with AIDS, drop out of orphaned pupils.</p>
Social protection	<p>Expansion of education opportunities reduces vulnerability of the poor, provides a route out of poverty for many.</p> <p>Pro-poor distribution of education expenditures can reduce strain on the social protection system and vice versa.</p>	<p>Public works and employment programs and community driven social protection programs often involve school construction.</p> <p>Safety net programs, or cash or food transfers conditional on school attendance, can enable poor households to keep children in school.</p> <p>Experience in targeting for social protection may be relevant in developing techniques for cost recovery and subsidies in education. Household surveys can yield important information for the education sector.</p> <p>Effective employment policies are critical to realizing the employment and income benefits of education investments.</p>
Water and sanitation	<p>Expansion of the school network can drive extension of water and sanitation services.</p>	<p>Water and gender-separate sanitation in schools improves enrollment and attendance, especially of girls. Improves health, which improves</p>

	Education affects other sectors	Other sectors affect education
	<p>Educated communities are more likely to have the resources and capacity to sustain water and sanitation facilities.</p> <p>Better education and training produces better water and sanitation engineers, more productive workers.</p>	<p>attendance and learning achievement.</p> <p>Water supply to communities and households increases enrollment and attendance, especially of girls, by improving health and reducing the time spent collecting water for household needs.</p>
Transport	<p>Educated communities have more resources and demand for transport services.</p> <p>Better education and training produces better transport specialists and engineers, more productive workers.</p>	<p>Improvements in transport give more children access to school; improve attendance rates of teachers and pupils; reduce the need for provision of dormitories/housing for students/teachers; and improve children's security.</p>
Energy	<p>Expansion of school network can drive extension of electricity network.</p> <p>Educated communities have more resources and demand for energy.</p> <p>Better education and training produces better energy specialists and more productive workers.</p>	<p>Electrical supply, lighting, heating, in schools contributes to learning achievement and facilitates in-service teacher training, enabling use of audio-visual equipment, computers.</p> <p>Electrical supply facilitates more efficient use of school buildings through evening classes, etc.</p> <p>Efficiencies in energy supply translate to reduced school operating costs.</p>
Public sector management	<p>Educated citizens are more likely to demand standards and accountability of government and providers of public services.</p> <p>Better education produces more competent leaders and civil servants.</p> <p>The nature and pace of expansion of the teaching force can affect public payroll administration and the issues for broader civil service reform.</p>	<p>Improved public sector management facilitates transparency and efficiency in delivery of education services; capacity for effective development and implementation of sector budget and education policies; effective recruitment, management and deployment of the teaching force; better data management, information flows, accountability.</p> <p>The overall decentralization framework, and the capacity of central and local institutions, define the scope for decentralization in the education sector.</p>
Private sector development	<p>A well-educated workforce supports private sector development and attracts foreign direct investment.</p> <p>The education sector can impede private sector development if programs are not relevant—providing the knowledge and skills needed by employers.</p>	<p>A private sector environment that encourages employment generation is a prerequisite for realizing the employment and productivity benefits of education reform.</p> <p>Private sector legal, financial, and regulatory environment affects the scope for development of private education institutions.</p> <p>Involvement of private sector employers in designing curricula or providing training helps to ensure that vocational and tertiary programs match labor market needs.</p>
Social development	<p>Education can promote social cohesion, social capital, reduce crime and youth delinquency.</p> <p>Targeted and nonformal education programs,</p>	<p>Development of community and civil institutions can improve school performance by encouraging parental and local involvement in schools and demand for standards and accountability in provision of education</p>

	Education affects other sectors	Other sectors affect education
	use of mother tongue for language of instruction, promote inclusion of marginalized and disadvantaged groups.	services. Social and gender assessments yield important information for education sector.
Agriculture, rural development, environment	Schooling increases agricultural productivity and awareness of environmental issues. Literacy facilitates communication and outreach to farmers and rural communities, organizational capacity, “voice.”	Improvements in rural incomes facilitate school enrolments and attendance.

3. Broadening the strategic agenda through a systemwide approach

The Education Sector Strategy Update is rooted in a vision of societies and economies that are increasingly dynamic, knowledge-driven, and cohesive. In this vision, all children complete school, learn well, and adopt healthy behaviors and positive values. More female, rural, poor, orphaned, and disabled children enjoy access to a good education, including early child development programs that promote lifelong success. More adults obtain skills—and gainful employment. More teachers are well trained and well paid, and more school curricula and learning materials are of good quality and relevant to labor market and societal needs. In this vision, more nations win the fight against HIV/AIDS. More universities produce skilled graduates who add to national and global knowledge. More countries use knowledge and technologies to leapfrog toward faster growth. More people and nations recognize the value of peace, cooperation, and democracy. And more education systems are well resourced and efficiently managed, enjoying active community and private sector involvement.

Broadening education strategies

Realizing this vision requires education strategies that maximize the impact of education on economic growth and poverty reduction, the two predominant themes underlying the vision. These strategies should aim to expand the “pie,” by increasing productivity and growth, alongside efforts to ensure a more equitable distribution of that pie. To that end, the Bank’s strategy for education is focused on helping client countries (a) attain the Education for All and Millennium Development Goals and (b) strengthen education for knowledge economies, by building the higher-level skills and knowledge needed to compete in global markets and foster economic growth and cooperation.

Education for All

The 1999 Education Sector Strategy accorded high priority to basic education, and with the establishment of the Millennium Development Goals and the Fast Track Initiative the past five years have seen considerably greater momentum toward universal

primary education. Efforts to sustain that momentum and indeed speed up progress are now imperative. The goal of universal primary completion by 2015 will not be met unless universal enrollment in Grade 1 is achieved by about 2009–10—accompanied by deliberate strategies to keep these children in school. Moreover, having missed the 2005 target for gender parity in primary and secondary education, the international community now feels a new urgency around the second education Millennium Development Goal, especially because girls' education can have a powerful impact on attainment of the other Millennium Development Goals. The Bank will work actively within the new multi-partner framework created by the Fast Track Initiative to accelerate and expand progress in low-income countries. An all-important task is resource mobilization, as the Millennium Development targets will be met only if donors rise to the enormous financing challenges detailed below. Equally, the Bank will emphasize the need to maintain and improve quality as access increases. It is also important to update primary education strategies with new analysis and lessons learned in service delivery and scaling up. In addition, achieving Education for All goals is critical for attaining the other Millennium Development Goals—both through the direct impact of education on child and reproductive health and environmental sustainability and by creating a body of experience in multi-partner collaboration toward the 2015 targets. Finally, the role of education as a powerful “leveler” also justifies priority for Education for All; unequal access to educational opportunity is one of the strongest correlates of income inequality. Intensifying the momentum toward achievement of Education for All targets will in particular mean greater attention to ensuring the participation of disadvantaged groups, and a much greater focus on student learning outcomes—both of which form the heart of the Education for All challenge for middle-income countries.

Education for knowledge economies

At the same time, the second strand of the Bank's strategy for education recognizes that universal primary education is but a beginning step for survival in today's complex, fast-globalizing world. Only by raising the capacities of its human capital can a country hope to increase productivity and attract the private investment needed to sustain growth in the medium term. As knowledge accumulation and application begin to play a

bigger role in economic development and as comparative advantage among nations becomes more and more a function of technical innovation and use of knowledge (rather than natural resources), the priority for building up an educated and skilled workforce escalates greatly. Support for education for dynamic economies encompasses a wide range of efforts to help countries lay the foundation of a healthy, skilled, and agile labor force (secondary education); create the intellectual capacity to produce and utilize knowledge and promote learning throughout the life cycle (tertiary education and lifelong learning); and continually assess, adapt, and apply new technologies (science and technology capacity). Information and communication technologies, in particular, have the potential to multiply access to learning opportunities to those who most need them, including hard-to-reach populations, students with disability, and out-of-school youth. Such technologies can also play an important role in improving the quality of teaching—and thus learning—outcomes.

This enlarged vision represents a broadening of the strategic agenda in relation to the 1999 strategy. Rather than concentrate on a particular level of education, it emphasizes a holistic approach that not only addresses needs at all levels, but indeed, recognizes that the challenges of access, equity, education quality, efficiency, financial sustainability, and governance and management are intrasectoral issues that will never be adequately understood and addressed if they are considered only from the perspective of education levels. By supporting a holistic approach, the Bank will aim to help every country advance from whatever its current stage of development to the next. As such, the updated strategy implies more comprehensive coverage of low-income countries' needs—to address the growing imperatives of secondary and tertiary education, for example—as well as more appropriate assistance to middle-income countries, to improve the quality and labor market relevance of education, greatly widen access to tertiary education, build strong research networks and innovation systems, and so on.

Maintaining the momentum on Education for All

The decade following the Education for All Conference in Jomtien, Thailand, in 1990 saw a reversal of the long-standing decline in primary education enrollment ratios

worldwide. The past several years have seen even greater enrollment gains, particularly in Africa, which had lagged the farthest behind (see annex 1). Clemens (2004)¹⁵ makes the argument that even the earlier enrollment ratios represented a remarkable achievement when compared with historical precedents. The current rate of increase in gross enrollment rates, if maintained, would mean that all regions of the world would be above a 100 percent ratio by 2015. This, however, will not mean universal primary coverage unless repetition is reduced, dropout is eliminated, and disadvantaged groups are able to share equally in the gains. Based on 2002 data for primary completion, as many as 75 countries, 52 of them IDA-eligible, will not achieve the education Millennium Development Goals by 2015 at current rates of progress.

The introduction of poverty reduction strategy papers and the expansion of programmatic, multidonor approaches to development provide an opportunity for more flexible lending around shared country set objectives. Furthermore, the increasing emphasis on results has led to a growing awareness of the need to develop strategies for effective service delivery to poor people (WDR 2004).¹⁶ This is providing a sense of urgency around the improvement of learning outcomes, with greater focus on teachers, schools, and students. Recent analytical work on the costs of Education for All, user fees, the links between HIV/AIDS and education, and post-conflict reconstruction and education all provide an opportunity to mainstream good practices and to take them to scale.

The Fast Track Initiative

The key mechanism that has emerged for sustaining momentum on Education for All is the Fast Track Initiative, which was established in June 2002 and focuses on children in low-income countries. With more than 100 million children estimated to be out of school, the task is urgent. The target is to provide universal access to the first grades of primary schooling by 2010 and to eliminate dropout among this cohort of children. These children are being born even now and will need immediate support over the next five or six years.

¹⁵ Clemens, *The Long Walk to School : International Education Goals in Historical Perspective*, Working Paper 37, Center for Global Development, 2004.

¹⁶ *World Development Report 2004 : Making services work for poor people*, World Bank, 2004.

The Fast Track Initiative provides a strong, partnership-based framework through which more can and should be done to empower regional teams and accelerate efforts to scale up progress, aiming for visible and early results. It has added value as a global platform to strengthen resource mobilization, donor collaboration and harmonization, and program development at the country level. It provides an opportunity to address the most important Education for All challenges, while helping to mobilize support for closing gaps in finance, policy, data, and capacity. Important features of the Fast Track Initiative partnership are the provision of transitional financing through the Catalytic Fund for countries without sufficient ongoing donor support, resource mobilization through bilateral and multilateral channels, and an Education Program Development Fund (EPDF), managed by the Bank's operational regions. The EPDF will help countries put in place a sound plan for achievement of Education for All within the context of a clear countrywide strategy for poverty reduction and will open the way for them to participate fully in the Fast Track Initiative if they so desire. About 25 countries are estimated to have the potential to achieve endorsement under the Fast Track Initiative in 2005 and 2006, based on having in place a poverty reduction strategy paper and a sound sector program. In another dozen or so countries that are considered "failed states," near-term progress will be difficult, given war and political and other constraints (Table 3-1).

The Fast Track Initiative represents an important advance over the past several years toward fulfillment of the Education for All agenda in low-income countries. However, the following areas will still require significant attention in coming years within countries participating in the Fast Track Initiative, as well as other low-income and middle-income countries. The Fast Track Initiative is an important platform for giving more prominence to these issues, with potential benefits for all countries.

Table 3-1. Countries endorsed or potentially endorsable under the FastTrack Initiative as of November 2004

<i>Endorsed</i>	<i>With potential for endorsement in 2005</i>	<i>With potential for endorsement in 2006</i>	<i>Other</i>
Burkina Faso	Albania	Bosnia & Herzegovina	Afganistan
Ethiopia	Bangladesh	Burundi	Angola
Gambia	Benin	Central African Republic	Comoros
Ghana	Bhutan	Congo, Democratic Republic	Haiti
Guinea	Bolivia	Cote d'Ivoire	Kiribati
Guyana	Cambodia	Dominica	Liberia
Honduras	Cameroon	Eritrea	Myanmar
Mauritania	Chad	Georgia	Nigeria
Mozambique	Congo, Republic of	Guinea-Bissau	Papua New Guinea
Nicaragua	Djibouti	Kyrgyz Rep	Somalia
Niger	India	Lao People's Dem. Rep.	Solomon Islands
Vietnam	Kenya	Pakistan	Sudan
Yemen	Lesotho	Sierra Leone	Togo
	Madagascar		Vanuatu
	Malawi		
	Mali		
	Moldova		
	Nepal		
	Rwanda		
	Sao Tome and Principe		
	Senegal		
	Tanzania		
	Timor, East		
	Uganda		
	Zambia		

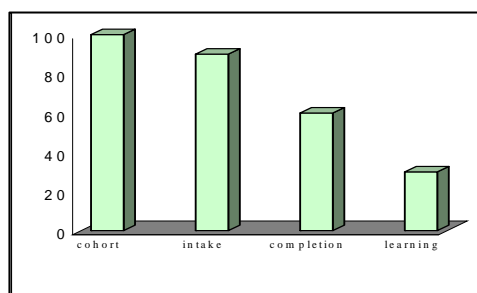
Note: Countries are listed as endorsable in 2005 or 2006 if they are likely to having in place a sound sector strategy and a poverty reduction strategy paper

Quality and retention

The quality and retention of learning pose key challenges in education. In Africa, for example, fewer than two-thirds of Grade 1 students will reach the final grade and of these, only about half will reach even minimum standards of learning achievement (Figure 3-1).

Interventions at the point of service delivery are crucial. A more efficient and effective delivery of inputs

Figure 3-1. Declining shares of students entering, completing, and learning in schools in Sub-Saharan Africa

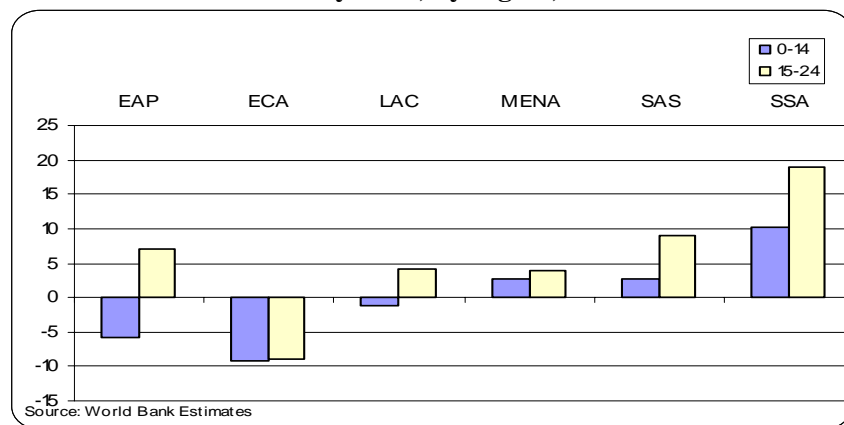


is necessary for a quality education and for student acquisition of basic knowledge and skills, including inputs such as teacher training, learning materials, socially and academically relevant curricula, bilingual instruction, and increased instructional time. Reforms are needed to strengthen performance incentives at the school level, and accountability of schools to communities, guided by a country-specific analysis of the relationships between policymakers, service providers, and users of education, as discussed in *World Development Report 2004* WDR. Annex 3 highlights the growing proliferation of good practices in the area of school-based management, as well as other efforts to improve quality in the African classroom, ranging from teacher training reform to improved access to textbooks and classroom supplies.

Disadvantaged groups

It is insufficient to frame the challenge of the Millennium Development Goals simply in terms of accelerating present trends. Sustaining momentum on Education for All is not a question of doing more of the same. It will require developing new approaches, new tools, new paradigms, and reaching new children and their families. Demographic projections point to significant growth in the number of primary school-age children in Sub-Saharan Africa (Figure 3-2) a region already facing the effects of poverty, HIV/AIDS, and armed conflict. The majority of out-of-school children are poor, rural, female, and increasingly, in some countries, orphaned (orphans could account for as much as 15 percent of all primary school-age children by 2010). Many have physical, emotional, or

Figure 3-2. Projected growth of the population of children and youths, by region, 2003–10



Note: EAP = East Asia and the Pacific; ECA= Europ and Central Asia; LAC= Latin America and the Caribbean; MENA= Middle East and North Africa; SAS= South Asia Region; SSA = Sub Saharan Africa

learning disabilities. There is no evidence of improving enrollment ratios for many of these children. Children with disabilities, in particular, will not be sufficiently benefited by broad Education for All strategies but will require targeted interventions ensuring their inclusion. Maintaining upward momentum will mean finding a way to increase the opportunities for these disadvantaged groups. In the case of girls, for example, who account for two-thirds of all out-of-school children, efforts are needed to close gaps in access and learning achievement by addressing needs for better sanitation, safer roads, more female teachers, and more textbooks and learning materials.

Both supply- and demand-side approaches will be needed to ensure that girls, children with disability, and poor, rural, indigenous, orphaned, or otherwise disadvantaged children have access to a quality education (Box 3-1). Elimination of user fees can go a long way toward expanding access; such a strategy must, however, address the need to replace lost revenue to support recurrent spending, which will be crucial to sustaining quality in the face of increased pressures on the system. A key Education for All challenge is that strategies to increase access at lower enrollment rates are unlikely to reach the last 10 percent of out-of-school children who are the poorest and most marginalized. Conditional cash transfers, as in the case of Mexico's *Oportunidades* program, demand-side support for orphans in Africa, bridging programs in India's Karnataka and Andhra Pradesh states, and inclusive education for children with disability are all among the promising innovations to reach these children (Annex 3). Measures to address gender issues could include correcting gender-biased texts, including reproductive health education in curricula, making schools safe havens to increase girls' attendance, researching causes for boys' dropout rates where prevalent, addressing male

Box 3-1.

Educating children with disabilities

Education for All cannot be attained without reaching children with disabilities. Up to one-third of the 115 million children not in school have disabilities—including learning, physical, and emotional disability. Even children with mild disability are more likely not to attend school or to repeat grades and drop out. What is needed includes:

- Guidelines for teacher development, school construction, and performance assessment.
- Efforts to promote enrollment in early child development programs, where screening can help detect disabilities early.
- Efforts to explicitly target children with disability, which requires improved data.
- Investments, even modest ones, can make a dramatic difference (for example, eyeglasses to see better).

violence issues, and providing mental health screening for children.

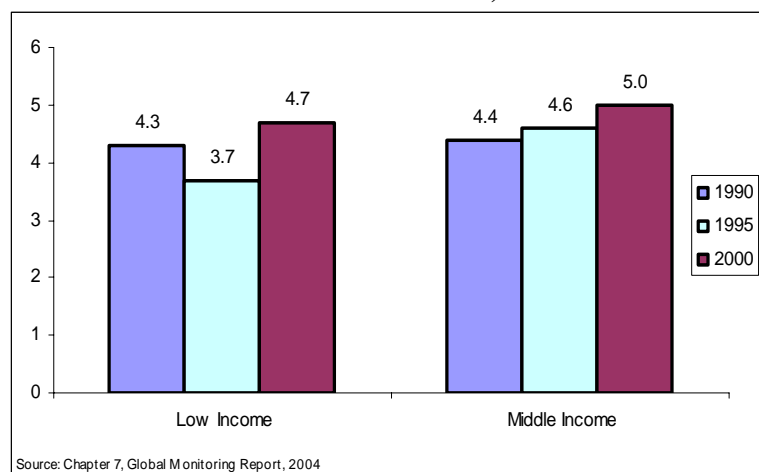
Child labor poses a major obstacle both to achieving Education for All and to addressing the urgent needs of nearly 250 million children below the age of 15 who are now put to work worldwide. A cross cutting approach is essential to combine interventions in education (typically nonformal or transitional programs) with others that focus on poverty reduction, income generation, legal reform, regulation and enforcement, and social safety nets.

Mobilizing increased resources

Although the Fast Track Initiative is becoming much more than a mechanism for mobilizing increased resources, this function is a critical one, for which the track record to date is decidedly mixed. Estimates of incremental external funding needs for low-income countries range from about \$3.7 billion to \$10 billion a year. Members of OECD's Development Assistance Committee currently provide roughly \$0.2 billion a year for basic education. IDA's lending for primary education has averaged about \$0.7 billion a year since 2002. Recurrent costs, including teacher salaries, account for nearly 90 percent of the financing needs. Sustained support for these costs is crucial to countries' ability to implement reforms and programs—although it is important to note that, wherever support for recurrent financing is provided, an accompanying “exit” strategy must be elaborated to address issues of country ownership and aid sustainability.

Over the next three years, an additional \$1.4 billion to \$2 billion will be required to meet the financing needs for countries becoming eligible for the Fast Track Initiative. Donors

Figure 3-3. Public spending on education in low- and middle-income countries, 1990–2000



will need to both increase their official development assistance and to reallocate away from technical assistance toward country education systems. In addition, since the Fast Track Initiative Catalytic Fund is a transitional financing mechanism, other donors will need to finance current recipient countries beginning in 2006 and 2007.

Stepped-up efforts are needed to help countries anchor their education plans in poverty reduction strategy papers and public expenditure reviews and to ensure adequate domestic spending for primary education, as in Yemen (Annex 3). Trends in public spending for education in low-income countries are positive (Figure 3-3), supported by the Highly Indebted Poor Country Initiative, at least as indicated in the initial Fast Track Initiative countries. But there is room for improvement in a large number of countries. Efforts are needed to sustain the positive trend and to ensure more efficient spending as well as adequate monitoring of sector performance.

With respect to external resources, a sustained dialogue with donors is needed to expand the overall volume of aid, for which the Fast Track Initiative provides an important platform. In addition, the Bank's change in policy allowing recurrent cost financing will facilitate support for scaling up. The added flexibility permits more direct support for significant items such as teacher salaries or learning materials and maintenance costs—as in the case of the India Elementary Education Project—that are known to have an impact on learning outcomes. However, it will also increase the vulnerability of countries to the interruption of aid. For this reason, the predictability of financing must be increased, recognizing the disparities between donor time horizons and the medium-term commitments countries need to make sustained progress on Education for All.

The effectiveness of aid is equally important. This requires sound country-owned policies and plans to improve service delivery, particularly for the poor. For the Bank, this recognition implies working cross-sectorally to improve countrywide systems for public expenditure and sector management and for social protection and safety nets.

Ensuring that Education for All is part of a sound sector strategy

As discussed in chapter 2, all interventions must be within a sector strategy that is grounded in the poverty reduction strategy paper and country expenditure plans. These

interventions should be informed by analysis of linkages and complementarities within the education sector and between education and other aspects of development, such as health, nutrition, sanitation, infrastructure, public expenditure management, and labor markets. Education sector strategies should address the critical need, for example, to accelerate the sector's response to HIV/AIDS in Africa or to build capacity after war, as in Cambodia (Annex 3). Regions should fully utilize the Education Program Development Fund to support low-income countries in preparing sector plans.

The poorest countries with stagnating economies, most of them in Sub-Saharan Africa, will demand special attention. These countries have to cope with growing demand for education—at the primary level fed by rapid population growth and at the secondary level because of progress on Education for All—in the face of shrinking public resources. Declining GDP per capita, limited revenues given a small modern sector, and a growing disease burden severely constrain teacher salaries and recruitment. The key obstacles to progress in these countries are not lack of knowledge about what to do but poor technical and management capacity coupled with extremely unstable political situations that make it difficult if not impossible to implement meaningful reforms. Performance-based aid can play an important role in creating the political space for reforms in such countries—albeit with the risk of high aid dependency for a sustained period of time.

Using Education to build knowledge economies

While universal primary education represents a critical milestone in development, no less vital is the need for education that can equip a nation to grow economically, keep up with changes in the global environment, and protect itself from obsolescence. With the increasing importance of knowledge as the main driver of growth and the information and communication revolution of the last decade, it is clear that education systems must accord high priority to building up a nation's capacity to produce, select, adapt, commercialize, and use knowledge. To be competitive internationally, countries must be able to participate effectively in the knowledge-driven supply chains and markets that now dominate the global economy. Furthermore, the knowledge and information revolution also presents significant opportunities for reducing poverty and promoting

sustainable development. Maximizing such potential therefore needs to be a focus of education strategies—and the steps being taken in this direction by many countries are illustrated in annex 4.

Examples abound of the role of science and technology—a central dimension of knowledge—in helping economies become dynamic, competitive, and resilient. Scientific and technological advances have facilitated higher yields and greater nutritional content in the world’s food supply; helped slow the trends of high fertility and high mortality; and helped spur economic growth in developing countries that are home to half the world’s poor (including China, India, Mexico, and Thailand) but are using technological capabilities to make a mark in global high-tech markets. A compelling example comes from the state of São Paulo in Brazil, where a scientific breakthrough in 2001 in cracking the genetic code of a bacterium that was decimating California’s vineyards illustrates how quality researchers anywhere in the world can leapfrog national borders in the new global economy and challenge the traditional strongholds of science in the United States and Europe. Analysts attribute this success to an investment in computers—the creation of a virtual genomics institute where national researchers are Internet-connected and communicate daily—and an operating imperative of cooperation, rather than competition, among scientists. Even more compelling, if only for its currency and scope of devastation, is the December 2004 tsunami disaster, which sounds a call, more powerfully than any report could, for investment in meteorological early warning systems, the application of geographical knowledge to mapping and zoning, and the systematic use of civic education to prepare communities in case of natural emergencies. According to the Bank’s Knowledge for Development Program, knowledge-driven growth strategies entail four pillars:

- An economic and institutional regime that provides incentives for the efficient use of existing and new knowledge and the flourishing of entrepreneurship.
- An educated and skilled population that can create, share, and use knowledge well.
- A dynamic information infrastructure that can facilitate the effective communication, dissemination, and processing of information.

- An efficient innovation system of firms, research centers, universities, think tanks, and other organizations that can tap into the growing stock of general knowledge, assimilate and adapt it to local needs, and create new technology.

Appropriate policies, institutions, and investments are important for using knowledge effectively. To strengthen scientific and technological capacity, the Bank's recent policy paper emphasizes:

- Human resource policies supporting science education at the basic, secondary, and tertiary levels to prepare young people to enter a labor force requiring varying degrees of sophistication in science and technology and to engage in research and advanced training.
- Policies stimulating private sector demand for knowledge, promoting not only macroeconomic stability and private investment but also efforts such as firm-based science and technology training, industry-academia linkages, and tax incentives for research and development.
- Public policies related to national innovation systems, addressing, for example, priority setting, financing, governance, regulation, and monitoring and evaluation.
- Policies for information and communications technologies to maximize access to and flow of knowledge, including by improving the regulatory framework and providing training and education to facilitate broader use of information and communications technologies.

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 plays a critical role in supporting knowledge-driven economic growth strategies in two complementary ways: (a) through the formation of a strong human capital base and (b) by contributing to the construction of an effective national innovation system.

A strong human capital base

All countries need an educated and skilled population that can create, share, and use knowledge well. A framework for knowledge-driven growth requires education

systems to impart higher-level skills to a rising share of the workforce; foster lifelong learning for citizens, and promote international accreditation of a country's educational institutions. Acquisition of skills for the knowledge economy needs to be thought of along two main dimensions.

The flow imperative. There is a growing need to provide quality and relevant education to a larger share of each new generation of young people through expanded secondary and tertiary education. More countries are closing the gap on universal primary education, creating an explosion of demand and of labor market expectations for secondary education; many countries are going to experience the largest ever cohort of youth in their population, creating an enormous opportunity to harness their inherent potential to become valuable, productive citizens; and more and more countries are depending on secondary and tertiary education to enable the effective generation, dissemination, and application of knowledge and to prepare an entrepreneurial labor force that can adapt flexibly to a constant stream of technological advances.

The stock imperative. There is a need to train and retrain the existing labor force to provide opportunities to those who were not able to complete secondary or enter tertiary education, those who are compelled to move into a new job as a result of economic restructuring, and those who need to update their skills to keep up with rapidly changing technologies and production processes. Lifelong learning systems recognize the need for learning throughout the lifecycle, based on learning needs rather than age, and aim to replace information-based, teacher-directed methods with learning that develops the ability to create, apply, analyze, and synthesize knowledge. The lifelong learning model recognizes that firms can no longer rely only on new graduates for new skills and knowledge but also need workers who are willing and able to continuously update their capacities to remain competitive in a global knowledge economy.

A national innovation system

A national innovation system is a well-articulated network of firms, research centers, universities, and think tanks that work together to take advantage of the growing stock of global knowledge, assimilate and adapt it to local needs, and create new technology. Such a system comprises (a) knowledge-producing organizations in the

education and training system; (b) the appropriate macroeconomic and regulatory framework, including trade policies that affect technology diffusion; (c) innovative firms and networks of enterprises; (d) adequate communication infrastructures; and (e) other factors such as access to the global knowledge base and certain market conditions that favor innovation. Tertiary education systems figure prominently in national innovation systems, serving not only as the backbone for high-level skills and the network base for information-sharing but also as the main locus of basic and applied research.

Maintaining advanced training and research programs at the postgraduate level is essential for several reasons. According to recent studies on the determinants of national innovative capacity, “countries that have located a higher share of their research and development activity in the educational sector have been able to achieve significantly higher patenting productivity” (Stern, Porter, and Furman 2000: 25).¹⁷ Graduates of postgraduate programs are needed to staff public and private research and development institutes, as well as high-tech manufacturing firms. Such institutions and firms are the main mechanisms through which research findings are infused into the local economy, transforming the technical bases of agricultural and manufacturing production. Porter, in his seminal 1990 work on competitiveness, noted that “education and training constitute perhaps the single greatest long-term leverage point available to all levels of government in upgrading industry” (Porter 1990: 628).¹⁸ Postgraduate programs are essential for training university professors and thus improving the quality of tertiary education, today and for future generations.

Participating in the knowledge economy is not a luxury restricted to the most advanced developing countries. Low-income countries also face many challenges in science and technology–related public policy issues: ensuring the minimum level of public understanding of science necessary for informed civic decisions; creating channels for appropriate advice on scientific issues in legislation and governance; negotiating and complying with international treaties involving scientific and technological issues; and building local capacity to harness science and technology for the resolution of key

¹⁷ Stern, S., M.E. Porter and J.L. Furman., *The Determinants of National Innovative Capacity*, Working Paper No. 7876, NBER, 2000.

¹⁸ Porter, M.E., *The Competitive Advantage of Nations*, Free Press, 1990.

economic and social problems. Science and technology are important, in particular, to achieve many of the Millennium Development Goals (health, environment, food production, poverty alleviation at large) and help countries better prepare for national disasters. For example, water-borne disease, AIDS, and inadequate maternal care continue to pose a great burden on developing countries, which will further suffer from being unable to correctly assess public health needs and policy options, for lack of scientific and technological capacity. The cost to developing countries of such low capacity has to date been confined mostly to lost opportunities, such as in the failure to capture the benefits of the Green Revolution in Sub-Saharan Africa, but going forward could well involve more active threats in terms of food safety, health, and the environment.

In most countries, inequity in access to quality secondary education is a major barrier to human development, economic growth, and poverty reduction. Sub-Saharan African countries and other low-income countries face the greatest challenge. Countries in the region are having to contend with a growing population that puts pressure on basic education services; and a significant number of those countries are likely to be battling the challenge of providing basic education to all school-age children by 2015, even while AIDS is devastating the teaching force and undermining the entire education fabric. Furthermore, student achievement outcomes in science in much of the developing world are very low.

The development of tertiary education for low-income countries should focus on three complementary priority areas. First, it is important to build capacity for managing and improving the basic and secondary education system, to help meet needs for expanded coverage and improved education quality and relevance. Training and retraining of teachers and principals is needed to improve pedagogical practices as well as strategic thinking and managerial skills, and should be supported by remunerative and career incentives. A second priority is to expand the production of qualified professionals through a cost-effective combination of public and private non-university institutions. Specialized two- or three-year tertiary education institutions such as technical institutes or community colleges can adapt curricula to local economic needs and build links with local industry, to build up a (much needed) supply of mid-level managers and

technicians. Third, making targeted investments in strategic areas of advanced training and research can yield sizable returns over the medium term. Such areas should be selected for their direct relevance to the nation's potential for economic growth and should be integrated into a coordinated, multisectoral approach to development of a national innovation system.

In contrast to primary education, which enjoys relatively substantial external aid, secondary and tertiary education and lifelong learning receive only modest donor attention. The Bank thus has a particularly important role to play in supporting education for dynamic economies, as described above. Such a role encompasses the building of knowledge societies by facilitating policy dialogue and knowledge sharing, supporting reforms through lending, and promoting the enabling framework needed for the development of secondary and tertiary education. In many countries, tertiary education reform can be fraught with controversy, with strong vested interests and differences between the government and the university sector and between public and private institutions. The Bank can help bring multiple players to the table, as in the case of Bolivia where it helped engage public universities and the government in a constructive dialogue on issues of quality enhancement and accreditation.

Implications of a broader agenda

The broadening of the World Bank's agenda for education as a standard feature of analytical work, policy dialogue and lending operations will require that country teams consistently apply a sectorwide perspective. This will allow for informed decisions regarding the appropriate mix of interventions designed to achieve Education for All and education for the knowledge economy in a given country. However, it will require resources to carry out or manage the analytical work needed to provide the knowledge base for such decisions; a strengthening of staff skills in carrying out such analysis and translating it into policy dialogue, support for sector strategy formulation, and other Bank assistance; and capacity building and collaboration with country and regional research networks to help sustain and build ownership of the analysis and its implications for policy reform.

Sectorwide analysis

The starting point for identifying where the Bank can make the greatest contribution to better education outcomes is an analysis of education systems. Such analysis should identify critical linkages and bottlenecks; focus on equity and distribution and identify appropriate responses, in terms of inputs as well as the incentive and accountability framework; address the appropriate balance across subsectors; and consider the scope for private sector

involvement (Box 3-2). The analysis should take the form of freestanding education sector work, complemented by public expenditure reviews, poverty assessments, social assessments, poverty reduction strategy papers, labor market reviews, and knowledge, governance, and private sector assessments.

Sectorwide analysis does not deal only with the issue of broadening the agenda in a vertical fashion, i.e., with the various levels of education. Sectorwide analysis in support of a broader World Bank agenda should also include discussion of demand and supply factors; the impact of interventions in one part of the sector on the rest of the sector; public spending allocations in relation to returns on investment, including labor market outcomes; prospects for mobilizing private resources to sustain sector development; and the sector's incentives and accountability framework:

- Analysis of demographic trends can help countries to anticipate areas of excess or deficient capacity at different levels of the system, and the related potential for

Box 3-2.

Private sector issues that a sectorwide analysis should cover

- Trends in enrollment, number of schools, share of private financing at each level of the system.
- Enrollment characteristics, including particularly socioeconomic rankings.
- Types of services the private sector is offering (what unmet demand has been recognized and met).
- Quality indicators and comparisons with public sector services.
- Key aspects of regulatory environment governing private sector education (enabling and controlling).
- Existence and description of public-private partnerships.
- Demand and supply analysis, particularly of unmet demand, ability, and willingness to pay.
- Existence of demand-side financing schemes.
- Availability of student financing.

savings—as discussed in a recent public expenditure review for Uzbekistan, which faces capacity bottlenecks in upper secondary education.

- Systemic analysis should shed light on subsector or intrasector dynamics. For example: lower primary repetition rates can free up resources to benefit performance at other levels—each time a student in Mexico’s public primary education system repeats a grade, the cost to the system is 8,000 Mexican pesos. Preschool interventions can improve later school performance. A six-year project addressing early childhood needs in India’s Haryana state, for example, reduced primary school dropout rates by 46 percent for low-caste children.

Analysis of household spending patterns is essential to better understand issues related to demand, pricing, equity, and input mix. Panama’s 2002 Poverty Assessment, for example, notes the impact of school-related expenses to be “prohibitively high for the poor and indigenous.” In another example, household survey data for some 20 countries show that (a) links between spending levels and learning outcomes are weak and (b) that the combination being poor, rural, and female results in girls accounting for about two-thirds of those who do not enter school (Mingat)¹⁹.

The analysis of public expenditures can identify inefficiencies and funding imbalances: the 2002 Maldives public expenditure review, for example, calls for a “conscious effort...to ensure that elementary education does not suffer from the expansion of secondary education” (due to a transfer of trained teachers). Similarly, given large numbers of children out of school and already over-crowded school conditions in Sub-Saharan Africa, it is clear that pressures on secondary education from Education for All progress cannot be met by reallocating resources away from primary education. Such analysis may also help assess whether the cost of post-compulsory education programs is aligned with associated labor market returns and whether spending is cost-effective.

Sector analyses should include the extent and quality of private provision and the scope for mobilizing additional resources, including the legal and incentive frameworks

¹⁹ Mingat, Alan. *Analytical and Factual Elements for a Quality Policy for Primary Education in Sub-Saharan Africa in the Context of Education For All*, Association for the Development of Education in Africa, 2003.

for private provision of education and training and the certification and quality assurance process for private providers. For example, analysis of vocational education and training should assess not only the extent of private provision, but also the role of the state in establishing a sound policy framework and the attention to accreditation, licensing, and provision. IFC assessments of private-sector participation can inform and enrich the policy dialogue, as can an understanding of the nature of public-private partnerships.

Analysis of who participates at various levels of education systems can help to ensure equitable access to education systems. World Bank investments should not support programs that reinforce existing patterns of inequality.

Building consensus on education sector priorities

Good analysis will provide a strong basis for countries to build national consensus on education sector strategy. This is a key premise of the Fast Track Initiative and should be a standard feature of Bank lending (see the example of Turkey in Box 3-3). Opportunities for dialogue on national education strategy will vary, ranging from a collaborative sector review agreed under the country assistance strategy to agreement of priorities in the context of public expenditure reviews or poverty reduction strategy papers. The key is to incorporate the concerns of all major educational stakeholders, and to inform the formulation of the country assistance strategy.

Box 3-3.

Programmatic support for building a shared vision for education in Turkey

Sustainable Pathways to an Equitable, Effective, and Efficient Education System is a multiyear sector study program launched in fiscal 2004 by the Bank to help Turkey's government develop a nationally owned, sustainable strategy to transform the country's inefficient and outdated education institutions and programs into a modern, dynamic sector able to prepare youth for high-wage employment and lifelong learning in a competitive global economy. The program seeks to address three constraints: a paradigm for sector reform focused on educational inputs; policymaking driven by politics rather than research; and the absence of a broad consultative process in formulating education policy.

The programmatic approach encompasses an array of studies, seminars, policy notes, workshops, and press conferences to feed into a multistakeholder event aimed at reaching agreement on a vision, strategic objectives, targets, and a monitorable action plan, for the education system. Through this approach, the Bank will help build ownership and develop capacity within government to undertake difficult policy change. Policymakers, technocrats, and external partners are envisaged to collaborate on a comprehensive, state-of-the-art education sector analysis, with facilitated efforts to open up dialogue within government and across stakeholders.

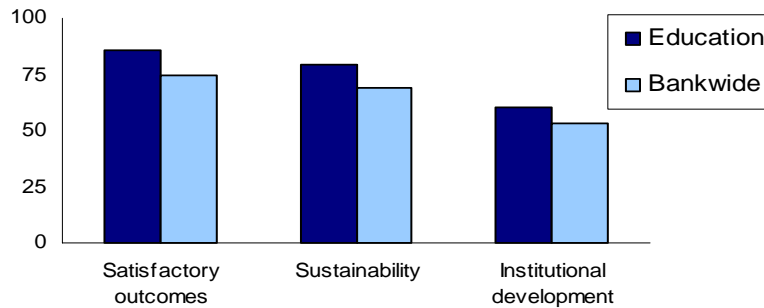
4. But what are they learning? Instilling a results orientation

In many parts of the world, there is a surprising lack of data about student learning. Even though the benefit of education is really a function of the skills and competencies students acquire, rather than the duration of their schooling, most studies of educational outcomes are limited to analysis of years of schooling completed. Such studies can provide only a broad approximation of the increased earning potential, better livelihoods, and poverty reduction that are the result of the education enterprise. As such, they provide insufficient guidance to countries and donors alike as to the optimal use of resources. In an era of tight donor resources and an increasing trend toward performance-based aid, systematic efforts are needed to understand which interventions contribute most to the desired outcomes. This suggests a need for a substantial shift in Bank assistance toward a more results-oriented culture.

A results orientation entails identifying desired outcomes and indicators, engaging in continual efforts to better understand what drives those outcomes, and designing interventions accordingly. Systematic evaluation of the impact of interventions can then inform policy reform and project design—to further improve outcomes. Evaluations of education projects by the Bank’s Operations Evaluation Department (OED) and Quality Assurance Group point to inadequate attention to learning outcomes in adjustment operations and project objectives, activities, and monitoring and evaluation systems; insufficient inclusion of poverty and equity objectives in secondary education projects; and a weak monitoring and evaluation culture. Although a results orientation is needed at all levels of education systems, the specific indicators and outcome measures needed are currently more available at the primary level. Yet, of 33 primary education projects completed since 1990, 27 aimed at quality improvement, 25 specified the use of output indicators for measuring attainment of that goal, 11 specified the use of indicators for learning outcomes, but only seven of these projects followed through on these indicators, and only two or three projects documented project impact. The education sector’s record on project outcomes measured by OED has generally exceeded Bankwide averages (Figure 4-1), but these outcomes are defined in terms of physical outputs or

intermediate outcomes, such as enrollment.

Figure 4-1. Percentage of Education project outcomes compared with percentage of all Bank project outcomes, Fiscal Year 2004



Source: World Bank Operations Evaluation Department data.

Most developing countries are still relying on anecdotal evidence of trends in learning outcomes. This is a critical bottleneck in formulating effective policies to improve the relevance and effectiveness of teaching and learning at all levels. All countries must have access to, and use, technically valid and reliable objective measures of student learning. A first goal should be to agree upon a measure of reading literacy that can be tracked on a country-by-country basis over time and subsequently to develop measures of mathematics, science, and other competencies at the primary level, while simultaneously working to develop adequate indicators at other grade levels. The last two decades have witnessed the development of such measures for industrialized countries. The International Association for the Evaluation of Educational Achievement carries out regular assessments of reading literacy levels. Every three years, the OECD's Programme for International Student Achievement assesses achievement levels of 15 year olds. At the adult level, the International Adult Literacy Survey has assessed the levels of literacy in 20 countries. Among developing countries, regional and national assessments have been carried out by the South African Consortium for Monitoring Educational Quality, as well as other national groups.

There is need for a global partnership to develop appropriate measures of reading literacy at the primary-school level in developing countries and to build capacity and secure country commitment for assessment of learning outcomes at all levels. The Bank

should play a lead role in establishing such a partnership and in ensuring global consensus on appropriate indicators. The indicators developed for primary and secondary education should be adopted as part of ongoing monitoring of progress toward the Millennium Development Goals for education.

There is also a need to mainstream good practices in results orientation, entailing systematic inclusion of (a) key education indicators in all country assistance strategies and poverty reduction strategy papers; (b) monitoring and evaluation efforts in all projects (during preparation and supervision); (c) impact evaluation to sharpen knowledge of what works and to identify needed changes in project design; and (d) a plan for use of evaluation results to refine education strategy at the Bank and country levels. To put more emphasis on results, Bank staff would need to strengthen their skills in this area; help countries build capacity to carry out the elements of results orientation described in this chapter; engage with national and regional research networks to build ownership for a results focus and sustain it locally; collaborate with other efforts in this area (the Bankwide Development Impact Evaluation initiative and another initiative supported by Dutch funding); and ensure adequate resources for the stepped-up focus on results orientation.

Results-based development focuses on service delivery. Indeed, the effectiveness of World Bank assistance can be maximized by fostering sound policies and strong institutions that build or reinforce the ability of client countries to strengthen incentives and accountability for delivering education services, improving governance, and removing constraints on absorptive capacity. Such a strategy for maximizing the effectiveness of Bank support for education will include developing a sound knowledge base and relying on program-based approaches.

Establishing key outcomes and indicators

Over the past several years, the World Bank has helped to move the international community toward a results-based focus by emphasizing primary completion rates rather than gross enrollment rates as the key outcome indicator for Education for All. This was an important first step, but much more remains to be done. At the country level, Bank

support should help establish, as part of sector strategy formulation, a set of core outcomes and indicators related to both access and learning—the broad outcomes for the sector. For primary education, basic outcomes and indicators could include enrollment rates, Grade 1 intake rate, projected and actual primary completion rates (PCR), and reading literacy. The PCR and gender parity in enrollment constitute two key outcomes for the sector because they are Millennium Development Goals and Education for All targets; these indicators are included, respectively, in the IDA results measurement system and UNESCO’s Global Education for All Monitoring Report.

It is also essential to disaggregate data—so that it is possible to assess disparities in gender, income level, rural-urban gaps, ethnicity, and disability. Similarly, it is important to look at intermediate outcomes, such as dropout and repetition rates, which show responses to policy reform earlier than, for example, the PCR. As discussed in the rest of the chapter, the results from learning assessments should be a basic outcome indicator.

Beyond the core set of indicators, education sector plans should include indicators with country-specific relevance. Whereas the PCR or AIDS orphans’ schooling may be crucial measures for poorer countries to monitor, middle-income countries may need to monitor development of accreditation bodies, legal reforms to encourage private provision, disadvantaged groups’ access to post-basic education, and gaps in learning achievement between poor and non-poor students. Public spending and teacher quality indicators can also be useful indicators to monitor.

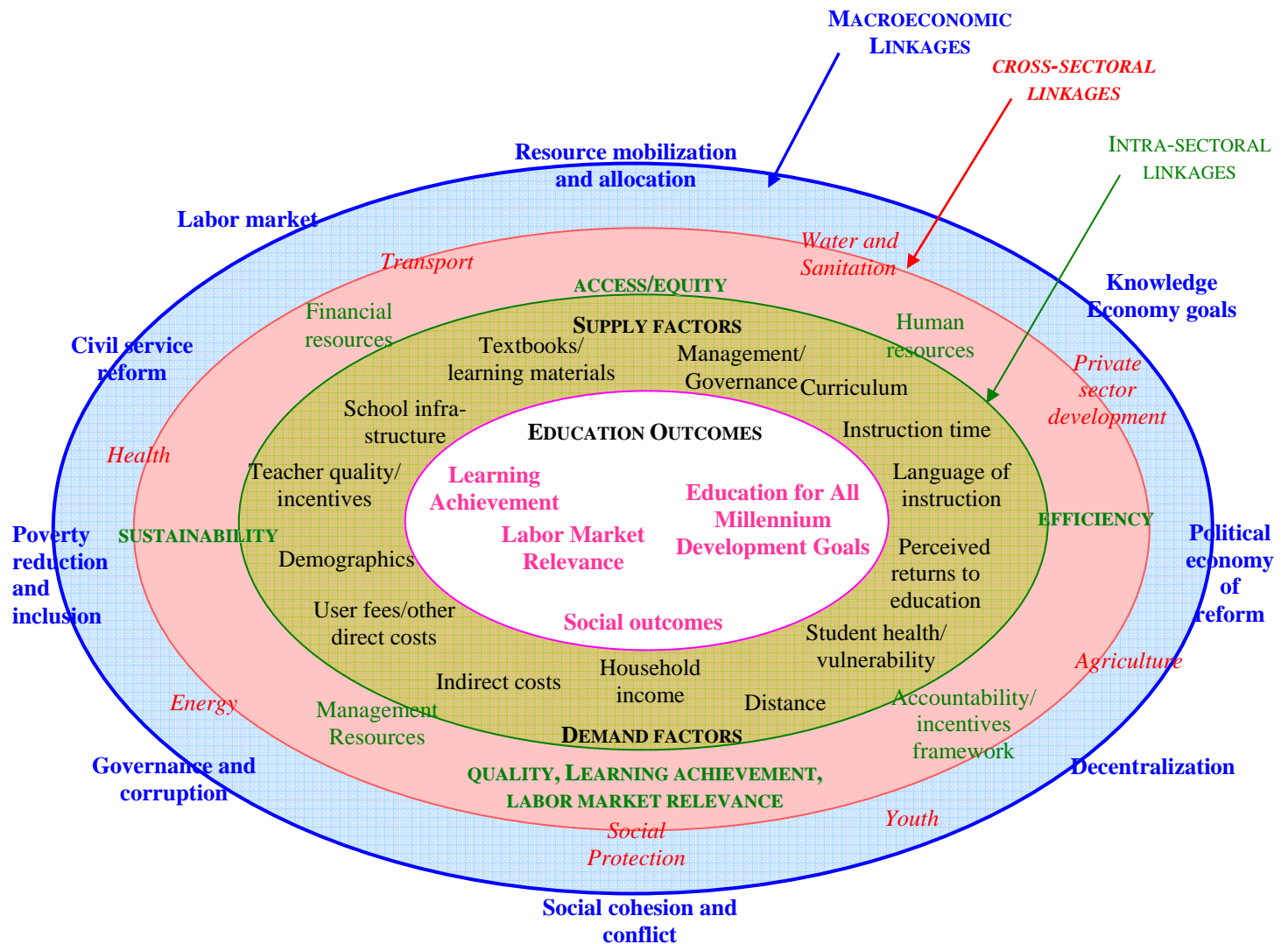
Analyzing what drives outcomes

Sound analysis of what drives outcomes is fundamental to results orientation. Many factors affect education outcomes; some originate within the education sector, while others relate to the broader macroeconomic context or to linkages with other sectors. Comprehensive country-specific analysis and global-level research are needed to build on the existing body of knowledge on what drives education outcomes. These analyses should seek to answer these questions: What are the various factors that influence a country’s education outcomes? How do they interact with each other? Which factors carry the most weight and what actions or combination of actions are likely to

produce the greatest result? Where do the greatest risks and constraints lie? Over which factors does the sector have most or least control? Which are the most promising (low-risk, high-impact) interventions? Which interventions carry highest priority? The conceptual framework for analyzing education outcomes is depicted in Figure 4-2.

In that context, there is a need for better analysis of education interventions that support non-education outcomes. From a countrywide perspective, it is crucial that education play a key role in supporting, for example, efforts toward the other Millennium Development Goals (such as those for child and maternal health), HIV/AIDS prevention, social cohesion, and labor market competitiveness. The areas identified in the proposed policy research program (Chapter 5) are aimed at strengthening these synergies.

Figure 4-2.
Conceptual framework for education outcomes



Collaboration with national and regional research networks is a key to enhancing the impact of education sector analyses and impact evaluations. Such collaboration would not only bring to bear a superior knowledge of the context for the research but also help build ownership of the policy recommendations stemming from analyses. In addition, the capacity and viability of these regional networks must be strengthened as a means of promoting sustained research, insofar as the need for analysis and impact evaluation is ongoing.

Monitoring and evaluating impact on outcomes

Careful attention to learning assessments, impact evaluation, and education monitoring and evaluation systems will be a part of any program with a results orientation. Lessons of experience call for tools that are simple, easy to use, cost effective—and thus sustainable.

Learning assessments

As noted above, a global, multidonor initiative is needed to build capacity and secure country commitment for assessment of learning outcomes. Getting children to school is only a first step; what matters is acquisition of knowledge, skills, and values. Learning assessments are crucial for measuring education quality and relevance, diagnosing system weaknesses, and motivating policy reform. While many countries have developed school-based assessments and public exams, few have national assessments in place; no low-income countries have participated in the various international assessments²⁰). Bank assistance is helping build national capacity for assessments, but only through a global initiative will a timely closing of this worldwide gap in information be possible. Such an effort will contribute vitally to policymaking by establishing a reliable database of learning achievement to enable comparisons across time and across countries.

²⁰ These assessments include: Trends in International Mathematics and Science Study (TIMSS); Progress in International Reading Literacy Study; Programme for International Student Assessment (PISA); and Southern Africa Consortium for Measuring Educational Quality (SACMEQ).

Box 4-1. Impact evaluation in Latin America

Northeast Brazil: Increases in test scores per dollar spent on learning materials were far higher than those per dollar spent on teacher salaries—implying that a larger share of new resources should be directed to learning materials.

Mexico: Impact evaluation of “compensatory programs” for disadvantaged pre-primary and primary schools has shown them to have improved indigenous students’ exam performance, reduced inequality between program and non-program students, and lowered repetition and failure rates through bilingual education—justifying continued support for such programs.

Impact evaluation

Systematic upfront attention to evaluating the impact of education interventions—including their distributional effects—is critical to understanding what works, where, and under what circumstances. Impact evaluation assesses changes in education or welfare indicators that are attributable to a project, program, or policy and offers a vital evidence-based tool for policymaking and greater accountability (box 4-1). Monitoring the efficiency and effectiveness of Bank-funded interventions should be built into the design of all education interventions, with the collection of baseline data, a framework for monitoring outputs and outcomes over time, and a strategy for linking evaluations into the policymaking cycle. For all projects that are an innovation within a specific country context, an impact evaluation is recommended to focus the attention of all stakeholders on learning the potential impact of such an innovation. There is also a need for collaboration with Bankwide efforts under the Development Impact Evaluation Initiative (see also Chapter 5 on education policy research).

Attention will need to be given to several considerations that influence the usefulness of impact evaluations. First, their timing should be aligned with the timeframe, specific to an intervention, within which one might reasonably expect to see results. Second, evaluations should be evidenced-based, with attention being given to the availability of reliable baseline data, the collection of comparable data after the project, and the analysis of associated changes in education and other development indicators. Third, Bank staff need to ensure that good-quality information supports the evaluations. Finally, attention must be given to ensure that the result of impact evaluations influences policymaking.

Education management information systems

The Bank should play a strong role in addressing data quality issues and alleviating key constraints faced by a country's education management information systems in supporting monitoring and evaluation in an accurate, timely, and cost-effective way. Constraints can be human (related to leadership, motivation, and staff turnover), technical (weak knowledge of how to collect accurate, reliable data and how to manage data checks), structural (unsuitable institutional housing of such systems), budgetary (inadequate resources for training and maintenance), or demand-related (weak understanding of data usage). Bank support is needed in key areas: helping to strengthen local accountability to the central government in decentralized environments; promoting the participation of local communities in monitoring efforts, especially in decentralized systems; and training to better utilize data in decision making and to improve accuracy, including through reconciliation of data from multiple sources.

Using results effectively

Key to the success of a monitoring and evaluation system is a country's ability to effectively use the results of assessments, monitoring, and impact evaluations. Bank support is needed to: (a) ensure attention in early stages to the wide dissemination of findings (especially to local stakeholders) and the establishment of a plan for the use of results and (b) promote sharing of information about good practices in the use of results. Weak results can prompt reforms in policy or project design, just as positive evaluations (as in the case of Mexico's *Oportunidades* program, described in annex 3) can lead to a considerable expansion of the program. In other examples, countries have used data to identify factors that might account for variation in student achievement levels (Nepal), help policymaking

Box 4-2.
Student assessment in Uruguay

In Uruguay, a newly established assessment system in the mid 1990s was able to garner popular support and spur a curricular and pedagogical renovation among teachers, principals, and supervisors, despite a highlighting of deficiencies in education service provision. Conceptualization of education as a governmental responsibility largely insulated the assessment process from finger-pointing or assigning blame. By shifting responsibility for deficiencies in learning outcomes away from teachers and schools toward the education system as a whole, the government enabled educators to identify with and participate in evaluative activities.

(Colombia), guide teacher training (Argentina, Uganda), guide HIV/AIDS prevention (Eritrea), identify the share of students who had met defined acceptable standards (Mauritius), and target resources to the poorest performing schools (Chile).

Numerous monitoring and evaluation efforts have failed because of inattention to political economy risks. The Bank can help countries assess such risks—particularly in decentralized contexts where local accountability to central levels may be weak, as noted earlier—and identify ways to build needed political support. Such ways could include involving senior policymakers from the outset, identifying a champion within the government, involving teacher unions in assessment-related policy decisions, building alliances with other stakeholders, such as parents, communities, school principals, and the business community, or other country-specific approaches (Box 4-2).

The role of donors

Results orientation as an approach will succeed only if owned by the country and supported by donors, as in the case of Kuwait, where the Bank has been highly active in

Box 4-3.
Building capacity for monitoring and evaluation in Kuwait's education sector

In September 2003 Kuwait's Ministry of Education launched the Kuwait Education Indicators and Assessment Project to help better measure the country's education performance and provide a sound basis for reform. The project is helping develop a comprehensive system of education indicators, implement a national education assessment system, and rejoin international education assessments. First-year achievements have been significant, including publication of an Education Indicators Report—the first of its kind in Kuwait.

Capacity building has been the focus of Bank assistance. From concept to implementation stage, the Bank has provided extensive technical support to the ministry, working closely with Kuwaiti counterparts and transferring knowledge and skills to a highly motivated Kuwaiti team. The ministry has sought further support for its second-year work program, to continue strengthening capacity in data collection and processing, indicator development, monitoring and evaluation systems development, learning assessment, and the use of data for planning and addressing policy issues.

building capacity for monitoring and evaluation in education (Box 4-3). Close collaboration with donors at the global level is essential for increasing support for national learning assessments; addressing data gaps particularly through support to UNESCO's Institute for Statistics on primary completion data; and support to national and regional research networks to sharpen understanding of the factors that have an impact on

education outcomes. At the country level, donor harmonization is important in setting up monitoring and evaluation systems, utilizing common data, and learning from each other's programs.

Intensified Bank assistance for results orientation is needed, as discussed throughout this chapter. The emphasis is on mainstreaming good practice, to ensure that the focus on results permeates interventions at the level of policy dialogue, analytical, and financial assistance. Such an approach is expected to be instrument-neutral, moreover, and applied to investment as well as policy-based lending. Given the sizable investments of non-education projects in education, cross-sectoral collaboration in impact evaluation is needed, with efforts to understand not only the “what” but also the “why” of a particular impact.

Focusing on learning achievement for all

The quality of education has remained low in many countries, driving up repetition rates, leading students to drop out of school, and raising the cost of providing education for all. The limited available evidence suggests weak learning achievement by primary school graduates, which limits the benefits of education that they can realize. Regional studies in Africa, for example, have found that as few as 10 percent of children master the intended curriculum.²¹ Moreover, a critical priority is to narrow gaps in learning achievement across countries, as well as within countries. Bank assistance will particularly respond to these needs in middle-income countries in Latin America and the Caribbean, for example, where the dispersion in student test scores for the Program for International Student Assessment is among the highest of all countries participating in the assessment and where measures such as bilingual education, early child education, and conditional cash transfers could be introduced or expanded, if supported by evidence, to help raise learning achievement and lower high rates of inequality in secondary-school access—and thus promote equity in education outcomes.

²¹ Program for Analysis of Education Systems in CONFEMEN countries (PASEC); Southern Africa Consortium for Measuring Education Quality (SACMEQ).

A new focus on learning is needed within the Fast Track Initiative, including consensus-building around outcomes and indicators. Such an effort can build on the Fast Track Initiative experience with development of sector plans and can inform policy and program design, ensuring arrangements for monitoring and evaluation, assessing learning achievement and the impact of interventions, and feeding the information back to strengthen design and implementation. Key to this approach is a solid understanding of the intra- and intersectoral constraints to desired outcomes—such as low investment in early child development, lack of teacher incentives, weak student access to good learning materials, high rates of HIV infection, poor access to sanitation, unsafe roads, or inadequate public spending. Programmatic and sectorwide approaches can provide a holistic context in which to address such constraints, but greater effort is needed to ensure that the focus on learning outcomes is not lost. Important examples come from the South Asia region, where sectorwide approaches are playing a critical role in helping to scale up progress on service delivery in Bangladesh, India, and Nepal (Annex 3).

5. Maximizing the effectiveness of aid to education

It is now well recognized that sound policies and strong institutions are at the heart of aid effectiveness. To that end, the effectiveness of Bank support for education can be maximized by emphasizing, wherever possible:

- *A sound knowledge base to inform policy dialogue* and other interventions, encompassing support (a) at the country level for sectorwide analysis, impact evaluation, and establishment of reliable data on learning achievement and key education indicators and (b) at the global level for a new initiative covering student learning assessments and for policy research aimed at better identifying what drives education outcomes. Support to the knowledge base will also take the form of just-in-time policy advice, typically comprising joint Bank-country sector analysis and synthesis of cross-country experience to inform specific policy decisions.
- *Capacity building efforts to strengthen institutions in client countries*, to enhance the capabilities of staff in education ministries to make an effective case with their counterparts in finance and other ministries on the crucial role of education in development; work effectively across sectors (such as health, roads, water); and adopt a strong results orientation (see Chapter 4). A key goal is to help client countries own and become self-sufficient in analyzing sector issues, formulating sector strategies on that basis, and identifying priorities in national consultative processes. These efforts are important to building country ownership, a prerequisite for aid sustainability. At the same time, the Bank will also help strengthen education institutions by supporting reforms that are designed to shift the role of the state from provider to enabler (of private provision), improve governance, and increase accountability and incentive frameworks for schools and local governments—institutions closest to the point of service delivery.
- *Close partnership with other donors, within program-based approaches* as much as possible, to ensure that all interventions—encompassing policy dialogue, analytical support, capacity building, and finance—are coordinated in support of a single country-led strategy and to maximize the potential for savings (for the

country) from harmonized procedures in such areas as procurement, financial management, and monitoring and evaluation. Program-based approaches link directly with recommendations in the ESSU to broaden the strategic agenda, scale up progress to a national level, and promote countrywide outcomes. A key role for the Bank, particularly in low-income countries, will be to bring donors together to establish a coherent multidonor framework for development of the education sector. Improving aid effectiveness will also mean strengthening partnerships with the private sector and academia, including innovative education institutions that can serve as a model in the development of strong education systems.

- *Financial assistance by stepping up resource mobilization efforts* that are pivotal for achievement of the education Millennium Development Goals, ensuring that lending operations are designed on the basis of sound knowledge, and using finance as much as possible as a lever for policy reform, recognizing the small but catalytic role of donor finance in total education spending. Performance-based approaches in keeping with the Monterrey Consensus will play an increasingly significant role, but will require greater emphasis on overall monitoring and evaluation. Programmatic lending (pooled funding, budget support, parallel financing) in support of medium-term development goals can provide greater flexibility and reduced transaction costs where there are sufficient fiduciary safeguards and a monitorable commitment to good governance. The specific choice of instruments depends on many factors, including the nature of activities to be supported, the extent of agreement on the government's sector strategy, the local capacity for monitoring outcomes, the level of confidence in safeguard procedures, and the involvement of partners. Table 5-1 summarizes the instruments generally used in various country circumstances and to meet a range of country needs. Nonetheless, the Bank will need to take advantage of newly emerging diagnostic and lending instruments, such as development policy reviews, knowledge economy assessments, public expenditure and institutional reviews, and governance structural adjustment credits to carry out the broader agenda recommended in the ESSU. In addition, the Bank will increase the share

of resources for education from multisectoral instruments, such as the Multi-Country AIDS Program currently available in Africa and Latin America and the Caribbean. Given the special role of education in AIDS prevention, education could reasonably absorb at least 10 percent of these funds, up from 2 percent currently.

Table 5-1. Menu of Bank instruments

<i>Country conditions or needs</i>	<i>Generally appropriate Bank response</i>
Filling knowledge gaps, paving the way for future lending, complementing other Bank lending or other donor activities	Analytical and advisory activities
Weak institutional, implementation capacity, weak agreement on policies	Investment lending with capacity building, close supervision, and direct impact on beneficiaries
Strong institutional, implementation capacity, high fiduciary standards, ^a strong agreement on budget priorities and sector policy	Programmatic lending
Single, focused investments (e.g., development of new educational materials)	Specific investment loans
Long-term investments with predictable phases (e.g., Upgrading school system to new educational standards, expanding school network to accommodate a longer period of compulsory schooling)	Adaptable program loans
Pilot investments to test out new approaches on a small scale	Learning and innovation loans (\$5m maximum)
Policy change, urgent need for funds, flexibility	Development policy lending
Agreed sector strategies and priorities, high-quality safeguard procedures	Joint operations with other partners, sectorwide approaches
a. Fiduciary or safeguard concerns must be addressed in all operations. Higher borrower standards in this area will enable quicker project preparation and less donor oversight during implementation.	

Assistance will focus on areas of comparative advantage. The Bank is able to take a comprehensive view of needs in the education sector and thus help clients integrate education into a country's policy and institutional context. Its analytical and technical strengths and place at the table often as lead donor enable it to influence country policy and strategy, while engagement of the private sector through IFC adds a further dimension to the Bank's role. The Bank's poverty reduction mission is also central: a broad array of instruments including poverty reduction strategy credits, as well as multisector and policy-based approaches, can support efforts to maximize the role of

education in opening doors for the poorest segments of society. The Bank’s worldwide presence—key to learning lessons from 60 years of development experience—and its global leadership, convening power, and ability to mobilize resources have enabled it to bring together multiple partners to coordinate financing or advance global initiatives, such as Fast Track Initiative or the Multi-Country AIDS Program.

Given the importance of mobilizing additional resources and building public sector capacity, efforts to engage the private sector in the provision and funding of education, particularly post-basic education, are imperative. Such efforts will begin with analyzing the scope for involvement of all providers and financiers of education and for public-private partnerships and will identify country-specific constraints and barriers to increasing private provision. An important aspect of the World Bank Group’s comparative advantage in this area relates to the role of the International Finance Corporation (IFC), in facilitating links with the private sector. Annex 5 provides examples of the kinds of interventions made possible through collaboration with IFC. Bank-IFC collaboration will be considered in the following circumstances:

- At the formulation stage for country assistance strategies, where financing needs for a country’s higher education and lifelong learning strategies will not be able to be funded from public sources alone.
- In the context of market reviews or sector financing analyses, or regulatory reforms in countries where the private sector is important for education strategy.
- Where meeting education goals requires greater private finance or provision of services (Box 5-1).
- Where barriers to entry exist for private investors, such as limits on equity participation.

**Box 5-1.
Training Chinese finance
professionals: a role for the
International Finance Corporation**

The Shanghai International Banking and Finance Institute Project (SIBFI) was approved by IFC in 2003. SIBFI will provide training to Chinese finance professionals, primarily commercial bankers. SIBFI has been established to help meet the strong and rapidly growing needs in China for acquiring international best practices in banking and finance. Partners include Bankakademie of Germany and the Shanghai University of Finance and Economics. To strengthen the Chinese finance industry, SIBFI will offer educational and training courses and facilitate international and domestic seminars and conferences.

Ensuring effective implementation

Implementation of the Education Sector Strategy Update calls for new or modified ways of doing business. It requires viewing education issues in a broader (sectorwide or countrywide) context, knowing more about what drives a country's education outcomes, more systematically building country capacity in certain areas, and harmonizing with donors wherever feasible. While these approaches may not seem entirely new, the “novelty” of the ESSU derives largely from its emphasis on mainstreaming these approaches (Table 5-2). Some of the genuinely new elements relative to the 1999 strategy are highlighted below:

Box 5-2.

Donor harmonization in Bangladesh

Bangladesh's Second Primary Education Development Program is a \$1.8 billion operation for improving quality, access, and efficiency in primary education. In this notable example of a sectorwide approach:

- Eleven development partners have come together, and Asian Development Bank is in the lead.
- Funding support is being initiated through a harmonized approach based on improved government (rather than donor) procedures.
- The focus is on capacity building: the program will adopt a newly reformed procurement system for national procurement.
- The operation features joint supervision strategies and common financial management arrangements and reporting.

A national monitoring and evaluation scheme will be set up to strengthen national and local monitoring and evaluation capability.

- Inclusion of education outcome indicators in country strategy documents.
- Working within the Fast Track Initiative partnership to channel Bank assistance for primary education.
- Emphasis on measuring learning achievement, in part through a Global Student Learning Assessments Initiative supported by the Development Grant Facility, to enhance the capacity of global and regional education assessment institutions.
- A focus on education-labor market linkages, with more systematic attention to the challenges of secondary and tertiary education and greater awareness of the need for science education at all levels and lifelong learning, and with support for the development of indicators for education for the knowledge economy.
- Greater attention to teacher and school accountability and incentives.

- Greater attention to inclusive education and improving learning outcomes for all children, including children with disability, HIV/AIDS orphans, secondary education for girls, and vulnerable youth.
- More systematic impact evaluation and evidence-based research to inform education interventions.

Sectorwide approaches

In implementing the ESSU, the Bank plans to make greater use of sectorwide approaches, informed by experience and by an upcoming study of how sectorwide approaches and possibly development policy lending may best be designed to maximize prospects for good education outcomes. A sectorwide approach is not a lending instrument or financing modality; rather, it is an approach to support a country-led program for a sector in a comprehensive and coordinated manner. Sectorwide financing could take the form of direct budget support, parallel financing, or pooled funding (box 5-2). The Bank can promote success in sectorwide approaches through policy dialogue and support to country leadership for consensus-building efforts toward a comprehensive sector strategy and a single budget framework. Success will also require considerable efforts in donor coordination and harmonization of procedures, with emphasis on all having a voice in the overall strategy and resource allocation. It is worth noting in this context that sectorwide approaches are indeed viable even in low-capacity environments, provided that there is an accompanying focus on capacity development and institution building—including a strengthening of financial arrangements and accountability mechanisms at all levels—with the use of local procedures over time for program design and implementation, financial management, and monitoring and evaluation.

Table 5-2. Changes in education sector activities

<i>Priority</i>	<i>To do more</i>	<i>To do less</i>
Priority 1: integrating into country framework	<ul style="list-style-type: none"> • Inclusion of education issues in country assistance strategies, poverty reduction strategy credits, public expenditure reviews, poverty assessments (using country diagnostic work for relevant macroeconomic analysis) • Support to decentralized, local authorities and schools • Targeted support for poverty reduction • Public-private partnerships 	<ul style="list-style-type: none"> • Education participation in non-education operations that are not planned in country assistance strategies and not aligned with the ESSU • Interventions without clear equity objectives • Reliance solely on public partners
Priority 2: broadening the strategic agenda	<ul style="list-style-type: none"> • Fast Track Initiative support for accelerating countries' progress toward Millennium Development Goals (country program formulation, resource mobilization) • Country-specific sector analysis • Programmatic approaches in low-income countries, donor harmonization, sectorwide approaches (informed by forthcoming evaluation and adapting program design based on lessons learned) • Support for education for knowledge economies (secondary, tertiary, science and technology, lifelong learning) 	<ul style="list-style-type: none"> • Direct IDA-only support for primary education • Stand-alone operations • Adult literacy
Priority 3: Instilling a results orientation	<ul style="list-style-type: none"> • Student learning assessments • Impact evaluation, monitoring and evaluation plans at project preparation • Education policy research aligned with ESSU themes, impact evaluation • Focus on assistance to service delivery levels 	<ul style="list-style-type: none"> • Self-generated data on primary completion rates (rely more on Development Grant Facility and UNESCO) • Education research not prioritized in the ESSU
Internal cross-cutting approach	<ul style="list-style-type: none"> • Staff sharing • Joint client and staff learning • Regional capacity building • Support for knowledge generation (mini-WDRs) and sharing 	<ul style="list-style-type: none"> • New hiring • Separate client and staff learning • Country-by-country capacity building in cases where regional-level efforts can produce gains • Support (by the education unit to Regional departments) for quality improvement and for selected thematic groups (adult literacy, post-conflict education)

Sectorwide approaches are typically more costly than conventional methods because they require more intensive policy dialogue and additional efforts to coordinate across donors and develop sectorwide knowledge. At the same time, savings are to be sought in terms of countries' transactions costs, as well as the opportunities for more selective Bank intervention based on complementarity with other donors. Thus, while harmonization and alignment will be a priority in a context of multiple donors, the challenge will be to identify and focus support on areas with large gaps in external assistance, such as early child development, post-basic education in Africa, and knowledge economy issues in middle-income countries. Going beyond program-based approaches, the Bank will introduce regional programs to build awareness and capacity, which could prompt countries' adoption of new practices and policies and the integration of new approaches in Bank-funded projects. Such assistance will include support for research, monitoring and assessment methodology, and efforts to meet the needs of vulnerable children and students.

Education policy research and analysis

Implementation of the ESSU will require a revitalization of education policy analysis to complement increasingly country-led work and provide a platform for improving global understanding of how to promote education outcomes while building ties and ownership within the Bank and in countries. Priority areas will include the evaluation of educational impact, the quality of education service delivery, and the alleviation of poverty and inequity.

Bankwide analytical work on human development and education in particular has gained momentum in recent years. In addition to country-specific analysis, broader (and ongoing) research initiatives have included, for example, an Impact Evaluation Clinic featuring education projects, the Africa Human Development Working Paper series, the introduction of series of reports and working papers in East Asia and the Pacific to strengthen knowledge sharing efforts, and a joint East Asia--Latin America study on secondary education. As noted, impact evaluation will be a key part of the enhanced research efforts to ensure that education interventions are designed to produce results and that resources are used effectively. To that end, Bank support for the Development

Impact Evaluation Program will support implementation of the strategy. The program enjoys funding under Bank projects and the Bank-Netherlands Partnership Program Trust Fund.

Revitalization of education policy research is not expected to require new resources, but some existing Bank budget resources would be reallocated to accommodate the priority for analytic work. Priority themes emerging from impact evaluation work, as well as other work, are likely to merit special attention and could lead to the establishment of WDR-type teams comprising staff from the Bank and outside experts.

Wherever possible, the Bank will build client capacity for education research. In East Asia and the Pacific, for example, regional research and training activities are planned, with efforts to forge partnerships across Bank staff, promising researchers in client countries—covering a broad range of institutions, including education ministries, research institutes, and foundations—and regional organizations such as the Association for the Development of Education in Africa, Asia-Pacific Economic Cooperation, Association of South East Asian Nations, and Southeast Asian Ministers of Education Organization. Capacity building for research in the Middle East and North Africa will take the form of support for creation of a regional network of education research institutes, using as a starting point the preparation of a flagship education sector report for the region as a whole.

The agenda for Bankwide research in education to be carried out over fiscal 2006–09 will be consolidated with the benefit of further internal and external consultation. Among others, the following topics will be considered:

What works, when, and why?

- Examining the effectiveness, including cost-effectiveness, of similar educational interventions in a variety of contexts—with special attention to service delivery and promoting school participation and learning among the poorest.
- Comparing the impact of multisectoral interventions with that of single sector-only interventions, as part of a possible joint program of analytical work between the education and infrastructure sectors.

- Assessing innovative approaches to the effective teaching of math and science (in view of heightened interest in inquiry-based pedagogy).
- Sharpening the role of education in the prevention of HIV/AIDS.
- Examining what it takes to build the country capacity needed for development progress in education.

What should be done in specific sectors?

- For education and labor market, focusing on school-to-work transition and workforce development.
- Human resources policies, especially for scaling up of human resources in developing countries and including civil service reform issues, considering (a) regionalization of labor markets, (b) international migration and labor market mobility, (c) training systems, especially for higher education and career development, and (d) remuneration, training, and contract arrangements for teachers.
- Seeking alternative and innovative ways of funding secondary and tertiary education, with a focus on the scope for more private sector involvement in post-basic public education.
- Using information technologies to strengthen education outcomes.

Results framework

A results framework was developed to help monitor progress toward accomplishment of the sector's strategic objectives (annex 8). The framework includes Bank-level and country-level indicators, including intermediate indicators at the country level, particularly important in the education sector in view of the medium- and long-term nature of many human development outcomes. It is consistent with the two-tiered IDA-14 Results Measurement System, emphasizing the monitoring of country outcomes (the two education Millennium Development Goals in the case of education) and IDA's contribution to country outcomes by measuring outputs at the project level (for example, through the number of teachers trained).

Four final outcomes are identified in the ESSU: attainment of the education Millennium Development Goals, better outcomes from learning, greater relevance of schooling for labor markets, and improved prospects for attainment of the health Millennium Development Goals. Examples of Bank process indicators supporting these outcomes include, respectively, the inclusion of education Millennium Development Goals in new country assistance strategies, the inclusion of monitoring and evaluation plans in all operations, the collaboration with partners to develop indicators for labor market relevance, and the share of Africa's Multi-Country AIDS Program resources going to the education sector's response to HIV/AIDS. Attention to gender-sensitive indicators in monitoring and evaluation efforts will be important, through disaggregated data wherever available, to underscore the urgent priority for closing the gender gap.

Budget resources

The ESSU will be implemented with existing resources, applying principles of selectivity within and across countries as seen in the discussions on client segmentation and the regional action plans. Some of the ESSU's recommendations, including those noted immediately above and in table 5-2, will require additional resources: strengthening the knowledge base, focusing more on results and impact, working cross-sectorally, supporting decentralized levels, ensuring the inclusion of education issues in country strategy or diagnostic work, harmonizing across donors, and building up staff and client capacities. At the same time, other elements noted in table 5-2 will yield savings (including through efficiency gains) and synergy: fewer stand-alone investment operations, increased reliance on joint client-staff learning, strengthening of local capacity for program supervision, staff-sharing arrangements, regional (rather than country-by-country) capacity building, cross-sectoral analytical and advisory activities, shared costs for the learning and analytical programs, and efforts to be more selective in including education components in non-education operations. In addition, for some of the proposed capacity-building and research activities, Bank budget resources are at present complemented by multidonor support through the Development Grant Facility—its support for education is being aligned with ESSU priorities—and the Fast Track Initiative

Education Program Development Fund, which supports low-income countries in the development of sound education sector plans and related capacity building activities. It is worth noting that the budget will be balanced between the twin objectives of Education for All and education for the development of knowledge economies. More generally, efficiency gains and resource shifts already targeted at the corporate level, combined with the intra-regional budget allocation mechanism, will provide the dynamism and flexibility needed to implement the ESSU.

Staff skills and client capacity

Bank staff in the education sector need the skills to make a strong substantive contribution to public expenditure reviews, poverty reduction strategy papers, poverty assessments, and other cross-cutting analytical work. They need the skills to: (a) prepare systemic analysis of sector performance, needs, and constraints, including supply and demand diagnostics and analysis of governance, accountability, and finance issues and of linkages with other sectors; (b) collaborate effectively with finance ministries in the countries; and (c) implement a vision of development with a focus on results in education service delivery and learning outcomes. Donor harmonization and joint policy frameworks will, where feasible, include provision for learning programs to build these skills in Bank, donor, and client country staff.

The ESSU will be implemented without net additions to the total education sector staffing (that is, beyond those needed to replace departing staff). At about 185 in fiscal 2005, the number of education staff is below its 1999 level of 228. The number of staff mapped to education declined by 25 percent (50 persons) through 2002; the decline was partly reversed in fiscal 2003 but resumed in fiscal 2004, reflecting difficulty in recruiting midcareer staff to the sector. The prospective retirement and departure of education staff over the next three years, adding up to about 20 percent of the sector's complement, implies a significant loss of technical expertise, as three-fourths of those leaving are higher-level staff. Timely efforts will be needed to compensate for this loss, including greater attention to integrative skills in the hiring process. High priority will thus be accorded to training of sector staff, jointly with clients wherever possible, to realize learning synergies and use resources efficiently. Greater attention to mentoring, possibly

through cross-support arrangements, and efforts to place greater reliance on seasoned task team leaders will be critical in transferring knowledge and the benefit of experience. Additional support will come from staff-sharing arrangements, such as the ones piloted in Latin America and the Caribbean to help ensure the right balance between “integrators” and specialists. More generally, building up the staffing needed to successfully implement the ESSU will take a mix of short- and medium-term measures, ranging from timely strategic staffing reviews with particular attention to the immense challenges of the Africa Region to the introduction of incentives supporting the positive behaviors and Bankwide solutions needed as a result of the recognition of education as a top corporate priority.

The Bank will accord high priority to building client skills and capacity in implementing the ESSU, as detailed in annex 10. These efforts will be carried out collaboratively and delivered through Bank budget-funded operations and other sources, including Development Grant Facility-supported efforts or learning programs. Capacity-building efforts will be aligned with the three main themes of the ESSU, helping staff in education ministries to make an effective case with their counterparts in finance and other ministries in support of the crucial role of education in development; to work effectively across sectors (for example, health, roads, and water and sanitation); and to underpin all efforts in education with a strong results orientation. As much as possible, capacity-building needs in the education sector will be reflected at the country level (in the country assistance strategy) and at the project level.

As noted, learning programs will be delivered jointly to staff and clients wherever possible. They will be aligned with the Human Development Learning Program framework, in addressing sector and thematic-specific priorities, corporate priorities (such as the use of impact evaluation and the Millennium Development Goals), and operations-related priorities (related, for example, to operational quality and new lending instruments). Alignment with ESSU themes will translate into support for (a) sectorwide analysis through coursework, learning events, and online seminars that help client countries define sector needs, set priorities, and implement and evaluate education reforms; (b) integration of education into the country context through training in Knowledge Economy Assessments, public expenditure reviews, Public Expenditure

Tracking Surveys, and poverty reduction strategy papers, with toolkits for strengthening education ministries' capacity in working with ministries of finance and other sectors; and (c) results orientation through learning focused on service delivery (dissemination of *World Development Report 2004*) and training in program evaluation, education monitoring and evaluation systems, and student assessment.

Development Grant Facility support for capacity building in the education sector is being aligned with the ESSU. These funds will support institutions that are helping countries to carry out sectorwide analysis (such as the Association for the Development of Education in Africa, regionally, and the International Institute of Education Planning, globally); to more effectively use education to contribute to national goals such as poverty reduction and economic growth, through support in the areas of HIV/AIDS and education, vulnerable children, early child education, and quality assurance in tertiary education; and to better measure education outcomes and learning achievement, through support to the United Nations Institute of Statistics and a new Global Learning Assessments Initiative.

The regional action plans, discussed below and presented in annex 6, identify a wide range of support for building client capacity, incorporating the efforts discussed in the preceding paragraphs. The Bank will support student assessments at the regional and/or country level in all regions. Commitment to systematic strengthening of project monitoring and evaluation is equally widespread. Highlights include a plan to conduct an impact evaluation of all new projects in Latin America and the Caribbean with support for dissemination of evaluation results and policy workshops in Africa to translate evidence-based research from learning assessments into actionable policies. Other regional highlights, in terms of capacity building, include a plan for “regional learning groups” in East Asia and the Pacific to build capacity, foster cross-country dialogue, and build staff skills in areas such as inclusive education, learning assessments, information and communications technologies, and teaching. Also in East Asia and the Pacific, a Medium-Term Expenditure Framework is being introduced in Vietnam, and Public Expenditure Tracking Surveys are being undertaken in three countries to strengthen education ministries' expenditure management. In South Asia, operations will focus on governance and accountability reforms, and in Africa, policy workshops will help to

build consensus in such areas as education quality, and secondary and tertiary education. Start-up work in the Middle East and North Africa is moving toward creation of a regional network of education research institutes.

Customizing services to meet client needs

Table 5-3 indicates how assistance might vary across broad client groupings. For example, in Africa, the Bank will put education at the center of lending strategies in conflict-affected, low-income, low-capacity countries (Central African Republic, Democratic Republic of Congo, Ethiopia, Liberia, Sierra Leone, Sudan). At the same time, for low-income countries that are reform-minded, the Bank will incorporate an analysis of the education sector in poverty assessments and poverty reduction strategy credits, Fast Track Initiative support, and support for preparation of country status reports. Many countries in South Asia also fall into the low-income, reform-minded segment and will receive support under development policy lending (Bangladesh, India, Nepal, Pakistan) and policy dialogue or operational support in the areas of secondary, vocational, and tertiary education emphasizing linkages with labor markets (Bangladesh, India, Nepal, Pakistan, Sri Lanka). Examples of proposed support to middle-income countries with more moderate capacity include analytical and advisory activities on reaching the last 10 percent of children who lack basic education (a regional effort in East Asia and the Pacific); support for poor children in China and the Philippines; lending for early child development and higher education in Indonesia; and support for secondary education in Algeria and Morocco. Support in the form of technical policy dialogue on tertiary education to Argentina, Uruguay, and Venezuela illustrates assistance to higher-capacity middle-income countries, as does support to address information and communications technology needs in Egypt, Jordan, and Tunisia. Collaboration with IFC is also becoming a priority in countries with potential for expansion of the private sector and increased public-private partnerships, as evidenced in upcoming conferences in Latin America and the Caribbean and East Asia and the Pacific, the latter aimed at helping China mobilize more nonpublic resources for tertiary education.

Table 5-3. Customizing services to meet client needs

<i>Characteristics</i>	<i>Themes</i>	<i>Education levels</i>	<i>Type of assistance</i>
All clients	<ul style="list-style-type: none"> • Equity • Delivery of quality education services with labor market relevance • Learning outcomes, using assessment results effectively) 	<ul style="list-style-type: none"> • Secondary • Early child development (low-cost) 	<ul style="list-style-type: none"> • Policy dialogue • Support for monitoring and evaluation, learning assessments
Low-income, low capacity, no consensus on reform, post-conflict, weak access to credit	<ul style="list-style-type: none"> • Inclusion and gender equity • Social cohesion, youth issues • HIV/AIDS • Governance, accountability 	<ul style="list-style-type: none"> • Millennium Development Goals • Attention to broader sectorwide needs as a function of capacity 	<ul style="list-style-type: none"> • Grants • Capacity building in priority areas • Fast Track Initiative support (Education Program Development Fund) • Resource mobilization (building up medium-term access to credit) • Key role for education in transition strategy • Donor coordination
Low-income, reform-minded, low capacity, weak access to credit	<ul style="list-style-type: none"> • Scaling up, inclusion, demand-side approaches, non formal approaches for bridging, for adult literacy • HIV/AIDS • Skills training • Governance, accountability • Strengthening climate for private provision, diversification of institutions 	<ul style="list-style-type: none"> • Millennium Development Goals • Science and technology at all levels • Tertiary • Systematic attention to sectorwide issues that cut across levels of education 	<ul style="list-style-type: none"> • Diagnosis, consensus-building, sector strategy formulation, exploring IFC role • Capacity building, regionwide support where possible • Fast Track Initiative support (Catalytic Fund) • Resource mobilization (striving for more predictable financing) • Lending, grants, funding of recurrent expenditures; adaptable program loans (if political stability exists), specific investment loans • Sectorwide approach and programmatic approaches (where basic institutional, fiduciary safeguards are in place), donor harmonization • Support for addressing political economy of reform issues • Multisector approaches
Middle-income, reform-minded, moderate capacity, moderate access to credit	<ul style="list-style-type: none"> • Inclusion • Equipping for success in the knowledge economy, innovation systems, productivity, lifelong learning 	<ul style="list-style-type: none"> • Millennium Development Goals (quality, reaching the last out-of-school children) • Science and technology at all levels • Tertiary • Lifelong learning 	<ul style="list-style-type: none"> • Just-in-time policy advice, knowledge products, programmatic analytical and advisory activities • Support for addressing political economy of reform issues • Adaptable program loans, budget support (where institutional, fiduciary safeguards are in place), specific investment loans • Learning-research partnerships • Regionwide support where possible
Middle-income, reform-minded, good capacity, creditworthy	<ul style="list-style-type: none"> • Equipping for success in the knowledge economy, innovation systems, productivity, lifelong learning • Strengthening climate for private provision, diversification of institutions • Education role in transitioning to developed country status 	<ul style="list-style-type: none"> • Science and technology at all levels • Tertiary • Lifelong learning 	<ul style="list-style-type: none"> • Just-in-time policy advice, knowledge products, programmatic analytical and advisory activities • Support for addressing political economy of reform issues • Adaptable program loans, budget support (where institutional, fiduciary safeguards are in place) • Learning-research partnerships • Stronger OECD-type linkages • Exploring role for IFC

Highlights of regional action plans

Regional action plans convey a sense of the volume and content of work programs, as well as balance between lending and nonlending assistance, within the particular context of each region (annex 6). The plans also contain information on the range of upcoming country diagnostic studies that will provide an opportunity for the Bank to affirm the role of education in the overall development context and to set the stage for sectoral interventions. In this context, it is worth noting that (a) the emphasis is not on uniformly ensuring top priority for education, but on systematically assessing its role in relation to a country's particular needs and (b) where substantial support for education is envisaged, a country-specific discussion of aid sustainability—and an exit strategy for funding of recurrent costs, in particular—is to be included in the country assistance strategy. Some of the dominant region-specific elements are the role of regional capacity-building initiatives in East Asia and the Pacific; support for post-conflict and very low-income countries in Africa; reliance on sectorwide frameworks to better understand links between Education for All and secondary and vocational education in Africa; targeting of vulnerable children and addressing youth issues in Latin America and the Caribbean and the Middle East and North Africa; support for governance reforms and mechanisms to strengthen community voice toward improved service delivery in South Asia; and reintegration of women and minorities in society in conflict-affected countries in South Asia. Across all regions, the following types of activities are envisaged under each of the ESSU's main priorities:

Strategic priority 1: Integrating education into a countrywide perspective

- Inclusion of education outcomes and service delivery outcomes in all new country assistance strategies and country assistance strategy updates, poverty reduction strategy credit, public expenditure reviews, and national or state-level development policy operations.
- Inclusion of education issues in poverty assessments and medium-term expenditure frameworks.

- Support for teacher quality and civil service issues, decentralization and governance reform, public spending on education linked to fiscal reforms and debt restructuring, and social cohesion.
- Support for meeting labor market needs (secondary and tertiary education, focus on curricula reform and teacher quality, public-private partnerships, and mainstreaming of science education).
- Support to improve the national environment for participation and accountability.
- Leveraging of cross-sectoral synergies (maternal/child health, rural and municipal. development, HIV/AIDS efforts, road safety, community-driven development and social protection operations—for example, making education a key pillar in poverty reduction strategy credits).

Strategic priority 2: Broadening the strategic agenda through a sectorwide approach

- Using the Fast Track Initiative to help countries speed up progress toward the Millennium Development Goals, through support for strategy development or refinement, policy analysis, resource mobilization, donor coordination, and capacity building for school-based management, including in countries previously not “eligible” for Fast Track Initiative.
- Sustained support for reducing the numbers of out-of-school children to meet the Millennium Development Goals, improving education equity (needs of girls, poor children, working children, disabled children, vulnerable children, and youth), and developing cost-effective ways to provide community-based early child education.
- Support for integrating secondary education priorities into a coherent education system, addressing the impact of Education for All on the demand for secondary education, improving secondary education efficiency, reforming tertiary education to align programs with labor market demands, and developing strategies for higher education.
- Capacity building in science, information and communications technologies, and the knowledge society.

- Support for sector strategy preparation, education quality study, and service delivery.

Strategic Priority 3: Instilling a results orientation

- Inclusion of key education outcome indicators in country assistance strategies, poverty reduction strategy credits, education operations (especially with a focus on quality and learning achievement).
- Support for systematic monitoring and evaluation in projects, with an effort to distinguish between leading and lagging measures of performance, in view of the long timeline for results in education (such as labor market outcomes).
- Support for impact evaluation (public financing mechanisms for tertiary education, demand-size financing such as scholarships for girls program, grants for quality improvement, hiring of contractual teachers, interventions to improve student performance, bilingual education, school-based management, compensatory education), and research and training on student assessments and monitoring and evaluation.
- Support for learning achievement (performance-related grants, studies on education quality).
- Capacity building and technical assistance for data on student outcomes, national learning assessment systems, information systems, use of evaluation results, translating of evidence-based research from learning assessments into actionable policies.
- Strengthened synergy in donor interventions to enhance overall impact of aid.

The issue of selectivity is intrinsically related to the Bank's collaboration with partners and its role among development agencies, at both the global and country levels. Thus, while Bank support for primary education reflects donors' active engagement in this subsector, the Bank will continue to play a key leadership, convening, and resource-mobilizing role in the Fast Track Initiative partnership at the global level, while working closely with other donors at the country level to help countries design sector programs, harmonize procedures and practices, and mobilize resources (box 5-3). Close relations

with bilateral agencies will continue to be crucial for mobilizing increased resources for education, while regional links such as those with the Association for the Development of Education in Africa are proving uniquely effective in moving forward the policy dialogue and strengthening the climate for reform. At the same time, it is essential that the Bank stand ready to help fill gaps in sectorwide and countrywide knowledge as part of its recommendation for a broader strategic agenda. Stepped-up efforts will be needed to provide technical expertise and analytical leadership, which are being scaled down by other donors in response to tight budgets, and to support post-basic education, an area in which relatively few donors are present.

Box 5-3.

Mobilizing resources through silent partnerships

Silent partnerships are arrangements of delegated cooperation in which donors work through other multilateral and bilateral donors, instead of developing traditional bilateral agreements with countries. Such delegated cooperation is expanding under the Fast Track Initiative. The Fast Track Initiative helps promote donor coherence around the national poverty reduction strategy and allows leveraging of greater resources from donor partners. Benefits arise from reduced transactions costs and improved prospects for interventions aligned with comparative advantage, which strengthens donors' confidence that funds will be used effectively. As a result of the Fast Track Initiative, new silent partnerships have been established in Nicaragua between the Netherlands and Canada and in Ghana between the Netherlands and the United Kingdom. Furthermore, the United Kingdom recently announced its intention to establish a silent partnership with France to support Niger's education sector program. These developments illustrate the important strides in trust, development cooperation, and efficient delivery of aid that can be facilitated through strategic partnerships, such as the Fast Track Initiative.

Implementation risks

Implementation of the strategy will be subject to some risks:

- *Fast Track Initiative value-added.* Fast Track Initiative carries a reputational risk for the Bank, if the initiative is not seen to be adding value by harmonizing donor activities and mobilizing more resources. To address this risk, the Bank will stay focused on results according to plan targets (process, outcomes) and regularly communicate these results to stakeholders. Communication efforts will also be directed at maintaining expectations in line with reality.
- *Leveraging of donor resources.* The large amounts of external finance needed for education, coupled with the relatively low volumes of official development assistance, make the Bank's role in resource mobilization both critical and difficult. The focus on policy reform and efforts to strengthen institutional

capacity are expected to contribute to aid effectiveness, and the emphasis on evaluating impact and measuring outcomes is expected to help produce the results required to convince donors to increase aid levels.

Meeting middle-income countries' needs on account of IBRD cost. While it is the Bank's intention to expand services to middle-income countries, the cost of financing through the International Bank for Reconstruction and Development for human development, in particular, may prove a deterrent. This risk will be addressed by efforts to ensure clear articulation of the role of education at the time of preparation of such documents as country assistance strategies, knowledge economy assessments, poverty assessments, and development policy reviews, and to maintain an active policy dialogue with countries even when they are not actively borrowing from the IBRD

Successful implementation is the most significant challenge facing the ESSU. The pace of implementing the strategy will depend on the flow of resources at the country level—in turn dependent at any given time on relative country priorities across developmental needs, taking account of the Millennium Development Goals. It must also be recognized that key elements of the strategy, such as results orientation, multisector and multidonor collaboration, and capacity building involve behavioral and transformational changes that will take time and will require an evolution in the mindset and skills set of staff. Thus, the speed of implementation may be uneven across strategic themes, with the new emphasis on learning outcomes, for example, requiring constant attention and advocacy even while building up the specialized expertise needed to support client needs. Furthermore, it will take time to renew the portfolio of active projects: while some operations may more easily be adapted to the ESSU's recommendations, it is only as older operations are completed that new ones with ESSU-aligned features may be expected to dominate Bank assistance for education. At the same time, the increased resources available under IDA-14 will strengthen the Bank's capacity to support the efforts of low-income countries to educate their citizens and achieve broadly endorsed international goals.

Plans for dissemination

As the primary aim of the ESSU is to offer enhanced guidance to staff and managers in assisting Bank client countries, a substantial effort will be made to ensure that the updated strategy's messages and recommendations are fully integrated into staff and management thinking. A key element will be a learning program (annex 10), strengthening capacities in integrating education into macroeconomic and country diagnostic work, working across sectors, and monitoring and evaluation. The program will be updated with results of new evaluations (for example, on sectorwide approaches) and research, and will include face-to-face exchanges as well as written materials (for example, guidelines on integrating education into public expenditure reviews and a template for assessing and reflecting in a country assistance strategy the role of tertiary education). Finally, a strong effort will be made to ensure Bankwide familiarity with the main messages of the ESSU, particularly in those sectors where cross-sectoral collaboration is crucial. As seen in the framework of accountabilities for the ESSU presented in annex 11, success in implementing the updated education strategy will depend on players throughout the Bank, and it is critical that these roles and responsibilities be fully understood by all.

Annex 1

World Bank support for education, fiscal 1999-2004

This annex summarizes developments in World Bank assistance for the education sector since fiscal 1999, when the last education sector strategy was prepared.

An overview of World Bank assistance

The accompanying figures show that the Bank made good progress in fiscal 1999–2004 in helping countries strengthen their education systems. As of June 30, 2004, 142 education projects amounting to nearly \$8.5 billion were being implemented, in 89 countries. Lending amounted to \$1.7 billion, down from last year’s high, but reflecting a record level of IDA lending. Since fiscal 1999, lending for education has risen as a share of total Bank lending but is still below average levels of the mid 1990s. Among analytical and advisory activities, economic and sector work has also been on an upward path, rising to a record 40 products in fiscal 2004 and reflecting a significant increase in the generation of knowledge. Long-term trends in education project performance have been favorable: OED project ratings, in terms of satisfactory outcomes, have improved slightly over the five-year period and remained consistently above the Bankwide average.

External events

The context for Bank support for education has evolved in many ways since fiscal 1999. International momentum for the achievement of Education for All rose to an unprecedented high at the turn of the century, with reinforced commitments by donors and client countries in April 2000 (at Dakar, Senegal) and again in September 2000 when universal primary completion and gender parity in primary and secondary education were adopted as two of eight Millennium Development Goals to be achieved by 2015 (preferably by 2005 in the case of gender parity).

Such momentum received a further boost in 2002, when a Financing for Development conference led to a “Monterrey Consensus” endorsing the principle of performance-based aid, and when the Bank launched—with wide global endorsement—

the Education for All Fast Track Initiative, an effort to accelerate progress toward Education for All for those countries demonstrating promise and having in place the elements needed for a good chance at success.

Strong country commitment to achieving Education for All and the Millennium Development Goals, on the part of Fast Track Initiative as well as non-Fast Track Initiative countries, has meant increased opportunities for the Bank to work more closely with partners to extend sizable support for scaling up such efforts, through sectorwide approaches, as in the case of Bangladesh and India, for example, and with a focus on equity—with efforts to reach out to the hardest-to-reach groups.

The growing impact of HIV/AIDS as well as violent conflicts—both obstacles to progress in education—have called for multipartner, multisectoral Bank support for education. The continuing spread of HIV/AIDS has meant staying focused on efforts to accelerate the education sector response to the epidemic, including through greater utilization of resources under Africa’s Multi-Country AIDS Program. Furthermore, assistance for education in countries that have endured conflicts, such as Afghanistan and Iraq, has sought to put in place the early elements of a medium-term strategy for rebuilding, with efforts to focus on equity as well as education quality.

Other important developments in the external environment, discussed in the body of the ESSU, include increasing demand for secondary education and the growing importance of the knowledge economy, placing a high premium on post-basic education and the building of skills that help nations strengthen their ability to innovate and compete in global markets. Response to these developments has included efforts to improve understanding of underlying policy issues—through important analytical work and efforts to involve the private sector both to improve relevance and to help mobilize resources.

Status of key education indicators

Key indicators for the education sector are the primary completion rate, gender parity in primary and secondary enrollment, and learning achievement. The first of these indicators is assessed under the IDA results measurement system. A recent review found that 77 percent of education projects approved in fiscal 2003 addressed primary

completion and/or learning achievement, with the rest addressing a combination of input and intermediate indicators such as intake, enrollment, equity, dropout, and repetition. As of the end of December 2002, only 5 out of 23 poverty reduction strategy papers included the primary completion rate as a key indicator, although 8 poverty reduction strategy papers did highlight primary completion as a priority. (It is worth noting, however, that the primary completion rate was established as a measure of the main education Millennium Development Goal only in the spring/summer of 2002.) And 14 out of 23 poverty reduction strategy papers included the ratio of girls to boys in primary and secondary education as a key indicator, with as many also highlighting it as a priority.

Using World Bank data, the primary completion rate for a total of 114 developing countries increased from 73 percent to 85 percent between 1990 and the most recent year of available data (2000–02). For the first ten Fast Track Initiative countries, gross enrolment rates increased by an average of 33 percentage points between 1990 and 2000, compared with an average for all developing countries of 2 percentage points. Primary completion rates increased an average of 12 percentage points, compared with an average increase for all developing countries over the period of 5 percentage points; four Fast Track Initiative countries (Gambia, Guinea, Mozambique, and Nicaragua) are progressing even faster on primary completion than on gross enrolment. These gains are not attributable solely to the Fast Track Initiative, but they demonstrate that the Fast Track Initiative countries, selected in part because they have good policies, have been reaping the reward of those policies. This remarkable progress notwithstanding, these countries have a long way to go to achieve universal primary completion for which they will need significant incremental financing.

Latest data for gender parity show that there are 11 countries where the ratio of girls to boys in primary and secondary education is less than 80 percent. The annual Education for All Global Monitoring Report for 2003–04 shows a consistent narrowing of the gender gap, although the rate of progress has fallen somewhat in recent years. The gender parity index (for primary education worldwide in 1991, for instance, was 0.89. By 2000, it had increased to 0.93. Most of this gain was in developing countries, where the gender parity index for primary education increased from 0.87 in 1991 to 0.92 in 2000. At the secondary level, the trends have generally been even more positive even as the

challenge is greater. Overall, about 14 million more girls than boys were out of primary school in 2000. The goal of gender parity by 2005 for primary and secondary education will clearly not be met. The rate at which the gender gap is closing will need to be accelerated (modestly for primary and significantly for secondary education) if gender equality is to be achieved by 2015, and attention will need to be focused not only on access but also on retention and quality. Box A1-1 describes some of the approaches the Bank increasingly relying on to help countries improve girls' education.

Learning achievement is arguably the most important indicator but also the one most difficult to gauge. While some tracking is ongoing at the individual project level, for example showing gains in learning outcomes in Guinea, aggregate indicators of national performance on test scores, for example, are for the most part unavailable, particularly on a time-series basis. The Bank has begun to make various efforts to help countries strengthen national assessment and make advances on

education outcomes. The Education for All results framework, presented at the end of this Annex, specifically identifies the final and intermediate outcomes related to universal primary completion and steps needed to achieve these results. More generally to promote outcomes, the Bank has been:

- Helping countries alleviate obstacles to outcomes, related to user fees, HIV/AIDS, and conflict—through lending, analytical and advisory activities (including policy dialogue, technical assistance, and knowledge sharing), and advocacy.
- Undertaking analytical work at Bankwide, regional, and country levels to better understand what drives outcomes—for example with respect to primary completion, girls' education, delivery of quality services to poor people, teacher

Box A1-1.
Supporting girls' education

While girls benefit more generally under all education projects, specific efforts in recent years have included: building on a stipend and tuition program that helped attract girls to secondary school (Bangladesh); revising the formula for allocating public funds to tertiary education institutions to reward progress in increasing girls' participation (Yemen); establishing tutoring programs to reduce girls' repetition and dropout (Burkina Faso); providing competitive grants to government agencies and nongovernmental organizations to implement innovative approaches in enrolling ethnic minority girls in school (Vietnam); and a public awareness program about the importance of girls' schooling along with prizes for female secondary school graduates with high marks in science (Chad).

- absenteeism, secondary education, and progress in primary education in selected countries.
- Advocating use of the primary completion rate (rather than enrollment rates, which do not capture learning achievement) as the main indicator for progress on the Education for All Fast Track Initiative, while launching a first database for the indicator, covering 108 countries.
- Working with countries, particularly in the context of Fast Track Initiative, to ensure that key indicators are identified in sector education plans as well as poverty reduction strategy papers.
- Working with countries and external partners to help design interventions that are focused on education outcomes (Box A1-2)
- Collaborating actively with UNESCO’s Institute for Statistics over the past two years in helping to strengthen the quality and timeliness of data.
- Collaborating with World Bank Institute to support a program of capacity building in national assessment of education achievement.

Box A1-2.
Helping countries improve education outcomes: Armenia

A \$15 million credit that closed in June 2002 helped to introduce a new textbooks system that focused on improving quality, reducing costs, and expanding access. It also strengthened capacity for reform management, by improving incentives for making resource allocation more efficient and enhancing school capacity to manage resources. Key results included reduced textbook costs to parents from a purchase price of \$8–10 to annual rental of 30 to 65 cents per book. Virtually all textbooks in schools at the start of the school year were provided to all pupils, compared with 30 percent before the project. Increased competition between publishers leads to the expansion of the domestic private publishing industry from 2 to 14 firms, very substantially reducing the cost of books. Significant outcomes included an increase in public expenditure on education from 2 percent to 2.5 percent of GDP, a new system for textbooks that solved access and cost problems on a sustainable basis and the inclusion of over 40 percent of schools in the new system of school-based management and financial decision-making, with increased parental and community involvement.

The global status of key education indicators—the two education Millennium Development Goals, secondary enrollment, and public expenditures on education—are presented visually in annex 2 through a series of maps, and summarized below (Table A1-1). The data show that, for the world as a whole, the challenges remain enormous. One-third of all developing countries—or over half of low-income countries—are not on

track to meet the Millennium Development Goal of universal primary completion; these countries are home to about 60 million (nearly 60 percent) of the world's out-of-school population. About 28 percent of developing countries are unlikely to meet the gender parity Millennium Development Goal by 2015. These ratios, moreover, could be much higher, insofar as data is lacking on some 20 percent of countries. In addition, as many as half of all developing countries continue to have secondary enrollment rates of under 75 percent.

Table A1-1. Status of key education indicators

<i>Universal primary completion</i>		<i>Gender parity in primary/secondary education</i>		<i>Secondary gross enrollment rate</i>		<i>Public expenditures for education</i>	
<i>Prospects^a</i>	<i>No. of countries</i>	<i>Prospects^a</i>	<i>No. of countries</i>	<i>% enrolled</i>	<i>No. of countries</i>	<i>% of GDP</i>	<i>No. of countries</i>
Seriously off track	16	Very unlikely	26	<40%	41	<2%	26
Off track	36	Unlikely	17	40–75%	37	2–4%	52
On track	28	Likely	8	75–90%	39	4–7%	32
Achieved	42	Very likely	72	>95%	15	7–11%	13
Not enough data	32	Not enough data	31	Not enough data	22	Not enough data	31

Note: Based on latest data available for 154 developing countries.

a. Prospects for meeting Millennium Development targets for 2015.

External financing of education has remained fairly stable over the last few years, totaling \$5.9 billion in 2002. Regionally, Sub-Saharan Africa, with the lowest incomes and over 41 percent of the world's out-of-school children, gets a relatively small proportion (39 percent) of education official development assistance even though it is estimated to require almost 75 percent of global external financing needs through 2015.² South and Central Asia fare worse, with less than 11 percent of education official development assistance, despite similar rates of poverty and comparable numbers of out-of-school children. Around 15 percent of “sector-allocable” official development assistance goes to education but less than half of this is specifically for the basic levels. The largest allocations are for post-secondary education; this share has remained relatively stable over the past decade and is related to the share of official development assistance allocated to middle-income countries.

Global estimates of additional external financing needed for low income countries to achieve the Millennium Development Goal for primary education range between a minimum of 3.7 billion and 10 billion annually over and above an annual average baseline (between 1997 and 2000) of \$1.5 billion for basic education (Bruns and others²²). This translates to a requirement of around \$1.50–4.00 per capita in low-income countries, or \$10.50–28.30 per primary school-age child in low-income countries, against a baseline of \$0.60 per capita or \$4.20 per primary school-age child in low-income countries.¹ Recurrent costs account for about 90 percent of total financing needs, and over half of official development assistance.

World Bank assistance

Bank assistance encompasses an emphasis on education in country strategies and processes, analytical and advisory activities, lending, and cross-sectoral synergies.

Education in country strategies and processes

The fiscal 1999–04 period included a review of education in poverty reduction strategy papers in fiscal 2002, yielding positive findings but showing room for improvement. As indicated above, data for 23 poverty reduction strategy papers at end-December 2002 showed inclusion of primary completion rate and gender parity indicators at 22 percent and 61 percent, respectively. Also in fiscal 2002, a chapter on education was added to the sourcebook for poverty reduction strategy papers, to guide staff on how to promote poverty reduction in education interventions. A number of poverty reduction strategy paper training workshops have been organized at headquarters and in the field, who also provide peer review comments as inputs into the preparation of poverty reduction strategy credits with significant education content. With respect to public expenditure reviews, a fiscal 2004 review showed that 88 percent of all such reviews conducted in fiscal 2000–02 addressed education, with over half of them treating the sector in depth. There has been no review of the treatment of education in country

²² Barbara Bruns, Alain Mingat and Ramahatra Rakotomalala, *Achieving Universal Primary Education by 2015: A Chance for Every Child*, World Bank 2003.

assistance strategies and poverty reduction strategy papers, but such an analysis is envisaged among the stocktaking efforts proposed among the first steps to implementation of this strategy update.

Analytical and advisory activities

Growth in Bank lending for education has been accompanied by strong growth in nonlending support for education. Among analytical and advisory activities products, a total of 36 analytical and advisory activities products was delivered in fiscal 2004, compared with an average of 24 for fiscal 2000–03. While policy notes (short, focused, and produced quickly to respond to urgent needs) and consultations/workshops (crucial for building country ownership and sustaining reforms or good practice) have in recent years accounted for much of the analytical and advisory activities, in fiscal 2004 the balance shifted again toward more formal reports. The Africa Region accounted for the largest share of economic and sector work in fiscal 2004, with regionwide studies on broad sectoral priorities (including secondary education, girls' education, tertiary education, HIV/AIDS and higher education, education spending tied to debt relief), as well as country analyses focused on post-basic education, training, and sectorwide analysis—in seven country status reports—all reflecting countries' adoption of a holistic approach to education.

A few other trends are noted. First, economic and sector work in low-income countries has tended to be more comprehensive and descriptive in nature (given the need to collect and present basic information). It is more focused on in-depth analysis of particular problems in middle-income countries, where good descriptive data are likely to already exist. Second, nearly 80 percent of the economic and sector work in fiscal 2000–04 was national in scope, 20 percent was regional in scope—albeit only 5 percent excluding the Africa Region—and 3 percent was global in scope. Third, most of the economic and sector work produced in fiscal 2000–04 was focused on basic education, but there has been significant growth in the number of products focused on higher education. Fourth, an increasing amount of analytical work on education has been in the form of multisector economic and sector work, such as public expenditure reports, institutional and governance reviews, poverty reports, country assistance strategies,

poverty reduction strategy papers, etc., but these products have not uniformly benefited from education sector input.

Knowledge management has also played a growing role in supporting sector strategy objectives in fiscal 1999–2004. Such efforts have included *Education Notes*—a sharing of lessons learned in the pursuit of Education for All, tied to a country or a theme (such as disability); knowledge generation and dissemination through, for example, major reports on the role of tertiary education in building knowledge societies (shared worldwide through seven non-English editions), as well as on post-conflict education, or through toolkits for school health and HIV/AIDS, early child development, and lifelong learning; and regional seminars and training covering such areas as higher education reform, organizational capacity building, treatment of education in poverty reduction strategy papers, and strengthening operational quality.

Lending

As noted earlier, lending for education amounted to nearly \$1.7 billion in fiscal 2004, down 29 percent from last year's near-record total due mainly to sharply lower IBRD lending. IDA credits accounted for 75 percent of the dollar volume of lending and about 60 percent of the year's total of 21 credits. Basic education for the poorest, a key priority of the 1999 education strategy, has indeed been receiving emphasis in Bank support for education:

- IDA lending for education has grown steadily since fiscal 2000, to a record \$1.2 billion in fiscal 2004.
- As of June 30, 2004, 83 IDA-supported projects amounting to nearly \$4.4 billion were being implemented, with substantial support to Africa and South Asia.
- Support for primary education accounted for the largest share (or nearly one-third) of total lending for fiscal 2000–04, of \$8 billion; additional support for primary levels is embedded in the general education category as well as in tertiary education, which supplies the teacher training and school administration skills needed for provision of quality education services.

- IDA support has also taken the form of grants—\$105 million in fiscal 2003 and \$67 in fiscal 2004—reflecting IDA-13’s provision for grant financing.
- In addition, extending access to poorer segments of the population has been a development objective of a large share of the IBRD-supported education projects approved in recent years.
- Other priority themes in the 1999 strategy that have received attention in the Bank’s lending program are as follows:
- *Early child development*: a total of 14 stand-alone projects are being implemented as of fiscal 2004; activities are being supported in nine countries in Latin America and the Caribbean, eight countries in Africa, three countries in the Middle East and North Africa, and two countries in South Asia; other activities include three post-conflict grants in Europe and Central Asia, HIV/AIDS capacity building in five Sub-Saharan African countries, capacity building in ten West African countries, and activities in the Gambia with support from the Development Grant Facility.
- *Technological innovation*: including system management, all projects since fiscal 1999 have supported technological innovation.
- *Quality improvements*: projects have sought to improve quality through teacher training, curriculum reform, and learning assessments.
- *Other project components*: for fiscal 2002–04 (years for which such data was collected), the array of components are shown in Table A1-2.

Table A1-2. Content of World Bank education lending, fiscal 2002–04

<i>Component in education projects</i>	<i>Number of education projects with component^a</i>
Teacher training	53
Learning materials	49
Community participation ^b	43
Curriculum reform	41
Equipment	41
Learning assessment	37
Classrooms	34
School development grants	32
Research support	30
Education management information	30
Decentralization	25
Girls' participation	24
Benefit/cost analysis	22
Distance education	21
Policy reform	16
Adult education	11
Early childhood education	11
HIV/AIDS education	10

a. Out of a total of 62 projects over the period.

b. For fiscal 2003–04 only.

Cross-sectoral synergies

While poverty reduction strategy papers were only just being introduced when the 1999 strategy was written, they have since become the primary means of ensuring that education goals receive the priority due them given their links to economic growth, national competitiveness, and human development. Recent years have seen greater inclusion of education components in non-education projects, increasing from 24 and 44 components in fiscal 2002 and fiscal 03, respectively, to 50 in fiscal 2004. In dollar terms, the components amounted to \$0.44 billion,

Box A1-3.

Education components in noneducation projects

Education components accounted for about one-third of Bank lending for education. By region, Africa and Latin America and the Caribbean accounted for the largest share of such components (16 and 13, respectively, out of 50).

Social protection accounted for the largest share of noneducation lending—35 percent of volume, 22 percent of the number of operations. The comparable ratios for public sector governance, with the second largest share, were 18 percent and 20 percent.

Education components were included in five types of projects: social fund/community development; poverty reduction strategy credits; structural/sector adjustment; emergency relief; vocational training; and a few others, not in any particular category. Poverty reduction strategy credits were best practice, in terms of clearly laying out education sector objectives linked to other World Bank Group operations supporting sector reform.

\$0.58 billion, and \$0.51 billion, respectively (Box A1-3). Examples range from social protection, public sector management, and health operations to poverty reduction strategy credits (nine in fiscal 2004), which provide overall support for poverty reduction strategies. Uganda, the first country to use such a credit, in fiscal 2001, continued to rely on the credits in fiscal 2003 and fiscal 2004; all three operations included support for education. Use of sectorwide approaches is growing, supported by 16 such operations for education since 1998, 6 of them in fiscal 2004—including the India Elementary Education project. Sectorwide approaches enable joint pooling of donor resources and common supervision and monitoring and reporting frameworks, making for more efficient and less burdensome aid.

Partnerships

Work with country and donor partners has been an important part of progress made by the Bank in supporting countries' education sectors in the last five years. Among the most notable of the new partnerships is the Education for All Fast Track Initiative, launched by the Bank in April 2002 and soon after endorsed by the G-8 nations. The Fast Track Initiative was created, in part, to encourage the translation of political will into action. It brings together over 30 bilateral donors, development banks, and international agencies working together to help countries achieve the Education for All goal of universal primary completion by 2015. It is the first global initiative to operationalize the Monterrey Consensus, and it offers a platform to enable donors to provide increased, better coordinated, and more effective support to countries.

As noted in the body of the ESSU, the Fast Track Initiative partnership promotes/supports development of sound education sector policies and strategies; increased country accountability for sector results; adequate and sustainable domestic financing for education within the framework of a country's poverty reduction strategy and expenditure priorities; more efficient aid for primary education through better alignment of aid around country-owned programs, and coordination and harmonization of external partners' systems/procedures around those of the country; increased resource mobilization for countries with strong performance and capacity; and the sharing of lessons learned about policies and efforts that produce better primary education

outcomes. At inception, 18 countries (mostly in Africa) were identified as eligible for Fast Track Initiative support; in November 2003, support was extended to all low-income countries with a Poverty Reduction Strategy and an education sector plan endorsed by the local donor group. Over two years of implementation, the Fast Track Initiative has evolved into a country-based and country-led process of program development and resource mobilization, with the global partnership providing tools and resources to support, fill gaps, and leverage longer-term financing. Most recently, it has launched and operationalized the Catalytic Fund, to provide transitional funding of two or three years for countries that merit increased aid but have not yet begun to receive it, and has put in place the Education Program Development Fund to help countries develop sound sector plans as a prerequisite for donor assistance.

Since fiscal 1999, the Bank has also strengthened linkages with UNESCO's Institute of Statistics specifically in support of data quality and monitoring of progress on Education for All. Notable work with partners has, in addition, included close collaboration with the Inter-Agency Group on HIV/AIDS, which has brought about concrete progress in strengthening beleaguered education systems and using education as a weapon to fight the disease; efforts to advance the knowledge economy agenda through the Knowledge and Skills Trust Fund, supported by the U. K. Department for International Development; consultations with an external advisory group to feed into preparation of the fiscal 2004 policy paper on secondary education; and support for agencies funded through the Development Grant Facility that are either helping build capacity or promoting learning outcomes. At the same time, there is scope for intensifying efforts to build private sector partnerships as well as to partner across sectors, both within and outside the Bank.

Staffing

There has been an overall decrease in staff since 1999, from 228 to 187 estimated for the end of fiscal 2005, after bottoming out at 171 in 2002. By region, Latin America and East Asia have lost relatively more staff and by type of staff, the "generalist"

category has seen the greatest falloff, from 96 to 41, mainly due to the decline of nonregular staff. The numbers of education specialists and education economists have seen a slight increase since fiscal 2002. Of the present 187, 52 percent of staff are specialists, followed by generalists (22 percent) and economists (18 percent). The sector is expected to lose just over 20 percent of its staff in the next three years through retirements. About half of those leaving are education specialists. In addition, nearly three-fourths of those leaving are higher-level/ management-potential staff or managers, and those in this group who are leaving account for 62 percent of all staff at this level. Given the ESSU's emphasis on a prominent role for education within the broad macroeconomic and overall country context, it is clear that the Bank will need to ensure an adequate share of staff who have the higher-level skills needed to participate effectively in, if not lead, public expenditure reviews, country assistance strategies, poverty reduction strategy credits, and cross-sectoral teams, while also having the sectoral knowledge needed to add value.

Internal challenges for the Bank's education sector

At the same time, the Bank will need to squarely address various issues that have begun to emerge, to ensure that budget and staffing resources are aligned with sector objectives:

- The budget needs to be better balanced between the twin objectives of supporting Education for All and helping build national economic competitiveness through a dynamic, high-skilled labor force. The Education for All Fast Track Initiative has accounted for a large share of resources, and now, two years into the program, it appears appropriate and feasible for the Bank to channel its own support for primary education through the Fast Track Initiative partnership, while in parallel expanding its attention to the broader strategic agenda.
- Developing the appropriate skills profile will be a priority as the sector gears itself to better integrate education into the broader development context, both to ensure adequate resources (financial, institutional, advocacy) for education and to

alleviate constraints to education outcomes such as roads to link children and teachers to schools, sanitation facilities to prevent girls from dropping out, or “life skills” programs to teach children healthy behaviors, especially as a weapon against HIV/AIDS. The sector at present is not sufficiently staffed with “integrators” and will need to put in place a training and hiring program that recognizes the need for alignment between its medium-term objectives and the staff complement able to work toward those objectives.

- The move toward cross-sectoral approaches will also require greater flexibility—across the Bank—in identifying appropriate staffing and budget arrangements, and related incentives that promote the necessary sharing and collaboration.
- It will also be essential to ensure that project preparation and supervision, as well as economic and sector work, are adequately funded, both to maintain a high level of operational quality and to recognize the role of economic and sector work in effective development assistance. Constant budgets and limited resources will place a premium on efforts to increase efficiency and identify creative solutions, including greater reliance on country-level researchers to carry out analytical work while building capacity.

ⁱⁱ Estimates are based on a two-year population average (2001–02) for low-income countries (all ages and 6–11 year olds) using World Bank population estimates. Note that low-income countries here and elsewhere in this section refer to the OECD definition (GNI per capita < \$745 in 2001).

Annex 2

Maps of completion rates, gender parity, and enrollment in primary and secondary education

Map A2-1.

Prospects for achieving Millennium Development Goals on primary completion rate by 2015, by country

Map A2-2.

Prospects for achieving Millennium Development Goals on gender parity in primary and secondary education by 2015, by country

Map A2-3.

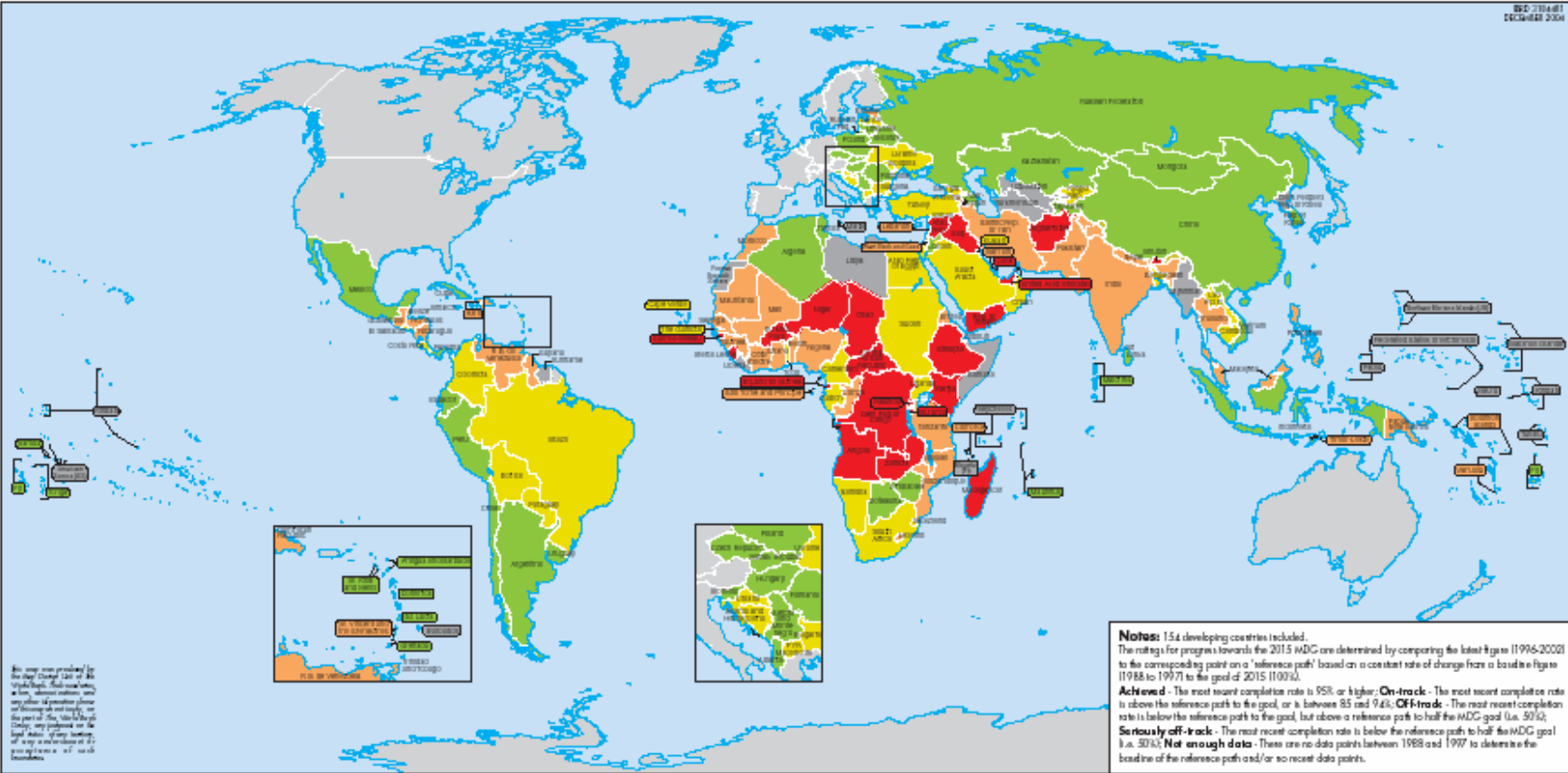
Gross enrollment rate in secondary education, by country

Map A2-1. Prospects for achieving Millennium Development Goals on primary completion rate by 2015, by country

MILLENNIUM DEVELOPMENT GOALS IN EDUCATION

Prospects for Achieving **Universal Primary Completion** by 2015:

Number of Countries: ● 16 **Seriously Off-Track** ● 36 **Off-Track** ● 28 **On-Track** ● 42 **Achieved UPC** ● 32 **Not Enough Data** ● **High-Income Economies**

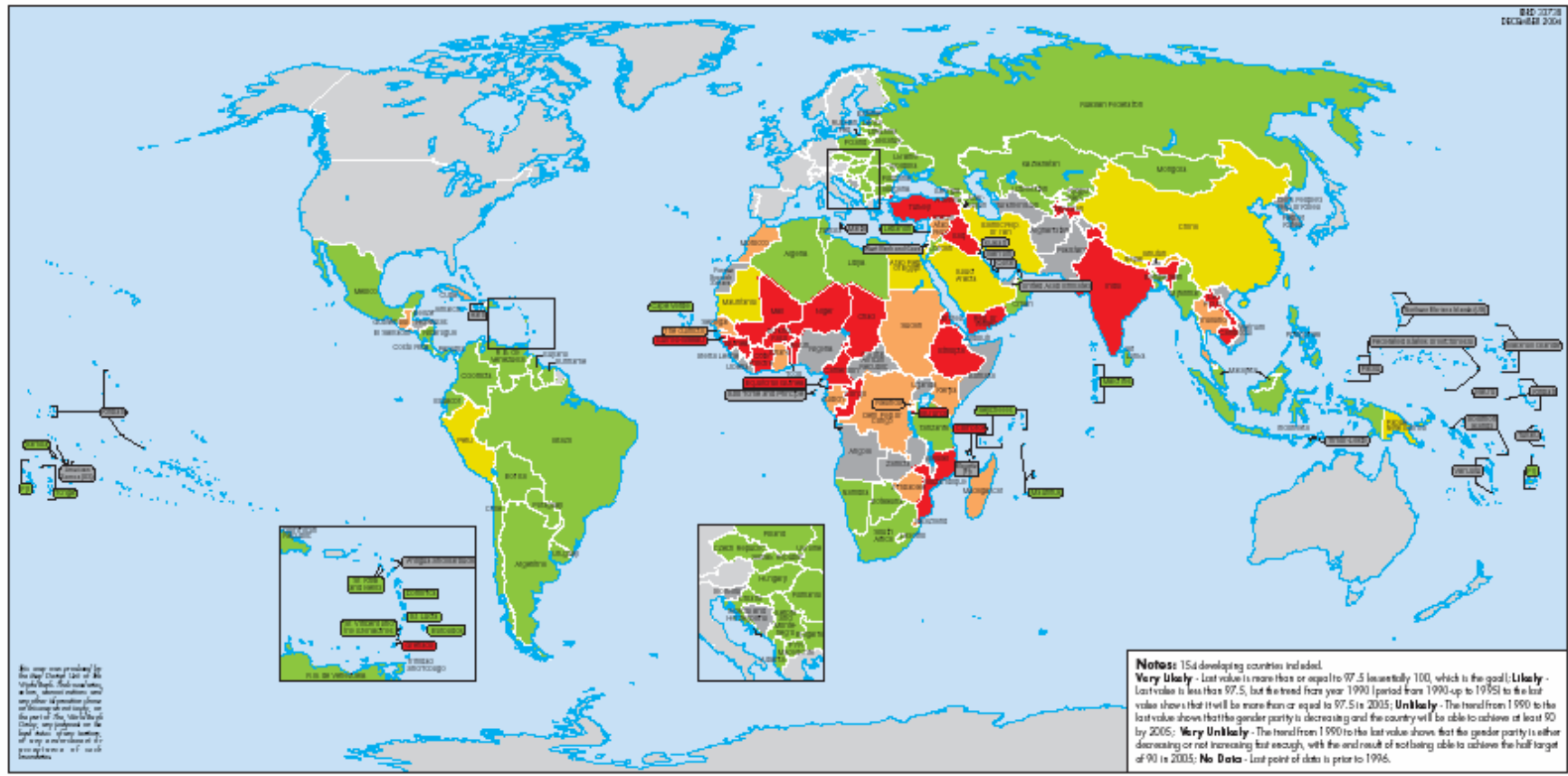


Map A2-2.
Prospects for achieving Millennium Development Goals on gender parity in primary and secondary education by 2015, by

MILLENNIUM DEVELOPMENT GOALS IN EDUCATION

Prospects of Achieving **Gender Parity in Primary and Secondary Education** by 2005:

Number of Countries: **Very Unlikely** 26 **Unlikely** 17 **Likely** 8 **Very Likely** 72 **Not Enough Data** 31 **High-Income Economies**

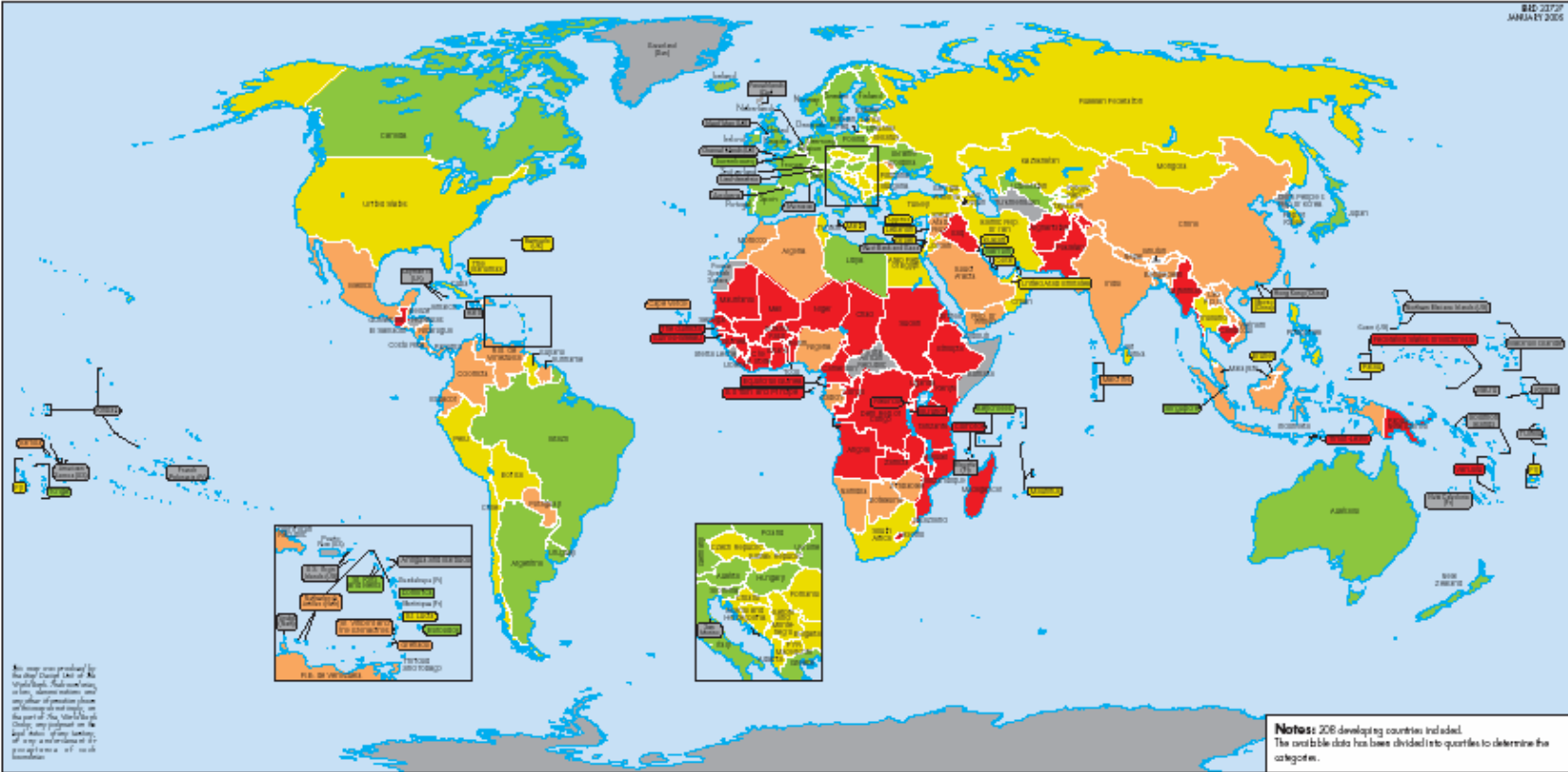


Map A2-3. Gross enrollment rate in secondary education, by country

SECONDARY EDUCATION

Gross Enrollment Rate: ● less than 40% ● 40% to 75% ● 75% to 95% ● more than 95% ● Not enough data

Number of Countries: 45 39 52 41 31



Annex 3

What it takes to achieve Education for All: country examples

As noted in chapter 2 of the ESSU, many countries have found effective ways of scaling up and accelerating progress on Education for All. Most commonly, these strategies entail a mix of supply- and demand-side efforts to expand access, include the most vulnerable populations, eliminate obstacles, improve quality by intervening at points closest to service delivery—that is, the school and classroom—and focus on outcomes, progressing from enrollment to completion to learning achievement. The examples that follow bring together a number of good practices from a wide range of countries, including ones that are very poor or emerging from deep conflict, demonstrating that progress is within reach where commitment exists to do what it takes. The last example, in addition, highlights the importance of sectorwide approaches in scaling up progress, so that the benefits of policy and institutional reform and other interventions extend beyond project levels to cover the entire sector and nation.

Encouraging school-based management

To bring decision-making closer to the service delivery level, schools in many developing countries are being given more control over curriculum, resources, staff, and students. Within broadly defined standards and operational parameters, schools have increasing autonomy and flexibility to adapt school organization and instructional practice to local conditions. Teachers are being encouraged to adapt reforms and innovations to student learning needs. In some countries—Afghanistan, India, Kenya, Mozambique, Nicaragua, Tanzania, and Uganda—the resource transfer takes place as conditional block grants; in others—Chile, Colombia, Guinea, Madagascar, Mexico, and Senegal—the additional resources come from support for school development projects developed at the school level, or through subsidies to community-owned and -operated schools as in Chad, Guatemala, and Nepal. The Educo model of community-managed education in rural El Salvador has received global recognition for its sustained successes, since 1991, in improving efficiency and effectiveness as a result of strong leadership and

government commitment, consensus-building across communities, teacher unions, and opposition leaders, and a culture of institutional and pedagogical innovation.

Reaching poor children through demand-side financing

In middle- as well as low-income countries, such approaches are proving effective. Mexico's *Oportunidades* (formerly *Progresa*), for example, has been providing cash transfers to families, contingent on children's regular school attendance. The transfers, which rise in step with the grade level reflecting higher opportunity costs of going to school as children get older, have increased children's average schooling by an extra 0.7 years, benefiting especially girls at the secondary level. In Sub-Saharan Africa, demand-side efforts are helping expand access to education by orphans, who account in some countries for over 15 percent of all children. Being orphaned is closely tied to extreme poverty and weak educational attainment—even while education can build the skills needed to overcome poverty and avoid HIV infection. Demand-side support for orphans includes conditional grants (Mozambique, Swaziland), bursaries for orphan enrollment (Lesotho, Mozambique, Zambia), and support to foster families for schooling and health needs as part of HIV/AIDS or social protection programs (Benin, Burundi, Ghana, Rwanda).

Taking advantage of the Fast Track Initiative

One of the world's poorest countries, Yemen, offers a good example of the difference made by Fast Track Initiative's performance-based aid. The country has a large under-15 population; high population growth; a primary enrollment rate of 65 percent—among the world's lowest; and rural girls' enrollment of under 30 percent. The government has shown strong commitment to the education Millennium Development Goals by spending 8 percent of GDP on education and developing a comprehensive education sector strategy in a participatory manner with close links to its poverty reduction strategy paper. In response, the international community chose Yemen in its first group of Fast Track Initiative countries in 2002 and in 2003 made the single largest allocation, of \$10 million, at the official launch of the Education for All Fast Track Initiative Catalytic Fund. Reinforcing this support, the Bank has just negotiated a large

operation incorporating a \$65 million credit and \$48 million cofinancing by the U.K. Department for International Development and the Netherlands.

Improving quality in African classrooms

Multiple factors affect the quality of classroom learning; and analysis is needed to identify priority areas of intervention. In Zambia, for example, the introduction of seven Zambian languages along with English, through a pilot project launched in 1998, has produced marked gains in student performance in Zambian-language as well as English tests. Reform of teacher training in Guinea and Uganda, meanwhile, is also believed to be making a difference to student learning, while a focus on learning materials such as textbooks and classroom supplies is an important part of the efforts of Kenya, Tanzania, and Uganda to ensure children's access to quality education inputs.

Mainstreaming children into formal schooling

Several states in India, with broad support from the World Bank and other donors through the District Primary Education Program, have been developing innovative approaches to reaching out-of-school children. In Karnataka, for instance, a bridge course program called *Chinnara Angala*, mainly targeted at the 6–10 age group, was launched. These are intensive courses developed to allow children of various ages and abilities to enter regular primary school programs at the appropriate level. They were first developed and piloted in 2001–02 in 1,776 centers. In the first year, out of 100,000 children that participated, about 82,000 children were mainstreamed from this program and in 2002–03 out of the 125,000 children, 92,000 were mainstreamed into regular schools.

Accelerating the response to HIV/AIDS in Africa

Since November 2002 more than 25 countries in Sub-Saharan Africa have worked in partnership to mitigate the constraints of HIV/AIDS on achieving Education for All and strengthen the role of the education sector in HIV/AIDS prevention. This joint action, coordinated by the World Bank and implemented under the umbrella of the UNAIDS Inter-Agency Task Team for Education, has helped harmonize support from UN agencies, bilateral donors and civil society and increased absorption of HIV/AIDS

resources by the sector. Information on how to respond to this new sectoral challenge is now shared more freely through networks in East, Central, West, and Lusophone Africa, and more effective planning and management have resulted in roll-out of programs to the school level.

Rebuilding capacity after war

In Cambodia, two programs since 1999 have been aimed at addressing the loss in capacity and impoverishment of people in the aftermath of conflict. First, a school quality improvement grants program covering 23 percent of the total primary school population has devolved unprecedented responsibility to school and local administrators, with a system in place to feed lessons of experience into education policy; enrollment, repetition and dropout, and teaching and student learning have all improved. Second, a nationwide program providing funds directly to schools, on condition that the schools charge no entrance fees, has helped stimulate demand and boost low teacher salaries and supply of materials. Strengthening schools' and communities' capacities through grants is also central to improving education outcomes in Afghanistan, where the challenge is to capitalize on strong teacher commitment and community demand for education to help raise quality, reduce gender disparities, and promote continued diversification of education service provision.

Shifting the debate from inputs to outcomes in Brazil

Reform-minded leadership in Brazil in the 1990s enabled remarkable progress toward Education for All: primary enrollments rose sharply and the gap in access between rich and poor children was substantially narrowed—amid low GDP growth, economic instability, and tight budgets. A key success factor was the shifting of power to local levels—accompanied by establishment of an Education Management Information System to collect education data and make it widely available—and improve accountability. However, participation in an OECD study revealed a large gap (between OECD and Brazilian outcomes), which underscores the need to sustain the gains made and more generally, to sustain the focus on quality as access is expanded.

Scaling up progress on Education for All in South Asia

The examples of Bangladesh, India, and Nepal (Table A3-1) attest to the importance of sustaining momentum: all three countries have made important strides toward Education for All in recent years, but are now reinvigorating efforts to close the gap, led by strong government ownership. A key common feature is the use of sectorwide approaches to harmonize donor support and pool resources around a single key priority.

Table A3-1. Sectorwide approaches for scaling up progress in South Asia

<i>Approach</i>	<i>Bangladesh</i>	<i>India</i>	<i>Nepal</i>
Scaling up	Goal: increase net enrollment to 88% in 2009 from 80% in 2002	Goal: in 3 years reduce out-of-school children by 9 million (from 25 million)	Goal: reduce share of out-of-school children to 4% in 2009 from 24% in 2000; increase net enrollment to 96% in 2009 from 81% in 2004
Reaching the excluded	Reduce number of out-of-school children with disability by 30% by 2009	To lower gender/social gap, special schools/facilities for girls; free textbooks for girls /lower castes; more female teachers; grants for disabled	Goal: increase primary enrollment especially of girls and children from socially disadvantaged groups
Empowering communities		Decentralized framework for service delivery, responsibility given to states, districts, subdistricts	Shift in service delivery: empower local communities to manage schools and block grant resources
Focusing on quality	Increase Grade 5 completion rates to 80% in 2009 from 68% in 2002; increase number of students achieving acceptable levels of literacy and numeracy by 50% by 2009	Improve transition rates from primary to upper primary; improve student achievement; improve physical facilities, payment of teacher salaries, training/resource centers for teachers, education management training	Increase learning achievement from 52% in 2003 to 60% in 2009
Leveraging up support	\$150 million from IDA, \$504 million from other donors, \$1.16 billion from government	\$500 million from IDA, \$550 million from other donors, \$2.45 billion from government	\$50 million from IDA, \$100 million grant from other donors
<i>Note:</i> With support from a \$51 million IDA grant, Bangladesh is also targeting the enrollment of 500,000 (out of 3 million) out-of-school children through a project supporting community-managed nonformal schools or learning centers, to complement the program supporting the formal primary education sector.			

Annex 4

What it takes to support the creation of dynamic economies: country examples

As discussed in chapter 3, countries need to go well beyond Education for All in equipping themselves to succeed—and indeed survive—in today’s fast globalizing world. Skills of a higher order are needed to use, apply, and generate knowledge, which increasingly drives productivity, competitiveness, comparative advantage, and ultimately, economic growth. Education systems can support the creation of dynamic economies through diverse initiatives, comprising efforts to strengthen the quality and labor market relevance of post-basic education; identify financing options for significant expansion of access—particularly for poorer students; build lifelong learning systems both to benefit adult learners and to ensure national competitiveness; and transform the institutional landscape with more diversified provision and a changing role for the state. Highlighted below are examples of such efforts being undertaken by countries that recognize these priorities.

Rethinking the secondary school curriculum: Europe and Central Asia

A basic challenge for secondary education in the information-rich environment where graduates will have to work and continue learning is to provide students with the complex communication and expert thinking skills required to use information for problem-solving purposes and to understand the concepts behind the facts. Since the early 1990s most countries in Europe and Central Asia have been reforming their curriculum to make it more responsive to the needs of market economies and democratic societies but in many countries curriculum overload still stands in the way of successful reform of secondary education. Hungary initiated the reform very early, replacing a detailed central curriculum with a system that empowers schools to prepare their own curriculum within a general framework provided by the central government. Instead of defining traditional academic subjects, the new framework defined ten broader areas of knowledge devoting significant attention to cross-curricular areas such as

communication, information and telecommunication, environmental protection, and technical-practical skills.

Building national innovation systems: China

China's Higher Education Reform Project has been helping universities prepare graduates in science and technology who have the appropriate knowledge, skills, competencies, and aptitudes needed for China's fast growing economy. The project has instituted a series of integrated reforms in curriculum and strategies to improve the quality and relevance of undergraduate education in 28 national key universities. Measures underpinning the reforms include rationalization of science and engineering disciplines, reduction of narrow specialization, restructuring academic programs of study, adopting student-centered learning strategies and making the laboratories and facilities more accessible to enhance the learning process, as well as establishment of a quality assessment system and textbook renewal mechanism. These reforms have led to the successful establishment of broadly based interdisciplinary programs in science and engineering and improvements in their design. The integrated staff development for faculties and administrators has improved capacity and efficiency in producing better student learning outcomes. The partnership program between prestigious national key universities and their weaker provincial partner universities has helped spread successful reforms, multiplying the impact to the larger system.

Constructing lifelong learning systems: Chile

Chile's Lifelong Learning and Training Project aims to reduce the social deficit in the provision of lifelong education and training opportunities for young adults and adults, especially those who are unemployed or living in conditions of poverty, and those who seek a second chance to improve their employability and quality of life. It also aims at upgrading the skill level of the Chilean workforce to improve its productivity and competitiveness. The project has implemented a series of innovative instruments in Chile, such as (a) a flexible model for adult education that pays public and private providers based on results (adults certifying education levels) rather than on attendance and (b) articulation projects between given regional productive sectors and the technical

education and training systems in several economic sectors for which approved labor-related competencies are available (mining, metal-mechanic, forestry, tourism, gastronomy, forestry, flowers, wine, and other agricultural-related activities). The first impact evaluation results of the project's adult education component are now available. Two findings are worth highlighting: (a) there was a larger increase in income among adults that certified their secondary education than with those of the control group and (b) a larger number of adults that were not seeking employment at the start of their education tend to do it when they certify their secondary level as compared to the adults of the control group. The project has initiated a process to establish a lifelong learning and training system in Chile. Accordingly, a law proposal to set up a national labor competency-based system is being discussed in the Chilean Congress. In addition, an adult education reform is underway with the approval of a new modular adult education curriculum.

Constructing lifelong learning systems: Mexico

Mexico's proposed Lifelong Learning Project aims to (a) increase productivity and thus contribute to improved competitiveness; (b) improve social equity and reduce poverty; and (c) strengthen social capital and social cohesion, and promote and support social participation, in particular of the private sector and civil society for the reduction of the adult out-of-school population. Beneficiaries of the project (those that will receive their lower secondary education certificate from the project) will likely (a) increase their productivity in the labor market; (b) reduce their poverty level; and (c) improve their quality of life. Accordingly, the project aims to (a) provide the enabling conditions towards establishment of a lifelong learning system for out-of-school adults and (b) reduce in absolute and relative terms the adults out-of-school in the 15 to 34 age group that have completed primary education but not their lower secondary education level (target population). The proposed operation aims at expanding the Education for Life Program currently implemented by the Mexican National Institute of Adult Education (INEA). This program replaces the traditional academic and tubular yearly-cycle adult education model used in many developing countries with a modular and flexible competency-based approach. Under this model the key question is not to assess the

knowledge acquired by the adult but rather the skills acquired through the knowledge learned in the module. The operation aims at expanding the utilization of information technology and digitalized learning materials for adult education purposes, as another means for effective learning. Adult education facilitators are being paid based on results (modules evaluated and credited by the adults) rather than on adult student attendance. The new learning modules being introduced by INEA are demand-driven rather than supply-driven, and include health, human rights and environmental topics, among a large variety of other educational themes. The model links with other social actors, like the *Oportunidades* Program, as a way to increase effectiveness in addressing the reduction of the out-of-school population. The poorest segments of the Mexican society are being reached by INEA's program.

Public-private partnerships: India

It is increasingly clear that, in a lifelong learning perspective, the state can no longer be the sole provider and financier of education. Rather, it must put in place an enabling framework that encourages institutions, especially for post-basic education, to be more innovative and more responsive to the labor market requirements for advanced human capital. The framework may comprise three dimensions: state regulations and financial incentives; participation and partnerships with industry, civil society, and professional associations; and competition among tertiary education providers. In one example, the government of Sikkim, one of India's poorest states, set up Sikkim Manipal University of Health, Medical and Technological Sciences (SMU) as a public-private partnership to make available a first higher technical education institution in the remote state, to provide new career opportunities to deserving students. Given limited resources and experience in running higher education institutions, the state government entered into an agreement with the Manipal Group, one of the leading private higher education groups in India, to jointly establish and manage SMU. As an initial contribution, the government provided the land and a multi-specialized hospital to serve as an associated teaching hospital for SMU's medical college. The Manipal Group is fully responsible for SMU's financial and academic affairs.

Identifying options for sustainable financing

Countries rely increasingly on a combination of cost-sharing and government subsidies to finance education beyond the compulsory level. Chile, China, and Mongolia have introduced fees on a national scale; Pakistan and Vietnam are among countries that charge students who do not achieve high scores; and Nepal has been a pioneer in imposing substantial cost-sharing alongside a scholarship scheme for academically qualified, low-income students. Many governments have encouraged greater autonomy at the institutional level, allowing post-basic education institutions more freedom to manage their resources and develop proactive income generation policies. In Tanzania, for example, the University of Dar es Salaam introduced successful financial management reforms in 2000, comprising the separation of university and government roles; the introduction of a financial information system; the divestiture of noncore services; the intensification of income-generation activities through a newly established Income Generation Unit; and a shift from block grants to directly paid student sponsorship by the government. Other countries supporting such autonomy in recent years include China, where management practices and resource mobilization efforts have improved as a result of the transfer of university financing to the provinces; Indonesia, where leading public universities were newly granted autonomous status; and Morocco, which adopted a higher education reform law with the aim of promoting university autonomy as a stimulus for improved quality and a better focus on the country's development needs.

Strengthening financial management and accountability: Indonesia

In 1997 the Indonesian government introduced a competitive funding mechanism to award grants to study programs of national importance, both to enhance student outcomes and to promote transparency and accountability in the use of public funds. The program has been helping ensure grant relevance and strengthen financial management among grant recipients. Support for private higher education institutions is also being envisaged, in particular those that seek increased participation of disadvantaged students. The initiative attests to the importance of government commitment in identifying creative and flexible funding mechanisms and funding private institutions toward meeting national goals of labor market relevance and equity.

Strengthening labor market linkages

As labor markets have become more dynamic, education systems have faced growing challenges in equipping post-basic education graduates with relevant knowledge and skills, particularly as expanded coverage to meet rising social demand has sometimes come at the expense of quality. Multiple responses may be appropriate:

- *Diversifying the institutional landscape.* In Chile, the diverse tertiary education system that includes a strong set of private providers and autonomous public providers is increasingly producing graduates with the agility needed to respond to changes in the labor market.
- *Establishing quality assurance mechanisms and accreditation systems.* Such systems play an important role, as in the case of Colombia, which has established systems for licensing new institutions and certifying educational credentials, or Korea, which awards recognized degrees to nonformal learners who demonstrate acquisition of key competencies.
- *Teaching creativity.* Another dimension of labor market responsiveness centers on the teaching of “meta-cognitive” abilities, referring to learning and thinking skills. In 1997, for example, Singapore launched a Thinking Schools, Learning Nation framework emphasizing critical and creative thinking in schools as a means to help meet the challenges of a knowledge economy.
- *Encouraging corporate ties.* Ongoing operations in Sri Lanka and Mozambique have put emphasis on the creation of relevant post-graduate programs designed and delivered in close collaboration with local industries. This was also a strong feature of the recently closed Argentina higher education reform project.

Addressing the political economy of reform: Mexico

Reform of tertiary education systems is often fraught with controversy. The reduction of subsidies and the introduction of tuition fees or transparent funding formula are often politically sensitive, meeting with fierce resistance from those most likely to be affected by the proposed redistribution of power and wealth. Building consensus among

diverse constituents of the tertiary education community can be a useful approach, as seen in the early 1990s when Northern Mexico's University of Sonora tried—successfully—to introduce cost sharing. Despite initial resistance, efforts to explain to staff and students the need for new resources to maintain quality paid off. Students accepted the reform; a participatory process helped to decide allocation of the new funds between equity and quality improvement programs; a joint student-faculty committee was set up to administer the funds; and since then, posters have been prepared annually to disseminate information on use of the money collected at the beginning of the year. It is worth noting, however, that involving potential opponents in the policy discussion carries risks.

Emphasizing science and technology in education: Uganda

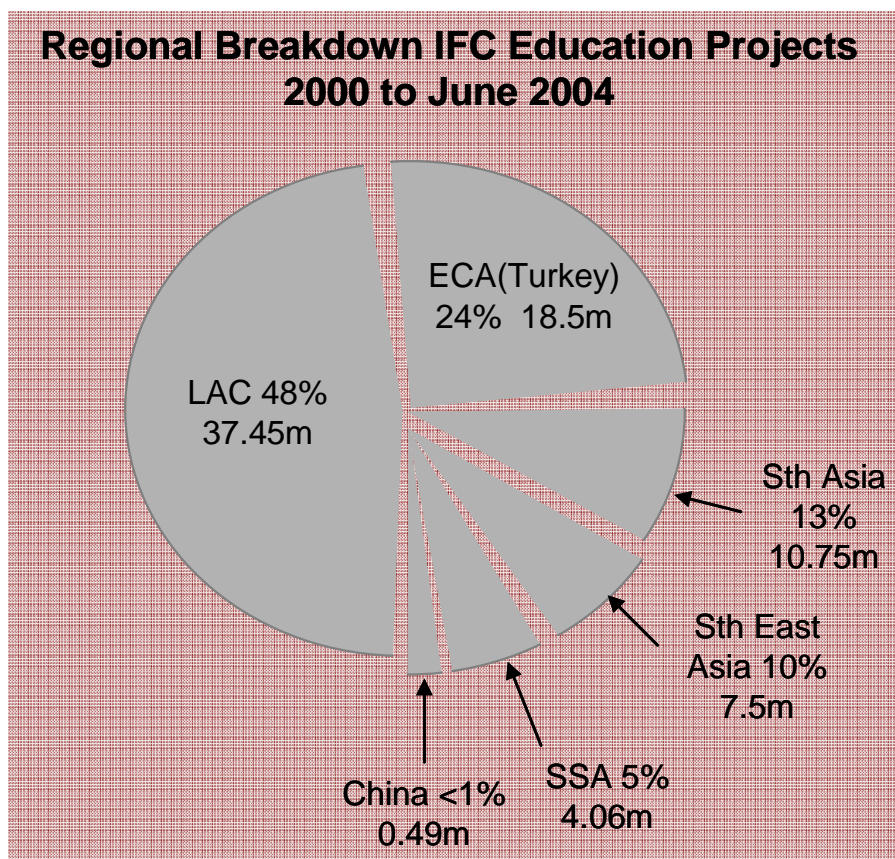
The Millennium Science Initiative Project seeks to improve the quality and relevance of scientific and technological skills in Uganda, while strengthening the country's ability to create, adapt, and select knowledge. The project will support a competitive funding mechanism to support the country's best researchers who are intensively involved in graduate training in scientific and technological disciplines of highest national relevance. The project will also fund the creation of new undergraduate programs in basic sciences, and the rehabilitation of infrastructure in selected existing programs. Further support will be given to mechanisms that increase the linkages between researchers and the private sector, as well as those to curriculum and assessment issues in pretertiary science education.

Annex 5

International Finance Corporation education project approvals , by fiscal year and country, January 2000 –June 2004

<i>Country and fiscal year</i>	<i>Project name; main components</i>	<i>Amount (millions of U.S. dollars)</i>
Argentina, 2000	<i>Asociación Civil Universidad del Salvador</i> Expansion project of the university's Pilar Campus included construction of new classrooms, a large auditorium, a library, student dormitories, a veterinary clinic, and three outpatient clinics	10
Peru, 2000	<i>Universidad Peruana de Ciencias Aplicadas (UPC)</i> San Isidro Campus: completion of building to house UPC Business School and Cibertec Monterrico Campus: construction of new building to accommodate new classrooms and laboratories; computer systems: upgrading of computer network and internal systems; fire safety systems: working capital: funding of student loans and scholarships for students from lower socioeconomic levels	7
Uruguay, 2000	<i>Asociación Instituto de Estudios Empresariales de Montevideo (Universidad de Montevideo)</i> Expansion of classroom facilities; expansion of library; growth of student loan program; debt refinancing; project implementation in three stages to correlate with student enrollment	5
South Africa, 2000	<i>EDULoan</i> A payroll-based student financing scheme for students studying at technikons and universities	2.8
Cameroon, 2000	<i>AEF Hobec</i> Financing the construction of new buildings for an early childhood, primary and secondary school	0.68
Ghana, 2000	<i>AEF Computer School</i> To equip a small network of NIIT franchised schools with equipment and fittings for computer training centers.	0.23
Uganda, 2000	<i>AEF Kabojja</i> Financing small construction and upgrading existing facilities in a small pre-primary and primary school	0.35
Brazil, 2000	<i>Escol@</i> Financing the expansion of a 24 hour e-tutoring operation for primary and secondary schools	3.25
India, 2000	<i>Egurucool</i> Financing the development of e-tutorial content for schools and students in the home	0.25
Turkey, 2001	<i>Istanbul Bilgi University</i> Build new facilities and modernize existing campuses plus finance the development of a new e-MBA program for the business school	12
Vietnam, 2001	<i>RMIT / RIUV</i> An Australian public university building a new private university in HCMC, Vietnam. Use of funds for construction and outfitting of new campus south of the city	7.5
India, 2001	<i>National Institute of Information Technology (NIIT), Student Loan Investment</i> Student loan program: financing for students participating in GNIIT, NIIT's flagship graduate education program, through pioneering a new type of student	9

<i>Country and fiscal year</i>	<i>Project name; main components</i>	<i>Amount (millions of U.S. dollars)</i>
	loan that can be replicated with private banks and funds	
India, 2002	<i>HIWEL (Hole In The Wall Education Ltd.)</i> To assist in furthering research in minimum invasive education through open use of computers in rural areas. To finance the development of small computer kiosks and establishing a network of kiosks across India through community support and sponsorship.	1.5
Turkey, 2002	<i>Atilim</i> Loan to finance the construction of new buildings for a new university	6.5
Chile, 2003	<i>U Diego Portales</i> Partial guarantee (\$7 million) for 8yr local Chilean bond - face value of Bond approximately \$23 million, for refurbishment and upgrading of existing campus and for quality improvement initiatives	7.2
China, 2003	<i>SIBFI (Shanghai International Finance and Banking Institute)</i> A joint venture involving Bankademie of Germany and SUFE (Shanghai University of Finance & Economics). Equity financing for new Training School to service the Finance and Banking Sectors in China	0.49
Trinidad and Tobago, 2004	<i>Institute of Business (University of West Indies)</i> Private business school that is the arm of public university—a loan to finance the construction of new buildings to house existing operations.	5



Annex 6

Summaries of regional action plans for fiscal 2005–07

South Asia

Strategic theme 1: Integrating education into a countrywide perspective

Inclusion of education issues in country assistance strategy, PER, poverty reduction strategy paper preparation and development policy lending to ensure high priority for education and sound articulation of education policies within the overall macroeconomic and budget framework.

- Inclusion of education issues in country assistance strategies (Bangladesh, Pakistan, Bhutan) and poverty reduction strategy credits and national and/or state multisectoral Development Policy lending (Pakistan, Bangladesh, India, Nepal): Increased attention to improvements in social service delivery and education outcomes; links with civil service reforms (teacher recruitment, deployment and incentive framework) and decentralization; efforts to increase public spending on education linked to fiscal reforms and debt restructuring.
- Identification of effective public-private partnerships to maximize impact of public spending on outcomes (Pakistan, Bangladesh).
- Support for governance reforms through Education Sector development policy lending (Bangladesh, provinces of Pakistan) to increase accountability, reduce rent-seeking opportunities and increase performance and cost-effectiveness.
- Increased attention to mechanisms conducive to increased participation of communities and NGOs in school management and teacher accountability (Nepal, Bangladesh, Pakistan, India).
- Participation of education staff in noneducation operations such as rural development (India) and participation of noneducation staff in education projects (for example, on road safety issues); contribution to multisectoral operations (Maldives).

- Increased emphasis on strengthening secondary education and reforming vocational education and training to respond to labor market needs (analytical work in Pakistan, Bangladesh, India, Sri Lanka).
- Policy dialogue and support to higher education to sustain high growth rates and increase competitiveness (Pakistan, India, Sri Lanka, Nepal).
- Attention to links between education and HIV/AIDS activities (evaluation of effectiveness of school AIDS programs in India).
- Promotion of social cohesion in conflict-affected countries by reintegrating women and minorities in society through access to education (Afghanistan) and support to overall reconstruction effort following conflicts (Afghanistan) and the tsunami disaster (Sri Lanka, Maldives, and India).

Strategic theme 2: Broadening the strategic agenda through a sectorwide approach

Modus operandi for support to education programs increasingly tending toward adoption of a sectorwide approach and efforts to harmonize procedures with development partners.

- Continued focus of a large part of the work program on basic education, to give the highest priority to accelerated progress towards achieving the Millennium Development Goals. Large programs aimed at reducing the number of out-of-school children and increasing quality of elementary education are supported jointly by the Bank and development partners in Bangladesh, India and Nepal.
- Increasingly, emphasis to be placed on broadening the sector approach to take into account the needs at the secondary and higher levels of education. This includes support to the development of a ten-year strategic plan for higher education in Bangladesh, analysis of secondary education issues in India, Bangladesh and Sri Lanka, support to strategies and interventions in higher education in India, Nepal, Afghanistan and Sri Lanka.
- Developing approaches to reform vocational education and training systems in order to produce employable skilled manpower cost-effectively, and provide an alternative to those who do not want to pursue higher education (Pakistan,

Afghanistan, India, Sri Lanka). In this context, additional attention is paid to issues related to the transition from school to work.

- A combination of supply and demand-side approaches (scholarships) to be used to bring into school children from poor families (particularly girls), children with disability, and children who live in more remote areas and belong to marginalized groups (Bangladesh, Pakistan).

Strategic theme 3: Becoming more results oriented

Shifting of emphasis from inputs to outcomes and growing attention to monitoring and evaluation and additional efforts to strengthen the capacity of Bank staff and clients to evaluate the impact of interventions and to provide evidence-based policy advice.

- Key education outcomes indicators to be included in all country assistance strategies, poverty reduction strategy credits, and education operations with increased focus on indicators that measure quality of education such as completion rates and learning achievements.
- Most programs to support development of national learning assessment systems that can measure performance and monitor progress.
- Implementing as part of Bank operations, analytical work, and technical assistance, a program of rigorous impact evaluation to improve knowledge of what works and what does not, and what is most cost-effective. Special attention will be paid to innovative approaches adopted by many of the countries such as the move toward school-based management, scholarships to foster girls' enrollment, grants for quality improvements, hiring of contractual teachers.
- Introducing performance-related grants (or disbursement) in several operations to promote focus on outcomes.

Middle East and North Africa

Strategic theme 1: Integrating education into a countrywide perspective

- Strengthen education linkages with the macroeconomic context and other sectors through continued attention to Education in country diagnostic and strategy work,

especially public expenditure reviews, poverty assessments and country assistance strategy (all countries); gender assessments, country economic memoranda (Morocco); ensure that education is adequately covered in poverty-related household surveys (Yemen).

- Strengthen the responsiveness of education systems to labor market needs: unemployment is the major development issue in the region. Continue sector work that analyzes the linkages and helps shape country strategies and policies (Iran, Lebanon, Tunisia, Yemen).
- Help address the information and communications technologies needs of the education sector (Egypt, Jordan, Tunisia, Yemen)
- Strengthen the integration of Education in a countrywide perspective through the regional flagship report on education, which is under preparation and which will be used to strengthen knowledge generation/ dissemination at the regional/country level.

Strategic theme 2: Broadening the strategic agenda through a sectorwide approach

- For the Fast Track Initiative countries (Yemen and Djibouti), use the Fast Track Initiative for strategy refinement, policy analysis, resource mobilization and donor coordination, building on the successful approach taken by Yemen.
- Broaden the sector focus to integrate early childhood education (Egypt).
- Build capacity for a sector-wide approach to reform of the education and training system to promote better articulation with the needs of the labor market in the context of a society and economy in transition (Iraq).
- Integrate vulnerable children and youth: building on recent analytical work and regional workshops on the subject, help countries articulate their strategies (Egypt, Iran, Jordan, Morocco, West Bank and Gaza, Yemen) and mainstream approaches in education projects with particular emphasis on girls, poverty groups, working and disabled children (Djibouti, Jordan, Morocco, Tunisia, Yemen).

- Build on the recent Bank study on secondary education to strengthen policy dialogue on the central role of this subsector in developing a coherent education system (Algeria, Morocco, Tunisia, Yemen and regional workshop).
- Continue support to the reform of tertiary education (Egypt, Iraq, Jordan, Morocco, Tunisia, West Bank and Gaza, Yemen).

Strategic theme 3: Becoming more results oriented

- Support the strong participation of Middle East and North Africa countries in international assessments of educational achievements; assist at the regional and country level with capacity building for assessments and design of follow-up strategies.
- Strengthen the results orientation in Education projects (all countries).
- Extend use of the sectorwide approach in education across the region (the region's first education sectorwide approach effort is being approved for Morocco).
- Initiate the creation of a regional network of education research institutes, using the preparation of the education flagship report as starting point.

Latin America and the Caribbean

Strategic theme 1: Integrating education into a countrywide perspective

Inclusion of education issues in preparation of country assistance strategy and public expenditure reviews to ensure articulation of linkages between the education sector and economic policies and to ensure that education interventions are adequately resourced and embedded in broader policy dialogue.

- Ensure that education outcomes are specifically included in country diagnostic work: (a) country assistance strategies: Argentina, Chile, Bolivia, Colombia, Dominican Republic, Ecuador, El Salvador, Haiti, Honduras, Jamaica, Nicaragua, Guatemala, Organization of the Eastern Caribbean States (OECS), Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela; (b) poverty reduction strategy credits (Dominica, Guyana, Honduras, Haiti and Nicaragua); (c) public expenditure reviews (Argentina, Bolivia, Colombia, Costa Rica, Dominican

Republic, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, and Uruguay).

- Increase attention to education linkages with macroeconomic context - teachers (regional studies), skills development (Argentina and OECS), decentralization in education (Central America). Identify evidence-based priorities for intervention to maximize impact on education outcomes and other Millennium Development Goals (Guatemala, Mexico, Uruguay, Colombia, Chile and others).
- Increase attention in country diagnostic work to mechanisms conducive to improving national environments for participation and accountability (i.e., strengthening communities, NGOs and Civil Society participation; for example, Mexico *Escuelas de Calidad*; El Salvador and Guatemala Secondary Education projects; and the Colombia Rural Education APL II project).
- Improve efforts to include education issues in noneducation operations such as health (Bolivia GAIN and Argentina Maternal and Child Care project); rural development (Peru, Brazil); contracting social services (Colombia); municipal development (several Brazil municipalities projects).
- Pay more attention to strengthening education system responsiveness to labor market needs by reforming secondary education (e.g., secondary education projects in Argentina, Bolivia, Colombia (Antioquia project), El Salvador, Guatemala and Mexico; and economic and sector work in Argentina and the OECS) and tertiary education curricula (Chile); ensuring teacher quality at these levels (Guatemala, Colombia); building public-private partnerships (several studies and operations including Brazil, Chile, Colombia, Honduras, and Venezuela); developing early child development strategy (Colombia); and mainstreaming science education (Brazil, Chile, Mexico and eventually in Uruguay). Continue preparation of a comparative regional study (with East Asia and the Pacific) on secondary education issues. Organize special conference for Latin American governments on contracting out of education support services.
- Increase effort in linking education with HIV/AIDS activities (Caribbean HIV/AIDS projects).

- Make sure that education is part of programmatic human development and/or social sector development projects dealing with education, health and social protection (Bolivia, Brazil, Colombia, Ecuador and Peru) and municipal projects (Brazil).
- Implement agreement with the Bank's Poverty Reduction and Economic Management Department to integrate public sector reform into education projects; have already identified projects where collaboration is under way (e.g., Ecuador human resources management in the education sector).

Strategic theme 2: Broadening the strategic agenda through a sectorwide approach

Implementation of the Fast Track Initiative to help increase the primary completion rate, progress on donor harmonization, focusing of support for basic education on increasing access to quality of education mainly among students from low-income families.

- Maintain efforts for systematic sector-wide analysis in education, supporting Fast Track Initiative and Education for All projects (Guyana, Honduras, and Nicaragua) and continue technical dialogue toward access to these financial resources (Bolivia)
- Increase work on donor harmonization (Bolivia, Ecuador, Jamaica, the Dominican Republic, and Ecuador).
- Support early child development (Jamaica and eventually Brazil).
- Pay additional attention to youth issues in the context of analytical and advisory activities and operations (Chile Higher Education, Mexico lifelong learning, Mexico Higher Education Student Assistance, and Guatemala and El Salvador Secondary Education).
- Continue targeting children from poor families, children with disability, children in remote areas, girls, children from linguistic minorities. A combination of supply and demand-side approaches (including conditional cash transfers in some projects) is proposed to deal effectively with these issues (analytical and advisory activities and bilingual education, Operations in Mexico Escuelas de Calidad, and Basic Education projects in Bolivia, Ecuador, El Salvador, Guatemala).

- Improve learning achievement, through sustained efforts to sharpen understanding of what works and implement such interventions, and emphasize results orientation (Regional study on Quality of Education; Central America Policy Note on basic Education, studies on quality of education in Mexico (programmatic from fiscal 2005 to fiscal 2007), education policy notes for Chile and Uruguay, Bolivia Education Policy, and Argentina Skills Development study; and projects in basic education in Argentina, Colombia, Costa Rica, Guatemala, El Salvador, Mexico, Nicaragua, and several in Brazil).
- Pay more attention to secondary and tertiary education, and science and technology. Complete secondary education study (comparative analysis between East Asia and the Pacific and Latin America and the Caribbean experience to identify issues and lessons on how to improve efficiency and effectiveness of secondary education policies). Support alternative educational models to deliver secondary education, including distance education and nonformal methods. With World Bank Institute, deliver workshops to discuss the recommendations from the Secondary Education Policy paper (one for Central American countries, one for Bolivia, and one for the region). Intensify efforts for systematic inclusion of tertiary education as an integral part of policy dialogue, focusing on its contribution to dynamic economies and poverty reduction (operations in Chile, Colombia and Mexico and technical dialogue with Argentina, Brazil, Uruguay, Venezuela, and others).
- To strengthen the local capacity of clients and share regional experiences, work with World Bank Institute to carry out workshops, seminars and study tours: (a) Strategic Choices for Education Reform (including for Lusophone countries—Brazil, Bahia); (b) Secondary Education Reform; (c) Making Sense of Education Statistics; (d) National Assessments (several countries); (e) Public Private Partnerships in Education; (f) Early Child Development; (g) Community Management of Schools (for Mexico, Bolivia, and Guatemala), and (h) Multigrade Schools for Indigenous Populations (for Mexico).

Strategic theme 3: Becoming more results oriented

Improved focus on the adoption of results-oriented operations and strengthening of staff and client capacity for monitoring and evaluation to assess Bank support.

- Renew support to assessment system (most projects), technical advice to entities dealing with assessment systems with specific effort in dissemination of evaluation results. Specific monitoring of impact evaluations included in most projects.
- Include key education outcome indicators in all country assistance strategies and poverty reduction strategy credits.
- Improve collaboration with World Bank Institute to strengthen local capacity to conduct assessments (several interventions from country to regional workshops).
- Mexico: impact evaluations of compensatory education (National Council of Education Promotion), school-based management (Parent Education Committees), demand-side financing (Oportunidades), performance-based investment lending (Nicaragua Education).
- Bolivia: impact evaluation of bilingual education.
- About 65 percent of current projects in Latin America and the Caribbean education portfolio include impact evaluation; target is to include impact evaluation in all new projects.
- Results-focused public expenditure review in Guatemala that includes a focus on the education sector.

Africa

Strategic theme 1: Integrating education into a countrywide perspective

Principles

- Emphasize interdependence between education and the macroeconomic context, with special reference to growth on the one hand, expenditures on the other hand. The role of education in the poverty/vulnerability nexus will be underscored. Linkages with the following themes to be particularly emphasized: (a) Youth and Employment (Ghana, Nigeria, Madagascar), (b) Social Cohesion (Sierra Leone, Sudan), (c) Rural development (regional), (d) Civil service issues (regional), (e) Governance and accountability issues (regional), (f) Decentralization and the role

- of communities (regional), (g) Impact of HIV/AIDS on education system; and role of education in promoting HIV/AIDS prevention (Swaziland, Madagascar, Nigeria, Kenya, Tanzania, Ethiopia, Democratic Republic of Congo).
- Increase poverty focus of assistance by intensifying efforts to achieve education Millennium Development Goals, as many countries are still off track and many others lagging. Strengthen efforts to bring more countries at the Education for All Fast Track Initiative eligibility stage in order to catalyze fund mobilization towards universal primary education.
 - Shift main focus of Education for All work from increasing access (apart from vulnerable groups) to improving retention and learning outcomes (Madagascar, Nigeria, Senegal, Niger, Mali, Swaziland, Ethiopia, Dem rep of Congo, Chad).
 - To improve quality, place more focus on strengthening countries' management capacity at the system and school level, including systematic efforts to ensure that all students have essential learning materials (Madagascar, Nigeria, Tanzania, Ethiopia, Namibia, Senegal, Mali, Niger, Burkina Faso, Chad, RDC).
 - Put education at center of lending strategies for post-conflict and very low-income countries (Liberia, DRC, Congo Republic, Sierra Leone, Sudan, Ethiopia, CAR).

Lending and nonlending

- Make education one of the main elements of poverty reduction strategy credit pillars (Burkina Faso, Ghana, Niger, Rwanda, Tanzania, Uganda, Zambia, Nigeria, Madagascar).
- Promote lending for post-basic education, building on economic growth scenarios and demand for skilled labor (Ghana, Mozambique, Nigeria, Madagascar, Chad, DRC, Tanzania, Namibia, Kenya).
- Build on new possibilities for IDA grants to develop regional approaches (regional)
- Strengthen collaboration between education and (a) telecommunications infrastructure to develop distance learning capacity (Nigeria, DRC, Chad, Ethiopia, Madagascar, Namibia); (b) CDD operations to ensure adequate treatment of education quality issues (Mozambique, Ghana, Nigeria, Madagascar,

- DRC, Ethiopia, Chad); and (c) health operations, e.g., human resources/staff training and mobility, preventions of HIV and socially transmitted diseases), and SP operations (Nigeria, DRC, Chad, Ethiopia, Madagascar, Mozambique, Guinea, Burkina Faso, Senegal).
- Ensure inclusion of education issues in public expenditure reviews (Congo Republic, Mali), public expenditure tracking surveys (Ghana), poverty assessments (Burkina-Faso, Burundi, Chad, Gambia, Guinée, Guinée Bissau, Kenya, Malawi, Nigeria, DRC, Congo Republic, Sierra Leone, Togo, Uganda), needs assessments (Liberia), and poverty reduction strategy papers (intensify support for joint staff assessments on poverty reduction strategy papers).
 - Focus country-specific economic and sector work and analytical and advisory activities on special issues faced by countries in reforming their education systems (Secondary Education in Africa—strategy development, TVET delivery quality and efficiency, higher education reform strategy development, labor market, economic growth and competitiveness).
 - Work within the Association for the Development of Education in Africa to strengthen cooperation and learning among countries (education sector reform, post-basic education strategy, service delivery).
 - Participate in national/regional studies on youth and employment, assessment of quality and relevance of learning, information and communications technologies and science and technology (regional).
 - Launch economic and sector work on the brain drain of skills.

Strategic theme 2: Broadening the strategic agenda through a sectorwide approach

Principles

- Develop strategies for addressing the impact of Education for All on demand for secondary education and vocational and technical education and training (VTET).
- Link the demand for skills and economic growth to the required critical output mass of higher skilled professionals in African national economies.
- Revitalize tertiary and higher education and training programs to improve quality and better align outputs with labor market demands.

- Help countries develop cost-effective ways of providing community-based early child development programs.
- Support the development of more effective partnership strategies between the public and private sectors in education.

Lending and nonlending

- With more attention to secondary, VTET, tertiary, and technical education, prepare more operations within a sector-wide framework (sectorwide approach) (Kenya, Chad, Nigeria, Madagascar, Burkina Faso, DRC, Senegal, Uganda, Mozambique, Ghana).
- Devote more attention to articulation between streams and transition between levels of education (Mozambique, Senegal, Uganda, Nigeria, Tanzania, Madagascar, Senegal, Ethiopia, Chad).
- Support service delivery and quality of learning and skills output (better teaching methodologies, classroom environment and working conditions) (regional).
- Build capacity in science and technology, information and communications technologies and the Knowledge Society (Nigeria, Senegal, Namibia, Madagascar, Ethiopia, Tanzania, Kenya, Mozambique).
- Conduct policy workshops to help countries develop national consensus with key stakeholders such as teacher unions, parent associations and ministry of finance officials on reforms that are financially sustainable, socially equitable and cost-effective to (a) improve quality and relevance at all levels of education; (b) reform and expand secondary education; and (c) reform higher education (regional).
- Undertake more diagnosis: initiate (Mali, Mauritania, Sierra Leone) and update (DRC) country status reports.
- Undertake sector work on specific issues hindering sectoral improvement (e.g., school management, time-on-task, education of orphans) (regional coverage).

Strategic theme 3: Becoming more results oriented

Principles

- Improve technical quality of Bank assistance by ensuring that switch toward budget support does not weaken Region's technical capacity to advise countries on best policy options.
- Enhance the overall impact of development assistance in the education sector by working actively with other agencies to enhance synergy between interventions of different agencies.

Lending and nonlending

- Work closely with countries and other agencies to develop sectorwide approaches and monitor their implementation (Nigeria, Mozambique, Madagascar, DRC, Chad, Ethiopia, Kenya).
- Systematically improve monitoring and evaluation components of all operations and strengthen Education Management Information Systems (regional coverage).
- Support management and governance capacity building at all levels of education system (Uganda, Senegal, Ethiopia, Madagascar, Kenya, Tanzania, Mozambique).
- Assist countries and regional student assessment networks (SACMEQ, PASEC) to develop/ apply student assessment methods (regional demand-driven coverage).
- Conduct policy workshops to help countries translate evidenced-based research from learning assessments into actionable policies (regional demand-driven coverage).

Europe and Central Asia

Strategic theme 1: Integrating education into a countrywide perspective

- Regroup human development staff into more coherent country teams to increase the countrywide focus and emphasize more the linkages with country issues of reducing poverty and encouraging stronger economic growth.
- Ensure inclusion of education issues in cross-cutting activities, including country assistance strategy discussions and preparation, public expenditure reviews, country economic memoranda, poverty assessments, poverty reduction strategy

papers, programmatic adjustment loans, and activities to improve service delivery at the local level.

- Programmatic adjustment loan (PAL) activities, especially in countries soon to enter the European Union, have very significant human development components, including education. PAL activities in Romania, Bulgaria and Croatia all heavily involve education aiming to increase the efficiency and effectiveness of education spending coupled in most cases with sector investment loans to improve educational quality and reduce disparities.
- Emphasize in current country assistance strategy discussions in Central Asia (Uzbekistan and Tajikistan) the need for economic growth, reduction in poverty, and reduction in regional disparities. Both country assistance strategy discussions have improved service delivery in education and educational outcomes as main focal point. Education's role in Bank lending in Central Asia, which was previously in the purview of the Asian Development Bank rather than World Bank, is increasing with first-time education projects in Kyrgyz Republic and Uzbekistan. The focus is heavily on improving the quality of basic education and learning outcomes.
- Improve labor market outcomes by increasing attention to secondary and tertiary education in many countries in the region. For example, new projects in Turkey and Bosnia are focusing on reforming secondary education to match better the needs of more open market economies. Tertiary education activities are occurring throughout the region through policy dialogue, analysis, poverty reduction strategy credits, and new business development, including knowledge economy projects with PF. Tertiary issues are on the forefront of all countries in the region, from those who just joined the European Union to the poorer countries in the region. Secondary and tertiary education are expected areas of expansion in the region.
- Identify opportunities for partnership with the private sector. In Turkey, the Bank will collaborate with IFC to support an information technology training and software development company for the education sector. Newly developed testing, grading and reporting systems from a private education and training

organization are initially being used across 200 public schools and over 100 private schools in Turkey.

Strategic theme 2: Broadening the strategic agenda through a sectorwide approach

- Continue efforts in Croatia to support implementation of a new Education Sector Development Plan 2005–10; this plan and the Bank’s sectorwide approach aim to bring Croatia’s education system up to European Union standards.
- Continue preparation for Ukraine of a major adaptable program loan, which is a sectorwide approach to modernize education, improve its quality and efficiency and address equity and access; this loan would support the country’s national strategy to improve economic and social development.
- Continue to support needed improvements in the quality and access of basic education in countries in the region, while at the same time increasing attention on the needs to reform secondary and tertiary education to provide more relevant education and training for the knowledge economy.

Strategic theme 3: Becoming more results oriented

- Increase attention on results in project designs and increase the knowledge and capabilities of countries to benchmark and measure performance. Pay more attention to the inclusion of monitoring and evaluation as an integral part of all projects.
- Support, through projects, efforts of more and more countries in Europe and Central Asia to participate in school-based, national, and international assessments, such as PISA and TIMSS, to see how their systems are performing and to measure progress over time.
- Focus more attention, through sectorwide approaches, on desired outcomes and results rather than a more-input-oriented approach (in the Croatia education sectorwide approach the indicators in the country’s education plan are focused on raising Croatia to the European Union’s standards; these are the indicators that will be used to monitor the sectorwide approach).

- Use country assistance strategy preparation focused on a results-framework to strengthen strong emphasis on desired results for education where education is a key part of the country assistance strategy and the lending program (an additional benefit with country assistance strategy discussions of outcomes is that they are held broadly across government and not just with education representatives and stakeholders).

East Asia and the Pacific

Strategic theme 1: Integrating education into the countrywide perspective

- Ensure inclusion of education issues in new country assistance strategy's (Cambodia, Lao PDR, China, Philippines) and country assistance strategy updates (Indonesia, Mongolia, Vietnam).
- Undertake follow-up work with sector-specific Public Expenditure Tracking Surveys in Cambodia, Mongolia, Lao PDR, where substantial efforts were recently made to include education issues in the preparation of public expenditure reviews), and continue pioneering efforts to develop a medium-term expenditure framework for Vietnam. Much more intensive work will be required for Lao in the coming years as implementation of Nam Thuen II proceeds.
- Ensure inclusion of education issues in Poverty assessments (Mongolia and Indonesia).
- Ensure inclusion of education issues in poverty reduction strategy credits as appropriate, in Cambodia, Lao PDR, Vietnam, and Mongolia. The poverty reduction strategy credit approach in Vietnam has been quite successful. The Mongolia poverty reduction strategy credit has so far not been implemented—it is believed that the poverty reduction strategy credit is not an effective tool for engaging in sectoral dialogue in Mongolia; other options are being explored for assistance or for adjusting the design of the poverty reduction strategy credit. In Lao and Cambodia work is under way with Bank and other donor colleagues to strengthen the finance and budget systems; a balanced approach to lending instruments is proposed, leaning toward investments until the fiduciary environment and sectoral policy frameworks are further strengthened.

- Strengthen public-private partnerships (PPP) in collaboration with IFC, wherever possible. Such collaboration will take the form of (a) a conference in Beijing to promote international private sector initiatives for financing PPPs, to help China mobilize more nonstate resources for moving to a system of higher education, training and lifelong learning, and (b) support to Shanghai Aerospace, a private distance education platform for delivering medical/nursing programs from a top Shanghai medical university, where the aim is to upgrade the qualifications of nearly a million nurses across China by 2010.

Strategic theme 2: Broadening the strategic agenda through a sectorwide approach

- Support the following proposed operations: early child development and higher education in Indonesia; a sectorwide approach in Tonga; Basic Education in Cambodia; Primary Education Budget Support and Higher Education in Vietnam; Education Budget Support in Philippines; Training for Young Farmers in China (and possibly an education sector operation or poverty reduction strategy credit in Mongolia).
- Pursue immediate opportunities to further develop a lending program with Malaysia, an education management capacity building in Indonesia, and a broader program in the Pacific following on a Regional Review of human development for the Pacific; also pursue Fast Track Initiative support for East Timor, and for management capacity building and school-based management programs in Vietnam.
- Focus major pieces of analytical and advisory activities on funding formulas (Vietnam), teachers (Cambodia), sector strategy (Lao PDR), migrants, Education for All, and skills (China), education quality (Mongolia), and making Services Work for the Poor, and early childhood education (Indonesia). In addition, in collaboration with other sectors, prepare a wide range of analytical and advisory activities designed to reinforce services for the poor, youth, and migration, and prepare a joint Latin America and the Caribbean-East Asia and the Pacific study on secondary education.

- Continue work on a regional basis to strengthen assessment systems. Launch (pending finalization of funding) regional "learning groups" and analytical and advisory activities on: reaching the last 10 percent" in basic education, inclusive education, student assessment, monitoring and evaluation, information and communications technology, and teachers. These initiatives are designed to build capacity in client countries on issues of shared concern, foster cross-country dialogue, and build staff skills and should also provide the basis for well-informed lending operations.
- Also support a broad set of country-specific activities designed to support clients in developing viable Education for All plans (pending finalization of funding arrangements, in particular the Fast Track Initiative). Assistance is targeted to IDA countries but also to poor areas of China and Philippines.

Strategic theme 3: Becoming more results oriented

- Lead major multisectoral study on making services work for the poor in Indonesia (comparative evaluation of the effectiveness of various public financing mechanisms for higher education in Indonesia). Also complete an impact evaluation of a major scholarships program in Indonesia.
- Build capacity, in Cambodia, Vietnam, and Lao PDR, of education ministries to collect information on student outcomes and evaluate the impact of interventions to improve performance.
- Strengthen evaluation skills across the region by launching regional research and training activities on student assessment and monitoring and evaluation that will serve the full range of clients. It is believed that these are best done by forging partnerships between World Bank staff, promising researchers in client countries (from a broad range of institutions including ministries, universities, research institutes and foundations), and regional organizations such as Asia-Pacific Economic Cooperation, Association of South East Asian Nations, and Southeast Asian Ministers of Education Organization.

Annex 7

Country status on strategic themes of the Education Sector Strategy Update

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
AFR	Angola	Transitional support strategies (TSS) FY05			NO
AFR	Botswana				SACMEQ
AFR	Benin	FY05 – PAD National Community Driven Development Project (P081484)	FY01 – Le Système Educatif (P077864)		PASEC
AFR	Burkina Faso	CAS FY05 Poverty assessment FY05 PRSC 5 FY05 PRSC 6 FY06	Education country status report FY01 (P077874)		PASEC
AFR	Burundi	Transitional support strategies (TSS) FY05 Poverty assessment FY05	FY06 – Education CSR (P094479)		NO
AFR	Cameroon	CAS FY06 PER FY05 Poverty assessment FY05	FY02 – Education-PRSP Workshop (Douala) (P078200) Education country status report FY04 (P086653)		PASEC
AFR	Cape Verde	CAS FY05 PER FY06 PRSC/CDD FY05			NO
AFR	Central African Rep.	Country re-engagement note (CRN) FY06			NO
AFR	Chad	CAS progress report FY06 PER FY05 Poverty assessment FY06	Education country status report FY05 Secondary & Higher education FY06 (P090726)		PASEC
AFR	Comoros	Poverty assessment FY07			YES

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
AFR	Congo, Democrat	Transitional Support Strategy (TSS) FY05 Poverty assessment FY05 PRSR FY06 PER FY06 (under discussion) Poverty assessment FY06 Education components in non-education operations: - Emergency Multi-sector Rehabilitation & Reconstruction Program (IDA Cr. 37030) - Emergency Stabilization & Recovery Trust Fund (World Bank Trust Fund 20224) - Emergency Social Action Project - Emergency Stabilization & Reunification Project	Education country status report FY04 (P082753) Education country status report phase II FY05 (P093070) Secondary Education FY06		YES (planned)
AFR	Congo, Republic of	I-PRSP FY05 PER FY05	Education country status report FY06		NO
AFR	Cote d'Ivoire	Transitional support strategies (TSS) FY05 PER FY06 Poverty assessment FY06 Emergency Economy Recovery FY06 HIV/AIDS multi-sector response FY05	Education country status report FY05 (P079143)		PASEC
AFR	Equatorial Guinea	PER FY06			NO
AFR	Eritrea	Transitional support strategies (TSS) FY05 PER FY06 Poverty assessment FY05	FY02 – Education Sector Note (P075724) Sector-wide report, FY02	Integrated Early Childhood SIL	NO
AFR	Ethiopia	CAS progress report FY05 PER FY06 Rural capacity building FY06 PRSC1 FY04 PRSC2 FY05	FY04 – Higher Education Development Sector Work (P078260) Tertiary education FY04 Education country status report FY04 (P078677) FY05 – Decentralized Service Delivery		YES

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
		PRSC3 FY06	Assessment (P084924)		
AFR	Gabon	CAS FY05 PER FY06			PASEC
AFR	Gambia, The	PER FY05 Poverty assessment FY06 Community development FY06		3rd Education	YES
AFR	Ghana	PER FY05 PRSC 2 FY05 PRSC 3 FY06		National Functional Literacy Program	TIMSS
AFR	Guinea	Poverty assessment FY06	Education country status report FY05 (P082752)		PASEC
AFR	Guinea-Bissau	Transitional support strategies (TSS) FY05 Poverty assessment FY06 CDD FY06			NO
AFR	Kenya	PER FY05 Poverty assessment FY06	FY04 – Education Sector Review (P077561) Sector-wide report, FY04		SACMEQ
AFR	Lesotho	CAS FY06 PER FY06	Sector-wide report, FY05 (P075752)		SACMEQ
AFR	Liberia	FY05 – Results-focused Transition Framework progress review report FY05 – Technical Assistance on Community Empowerment Project (P087980)			NO
AFR	Madagascar	CAS FY06 PER FY05 PRSC FY05	FY01 - Education & Training Policies (P067060) FY03 – Education & Training in Madagascar – Red Cover (P077869) Sector-wide report, FY03	CRESED II project (closing 31 Mar 2005)	PASEC
AFR	Malawi	CAS FY06 Poverty assessment FY06	Education country status report FY04 (P087669)	Secondary Education	SACMEQ

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
AFR	Mali	PER FY06 Poverty assessment FY05 SAC V FY06	FY05 – Study of Teachers in West Africa (P085524) Education country status report FY06 (P093539)	Education Sector Expenditure Program	PASEC
AFR	Mauritania	Poverty assessment FY05 SAC FY06	Education country status report FY06 (P093511)		PASEC
AFR	Mauritius	CAS progress report FY06	FY04 – Education and Training Sector (P077139) Sector-wide report, FY04		SACMEQ
AFR	Mozambique	PRSC FY05	FY01 - Cost & Financing of Education (P077867) Tech. & Voc education FY04 (P084886) FY05 – PSIA Reducing Primary School Fees in MZ (P087719)		SACMEQ
AFR	Namibia	FY06 – Human Capital & Knowledge Development Program (P086875)	FY04 – Human Capital Development & Knowledge Mgmt (P078682) Sector-wide report, FY04		SACMEQ
AFR	Niger	CAS progress report FY05 Poverty assessment FY05 PRSC FY06	Education country status report FY01 (P077873) FY04 – Education CSR (P078677) FY05 – Post-Basic Education Sector Study (P085941) Secondary education FY05		PASEC
AFR	Nigeria	CAS FY05 Poverty assessment FY06	Education country status report FY04 (P078704) Capacity building FY05 FY05 – Teacher-Led Professional Development (Trust Fund) – P088577 FY05 – MCCE Staff Development Program (Trust Fund) – P088578	Universal Basic Education	NO
AFR	Rwanda	Decentralization & Community Development Program Multi-sector HIV/AIDS Program, Emergency Demobilization & Reintegration Program FY05-06 CAS in FY06 PRSC 1 FY05 PRSC 2 FY06	Education country status report FY03 (P082750)		NO
AFR	São Tomé & Príncipe	CAS FY05 Poverty assessment FY05			NO

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
AFR	Seychelles				SACMEQ
AFR	Senegal	CAS FY06 PER FY05 PRSC 1 FY05			PASEC
AFR	Sierra Leone	CAS FY05 Poverty assessment FY06	Education country status report FY06 (P093406)		NO
AFR	Somalia	Country re-engagement note (CRN) FY05			NO
AFR	South Africa	CAS FY06	Tertiary education FY06		SACMEQ, TIMSS
AFR	Sudan	FY03 – Stabilization and Reconstruction: Country Economic Memorandum, Volumes 1 and 2	FY05 – Basic Education in Northern Sudan – Note (P082587) FY05 – Decentralized Service Delivery Assessment (P090589)		NO
AFR	Swaziland	CAS FY05 CEM FY06	FY06 – Education Reform in Swaziland (P077343)		SACMEQ
AFR	Tanzania	CAS FY06 PRSC 3 FY06	FY02 - Impact of Adult Mortality on Primary Enrollment (P077871) FY04 – Post-Primary Education & Training Study (P077559)		SACMEQ
AFR	Togo	Country re-engagement note (CRN) FY05 Poverty assessment FY06	Sector-wide report, FY05 FY06 – Education Strategy Note (P079954)		PASEC
AFR	Uganda	CAS FY05 PER FY05 Poverty assessment FY06 PRSC 4 FY05 PRSC 5 FY06	FY03 - Post-primary Education Sector Work (P073759) Secondary education FY03 Tertiary education FY04 (P84486)		SACMEQ
AFR	Zambia	Poverty assessment FY06 PRSC 1 FY07	Education country status report FY04 (P083072) Education sector PER FY05 (P091406)	TEVET SIM	SACMEQ

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
AFR	Zimbabwe	Country re-engagement note (CRN) FY05			NO
EAP	Cambodia	CAS FY05 Poverty assessment FY06 PRSC FY06	Primary education FY05		
EAP	China	PER FY05 Poverty assessment FY06 Poor rural community dev. FY06	Lifelong learning FY05 Sector-wide report, FY05		
EAP	Fiji	Pacific Islands CAS FY05	Pacific Islands: Social tolerance and education FY02		
EAP	Indonesia	PER FY05 Poverty assessment FY06	Sector-wide report, FY04 Education service reform FY06		
EAP	Kiribati	Pacific Islands CAS FY05	Pacific Islands: Social tolerance and education FY02		
EAP	Lao People's D.R.	CAS FY05 PER FY05 PRSP FY05 PRSC 1 FY05	Education country status report FY04 Education sector PER FY05 Sector-wide report, FY06		
EAP	Marshall Islands	Pacific Islands CAS FY05	Pacific Islands: Social tolerance and education FY02		
EAP	Micronesia, F.S.	Pacific Islands CAS FY05	Pacific Islands: Social tolerance and education FY02		
EAP	Mongolia	Poverty assessment FY06 PRSC FY07			
EAP	Palau	Pacific Islands CAS FY05	Pacific Islands: Social tolerance and education FY02		
EAP	Papua New Guinea	CAS FY05			
EAP	Philippines	CAS FY05 Poverty assessment FY05	Out of school youth FY2 Sector-wide report, FY03 Sector-wide report, FY04		
EAP	Samoa	Pacific Islands CAS FY05	Pacific Islands: Social tolerance and education FY02		

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
EAP	Solomon Islands	Pacific Islands CAS FY05	Pacific Islands: Social tolerance and education FY02 Sector-wide report, FY05		
EAP	Thailand		Tech. & Voc education FY01 Sector-wide report, FY06		
EAP	Timor-Leste	Transitional support strategies (TSS) FY05 Poverty assessment FY06	Sector-wide report, FY03	M&E flag	
EAP	Tonga				
EAP	Vanuatu				
EAP	Vietnam	PER FY05 Poverty assessment FY05 PRSC 4 FY05 PRSC 5 FY06	Education financing FY01 Tertiary education FY03 Primary education FY04 Tertiary education FY06		
ECA	Albania	CAS FY06Poverty assessment FY06PRSC 3 FY05	Sector-wide report, FY05		
ECA	Albania	CAS FY06Poverty assessment FY06PRSC 3 FY05	Poverty6 and education report, FY05		4 th grade national assessment in language and mathematics in 2002 and 2003. Participation in PISA 2000.
ECA	Armenia	Poverty assessment FY05 PRSC FY05	Project preparation studies, Tertiary Education 04, ECD 04		Assessments under development
ECA	Azerbaijan	CAS FY06 Poverty assessment FY05 PRSC FY05	Sector-wide report, FY03	Country risk flag	PISA (07) Nat. Assessment grade 4 math and reading

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
					(07)
ECA	Bosnia-Herzegovina	CAS FY05 Poverty assessment FY05			Grade 4 in mathematics and mother language. Other assessments under development.
ECA	Bulgaria	PAL 3 FY05	None	None	TIMSS 2003 :average math scale score of eight graders for Bulgaria 476
ECA	Croatia	CAS FY05			
ECA	Georgia	CAS FY05 Poverty assessment FY05	Tertiary education FY0, ECD 04, Proposed Basic Education Sector Study 05/06	M&E flag Country Flag	4 th Grade assessment involvement PISA and IMMS upcoming
ECA	Kazakhstan	CAS FY05 PER FY06			
ECA	Kosovo	PER FY05 Poverty assessment FY05 Economic Memorandum FY05			National 4 th grade assessment in mathematics and language
ECA	Kyrgyz Republic	Poverty assessment FY05, PEIR, PEIR follow up, GSAC/GTAC	Inclusion in Central Asia MDG Study, Central Asia Regional Education Initiative, Sector wide report, FY02		Assessment (including PISA participation) is being supported

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
					under the FY 2005 Rural Education Project
ECA	Latvia	CAS progress report FY06	Tertiary education FY06	None	Basic education, grade 1-9. Secondary general education grade 10-12 exams. Latvian language exam for grade 9 students for native and non-native speakers. TIMSS and PISA,
ECA	Lithuania	PER FY06	Tertiary-wide report, FY04	No M& E flags	Basic school grade 5-10 completion. Matura exams at end of grade 12. National assessments of grade 4, 6, 8 and 10 students. TIMSS. OECD- PISA 2006.
ECA	Macedonia	Poverty assessment FY05	Sector-wide report, FY02		4 th grade mathematics

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
					and reading assessment. PISA 2000, TIMSS 1999, PIRLS 2003, 8 th grade assessment under preparation.
ECA	Moldova	CAS FY05 PRSP FY05	Sector-wide report, FY06	none	Formal exams at 9 , 11 and 12. Grade 4 and 9 assessments. Reading and mathematics skills test, grade 6. TIMSS.
ECA	Poland	CAS FY05	Tertiary education FY04		PISA, TIMMS
ECA	Romania	CPS (under preparation for FY06-09) PER FY06, Knowledge Economy FY06, PAL FY	Education Policy Note FY03, Education and Labor Market Study FY06		Grade IV; TIMSS; PISA; PIRLS
ECA	Russian Federation	CAS progress report FY05' Poverty assessment FY06	Sector-wide report, FY02 Education financing FY04 Sector-wide reform study FY05 Training system reform & labor market FY06		National School Leaving Exam. TIMMS, PISA
ECA	Serbia & Montenegro	CAS FY05 Poverty assessment FY05 Serbia Economic Memorandum, FY04			Montenegro: grade 3 mathematics and mother tongue; PISA 06; Serbia grade 3

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
					mathematics and mother tongue; PISA 2003; TIMSS
ECA	Slovak Republic	CAS progress report FY06	Sub-sector-wide report, FY02	M & E Flag	PISA, TIMSS
ECA	Tajikistan	CAS 03 - 05		Education Modernization Project	Pilot Student Assessment
ECA	Turkey	CAS progress report FY06 PER FY05 Poverty assessment FY05	Quality: education sector assessment FY05 Quality: higher education policy note FY06	M&E flag	Two projects supporting improvement of national assessment system
ECA	Ukraine	CAS progress report FY06 Poverty assessment FY05	Sector-wide report, FY03	None	Grade 4 and 9 exams. Matura being piloted . TIMSS and PISA will begin in 2007.
ECA	Uzbekistan	CAS FY05 Poverty assessment FY06, PEIR and PEIR follow up			
LCR	Argentina	Poverty assessment FY06 CAS FY06 Poverty programmatic FY06 PRL 7 FY06	Skills building & labor market FY05		Yes
LCR	Bolivia	Poverty assessment FY05 CASFY06 Ed in SSPC2 and SSPC3 FY05 and 06	Sector-wide report, FY05		Yes
LCR	Brazil	CAS FY03 Poverty Assessment FY05	Eradicating Child Labor in Brazil, FY01 An Assessment of the Bolsa Escola Program FY01 ECD:A focus on the Impact of Preschool FY01 Teachers Development and Incentives FY01 Jobs Report FY02		Yes SAEB and State Learning Assessment in all projects

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
			Municipal Education: Resources, Incentives and Results FY02 Next Steps for Education in Four Selected States in Brazil, FY03 Sector-wide report-Policy Notes, FY04 Education Finance (FUNDEF) FY06		financed by the Bank(Bahia, Ceara, Pernambuco)
LCR	Chile	DPR FY05 DPR FY06 CAS FY06	Policy Notes, FY06		Yes
LCR	Colombia	CAS progress report FY06 Labor & social sector reform FY05	Tertiary education FY02 Contracting Education Services, FY05 Policy Notes 06		Yes
LCR	Costa Rica	Poverty assessment FY06			Yes
LCR	Dominica	OECS CAS FY05	Sector-wide Report FY03 Social Protection Strategy FY04		CEE
LCR	Dominican Republic	CAS FY05 Poverty assessment FY05	Sector-wide Report FY03		
LCR	Ecuador	Human development II FY06 Poverty Assessment FY05	Sector-wide Report, FY02		
LCR	El Salvador	CAS FY05 Poverty Assessment FY06 Social Protection Operation FY06	Sector-wide Report FY05		Yes
LCR	Grenada	OECS CAS FY05 Hurricane Ivan emerg. Reconstruction FY05/06	Sector-wide Report FY03		CEE
LCR	Guatemala	CAS FY05 PER FY05	Sector-wide Report FY05		Yes
LCR	Guyana	PRSC 2 FY05	Sector-wide Report FY03		CEE
LCR	Haití	Transitional support strategies (TSS) FY05 Community Driven Development FY06	Sector-wide Report FY03		No
LCR	Honduras	Poverty assessment FY05 PRSC 2 FY06	Sector-wide Report FY05		No
LCR	Jamaica	CAS FY05 Poverty assessment FY06	Sector-wide Report FY03		CEE

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
LCR	Mexico	PER FY05 Knowledge Economy Report FY05 Poverty assessment FY06 CAS Progress Note FY06	Sector-wide report, FY02 Training system reform FY04 Education quality FY05		Yes
LCR	Nicaragua	CAS FY06 PRSC2 FY06	Sector-wide Report FY05		Yes
LCR	Panama	Country re-engagement note (CRN) FY06 Poverty assessment FY06		M&E flag	No
LCR	Paraguay	PER FY05 Poverty programmatic FY07	Evaluation Secondary Education FY07		Yes
LCR	Peru	CAS progress report FY05 Poverty assessment FY05 Pragmatic social reform loan IV FY05			
LCR	St. Kitts and Nevis	OECS CAS FY05	Sector-wide Report FY03		CEE
LCR	St. Lucia	OECS CAS FY05	Sector-wide Report FY03		CEE
LCR	St. Vincent & the Grenadines	OECS CAS FY05	Sector-wide Report FY03		CEE
LCR	Trinidad & Tobago	CAS FY05	Sector-wide Report FY03		CEE
LCR	Uruguay	PER FY05 CAS FY05 DPR FY05	Equity in education FY06		Yes
LCR	Venezuela	CAS FY05	Tertiary education FY04		
MNA	Algeria	PER FY06, Poverty assessment FY05	Secondary education FY06		No
MNA	Djibouti	PER FY05 Poverty assessment FY06	Sector-wide report, FY01		No
MNA	Egypt, Arab Republic of	CAS FY05 PER FY05 Poverty assessment FY05	Sector-wide report, FY02 ECD FY02 Sector-wide report, FY06	M&E flag	Yes
MNA	Iran, Islamic R	PER FY05	Tech. & Voc education FY04 Training reform FY05		No

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
MNA	Iraq	Interim strategy note FY05	Tertiary education FY05	M&E flag	Yes
MNA	Jordan	CAS FY06, PER FY05	Education financing FY02	M&E flag	Yes
MNA	Lebanon	CAS FY05 PER FY05 Poverty assessment FY06			No
MNA	Morocco	CAS FY05 Poverty assessment FY05	Sector-wide report, FY01 Non-formal education FY03 Tertiary education FY04	M&E flag	No
MNA	Tunisia	CAS FY05, PER FY06, ESW Employment Strategy FY05 and FY06	FY06		Yes
MNA	West Bank and Gaza	Poverty assessment FY06	Tertiary education FY02	M&E flag	Yes
MNA	Yemen, Republic of	PER FY05 Second vocational training project FY06	Tertiary education FY01 Secondary education FY05		
SAR	Afghanistan	PER FY05 Economic report (FY06) Public sector investment program (FY06)	Strategy note (FY04) Skills development note (FY06)		
SAR	Bangladesh	CAS FY06 DPC III (FY06) MDG Assessment (FY05) Operationalizing MDG (FY06) PER (FY06) Poverty Assessment (FY06)	Access & equity FY03 Quality of teacher training FY05 Teacher absenteeism (FY05) Voc. Ed. & training FY06 Higher Education Strategy FY06 EFA progress report FY06		
SAR	Bhutan	CAS FY06, multi-year budget framework & expenditure management study (FY06) HD policy note (FY06)	Policy note on cost of reaching education MDGs (FY05)		
SAR	India	CAS FY05 MDG assessment (FY05) MDG issues for poor states (FY06) Multi-sectoral report (Rajasthan) FY05 State-level DPLs (FY06) State-level rural livelihood SIL (FY06) Disability report (FY06)	Sector-wide report, FY02 Sector-wide report, FY03 ECD FY04 Secondary education report, FY06 Tech. & Voc education FY06		

<i>Region</i>	<i>Country</i>	<i>Education in country assistance strategies, public expenditure reviews, poverty assessments, and non education operations with education components, fiscal 2005–06</i>	<i>Past and proposed sectorwide or sub-sectorwide studies, fiscal 2001–06</i>	<i>Education projects under implementation with monitoring and evaluation flags (as of 2-3-05)</i>	<i>National learning assessment</i>
		Evaluation of school AIDS program (FY06)			
SAR	Maldives	Integrated human development project FY05 MDG Assessment (FY06) Post-tsunami recovery & reconstruction FY05 Emergency recovery credit (FY06)			
SAR	Nepal	PER FY05 Poverty assessment FY06 PRSC FY06	Sector-wide report, FY01 Impact evaluation of community school managt.		
SAR	Pakistan	CAS FY06 PRSCs FY05/FY06 NWFP economic report FY05 Sindh economic report FY05 Labor Market study FY06	Private & public partnership in education FY06 Sindh Education report FY06 Evaluation of Punjab education reform program FY06		
SAR	Sri Lanka	CAS progress report FY05 MDG assessment FY05 Tsunami damage assessment FY05 Tsunami ERL FY05 PRSC/PER (FY06)	Sector-wide report , FY04		

Note: A total of 133 active countries are eligible to borrow,.

Source: Business Warehouse, Internal World Bank World Bank database, data Search, 2005.

Annex 8

Education sector results framework

<i>COUNTRY</i>				<i>WORLD BANK (not including IFC)</i>	
<i>Final outcomes</i>	<i>Final indicators</i>	<i>Intermediate outcomes</i>	<i>Intermediate indicators</i>	<i>Bank strategy</i>	<i>Bank process indicators</i>
Attainment of Millennium Development Goals (MDGs) for education	Primary completion rate Gender parity in primary and secondary education	Improved student flow and system efficiency Improved girls' access to primary and secondary education	Grade 1 intake Dropout rates Public spending on primary education (% of GDP)	<p>Help ensure development strategy gives priority to education/Education for All (EFA)</p> <p>Help more countries participate in Fast Track Initiative (FTI)</p> <p>Support targeted strategies for disadvantaged groups</p> <p>Work across sectors to overcome obstacles (water, health)</p> <p>Adopt program-based approaches where there is need for scaling up</p> <p>Help mitigate impact of HIV/AIDS on education system</p>	<p>Education MDGs in new country assistance strategies and poverty reduction strategy credits (all)</p> <p>Education in public expenditure reviews (PERs) (10 countries)</p> <p>Education in poverty assessments (25 countries)</p> <p>Fast Track Initiative: > 2 partnership meetings a year > Communications (Annual Report; guidelines for Catalytic Fund) > Paper on Financing Gap > Mobilization of additional official development assistance for primary education</p> <p>Evaluation of sectorwide approaches (SWAs) and programmatic instruments</p> <p>Share of education or Multi-Country AIDS Program (MAP) resources going to the education sector response to HIV/AIDS</p> <p><i>Regional highlights:</i> Country Status Reports in Africa (4 countries)</p>
Improved learning	National, regional, and/or	Wider access to good quality edu-	Pre-primary gross enrollment rate	Expand knowledge on what drives education outcomes	Establishment of Global Learning Assessments Initiative

<i>COUNTRY</i>				<i>WORLD BANK (not including IFC)</i>	
<i>Final outcomes</i>	<i>Final indicators</i>	<i>Intermediate outcomes</i>	<i>Intermediate indicators</i>	<i>Bank strategy</i>	<i>Bank process indicators</i>
outcomes	international objective achievement test scores results FTI countries: Percentage of correct answers on national standardized tests	cation at all levels Commitment to learning assessment and monitoring and evaluation (M&E)	Percentage of qualified teachers FTI countries: Pupil-teacher ratio FTI countries: Pupil-textbook ratio	Support development of national learning assessments (global initiative) Focus efforts closest to service delivery level Help establish baseline data and build capacity for monitoring and evaluation	Inclusion of detailed M&E plan in all operations, including plans for results use Agreement within Bank on a comprehensive set of education indicators for inclusion in client M&E systems. New policy analysis on learning outcomes Increased Development Grant Facility support to UNESCO Institute of Statistics (UIS) (move UIS from “Window 2” to “Window 1”) <i>Regional highlights:</i> Initiation of efforts to establish regional network of research institutions (Middle East and North Africa) Regional study on education quality (Latin America and the Caribbean)
Labor market relevance	PISA test scores for middle-income countries Share of graduates finding jobs ^a Number of months taken to find jobs ^a	More students with higher-level skills Building of innovation systems Building of lifelong learning systems	Secondary and tertiary gross enrollment rates Private enrollment rate, secondary level Percentage of labor force with tertiary education	Help ensure education contribution to economic growth is recognized in overall development strategy Ensure sectorwide analysis identifies obstacles, opportunities in post-basic education Promote private sector involvement in education provision	Agreement within Bank on a comprehensive set of education indicators(covering also education for the knowledge economy) for inclusion in client M&E systems. All new sectorwide analysis to cover issues of secondary and tertiary education and role of state All new secondary and tertiary education operations/economic sector work (ESW) to discuss curriculum reform/labor market links New policy analysis on labor market issues

<i>COUNTRY</i>				<i>WORLD BANK (not including IFC)</i>	
<i>Final outcomes</i>	<i>Final indicators</i>	<i>Intermediate outcomes</i>	<i>Intermediate indicators</i>	<i>Bank strategy</i>	<i>Bank process indicators</i>
					<p>Collaborate with partners to develop indicators for labor market relevance (as shown in Final indicators column)</p> <p><i>Regional highlights:</i> East Asia–Latin America Secondary Education study/Secondary Education policy paper dissemination workshops</p> <p>Russia study on training system/ labor market reform</p>
Improved prospects for attainment of health MDGs	<p>Infant mortality</p> <p>Maternal mortality</p> <p>HIV prevalence</p>	<p>More girls receive a secondary education</p> <p>Diffusion of school health programs</p> <p>Commitment to education as a vaccine against HIV</p>	<p>Secondary gross enrollment rate for girls</p> <p>Number of children participating in school health programs</p> <p>Girls' enrollment share of secondary and tertiary education</p>	<p>Help/build client capacity to achieve educational outcomes through work across sectors</p> <p>Establish links between HIV/AIDS and education</p>	<p>Dissemination of secondary education paper</p> <p>Share of education or MAP resources going to the education sector response to HIV/AIDS</p> <p><i>Regional highlights:</i> Middle East and North Africa regional flagship report integrating education into regional context</p> <p>India Evaluation of AIDS programs</p> <p>East Asia cross-sector analytical and advisory activities (SP, PREM) —services for poor (major Indonesia study)</p> <p>Africa integration of education concerns into community-driven development operations (5 countries)</p>

Note: While final and intermediate indicators at the country level will be monitored, it is recognized that country outcomes cannot be fully measured or attributable solely to Bank-supported activities.

a. Data of this nature does not exist. Efforts will be made to develop such data in collaboration with the International Labor Organisation and the UNESCO Institute of Statistics.

Annex 9

Action plan and indicators for the Education Sector Strategy Update

<i>Area of Bank assistance</i>	<i>Recommendation</i>	<i>Indicators</i>
Policy dialogue	<p>Active dialogue emphasizing:</p> <p>Role of education in development</p> <p>Role of state in sector (funder/provider/enabler/regulator)</p> <p>Collaboration of education and other ministries</p> <p>Domestic resource mobilization</p> <p>Results orientation/learning assessment</p> <p>Equity/quality policies (role of early child development, HIV/ AIDS, secondary, tertiary)</p>	<p>All country assistance strategies (CASs) and poverty reduction strategy papers to have education indicators</p> <p>Inclusion of education issues in public expenditure reviews, poverty assessments, knowledge economy assessments</p> <p>Cross-sectoral economic and sector work</p> <p>Education policy analysis</p>
Analytical and advisory activities	<p>Joint sectorwide analysis with country/donors</p> <p>Just-in-time analysis</p> <p>Global-level policy research and analysis</p> <p>Regional studies</p>	<p>Evaluation of education sectorwide approaches (and possibly development policy lending)</p> <p>All education operations to include a monitoring and evaluation plan</p>
Lending	<p>Increased support for early child development, HIV/AIDS, secondary, tertiary, and science and technology</p> <p>Greater reliance on instruments using a sectorwide approach or programmatic framework wherever possible</p> <p>Increased support for recurrent spending</p> <p>Inclusion of strong monitoring and evaluation in all projects</p> <p>Strong country-level Fast Track Initiative support wherever appropriate within overall assistance for Education for All</p> <p>Increased use of IDA grants</p>	<p>Establishment of Global Learning Assessments initiative</p> <p>Modified Development Grant Facility strategy aligned with ESSU</p> <p>Education capacity building needs to be reflected in CASs</p> <p>Increased share of education or Multi-Country AIDS Program resources going to the education sector response to HIV/AIDS</p>
Portfolio management	<p>More emphasis on monitoring and evaluation, impact evaluation</p> <p>More field-based supervision capacity</p> <p>More joint supervision with other sectors, other donors</p>	
Capacity building	<p>Strong capacity building effort for (a) sector analysis and strategy formulation (b) integrating ed into macro/multisector (c) results orientation/impact evaluation/using results of assessments</p>	
Staffing	<p>Need strong staff capacity for all elements noted above under Capacity building</p> <p>Significant staff learning program</p>	

Annex 10

Capacity-building programs based on the strategic themes of the Education Sector Strategy Update

The ESSU advocates collaboration within the Bank on developing the skills of Bank and client staff to implement the updated strategy. A capacity-building program would play a key role in developing these skills, building a sound knowledge base for policy dialogue, and strengthening country systems and institutions. The capacity-building program would be initiated in close partnership with other donors and the private sector and would, as much as possible, be cast within a program-based approach.

This capacity-building program would respond to the three strategic themes outlined in the ESSU:

1. Education is central to developing dynamic economies and reducing poverty and must be actively integrated into a countrywide perspective.
2. The Bank is broadening its strategic agenda for education and adopting a systemwide approach that looks at all aspects of education sector development.
3. To maximize the effectiveness of Bank support, education interventions must be results oriented.

The ESSU calls for the Bank to work in closer collaboration with clients and donors and to focus more on building capacity for implementation. A strategic capacity-building program would be based on the operational priorities expressed in the regional action plans and would build on the results of the stock-taking exercise in which each country is evaluated in relation to the key strategic themes presented in the ESSU. That country-by-country evaluation then informs the preparation of country assistance strategies, public expenditure reviews, poverty assessments; the linkages with noneducation components; past and proposed sectorwide or sub-sectorwide studies; the monitoring and evaluation of education projects; and the implementation of national assessment initiatives.

Collaboration within the Bank would involve looking at the way capacity building mediates between operational needs of the education sector and the proposed analytical

work to develop new knowledge and awareness of what needs to be done to address such needs. The capacity-building program would involve the development of training materials for both client and staff learning programs and would take into account the complexity of the political, economic, sociocultural, institutional, and technical issues involved in managing educational reform.

A “market survey” is needed to map the kinds of external training programs that could be drawn upon to meet the staff and client learning needs identified in the ESSU and the regional action plans. This survey of research and training programs would include agencies and institutions, such as the IIEP/UNESCO, as well as university faculties of education that have the existing capacity (or could be supported to develop the capacity) to conduct analytical studies and/or deliver capacity-building programs for Bank staff. Such a survey would also identify external partners for training clients. It would be jointly sponsored by Human Development Network Education Department (HDNED) and the World Bank Institute and would also fulfill the needs of the Professional Development Grants Program and the Education for All Fast Track Initiative Education Program Development Fund in providing a network of international expertise and potential capacity-building agencies throughout the world.

A related need is to look strategically at developing institutional capacity for research and training throughout the regions. This could be done by identifying and supporting institutions to develop their capacity to undertake high-quality analytical work in the field of education. An entry point could be made in each region by selecting a small number of institutions as education research partners and contracting these institutions to engage in research and training tasks over a sustained period. The focus would be on supporting institutions, rather than individuals, and encouraging groups of three or four institutions to function in regional clusters. Institutions in these clusters would engage in similar research activities. By working collaboratively, they would gain a greater understanding of the education system in the other countries, benefit from the peer effects of working with a group, and build a network of regional contacts. The World Bank, in consultation with the Ministries of Education, would contract the institutions to engage in a series of educational research activities relating to the priority needs identified by the region. The work should be specified by the World Bank and peer

reviewed before acceptance. Funding would be provided by interested donors (trust funds), but should also be supported by the Bank operations in the countries and regions concerned. Support would take the form of reviewing documents (research plans, instruments, preliminary reports), providing advice on specific difficulties as they emerge, and in some cases contracting an external consultant to support the process. As institutions develop expertise and analytical capacity, they may be supported for the delivery of training programs for staff and clients. One such proposal is being discussed for Africa.ⁱⁱ

It is also essential to find synergies among the various capacity-building and research programs within the Bank. Already, collaboration exists in a number of areas, but joint initiatives tend to be sporadic in nature. Collaboration is ongoing in the area of training in National Assessment, Secondary Education, and selected client training courses, such as the “Strategic Choices for Education Reform” core courses and other client-training events delivered on a global, regional, and country basis. Learning events increasingly involve both clients and staff, as the value of including task team leaders with a critical mass of clients from each country often proves itself in greater operational impact. A systematic plan needs to be articulated for collaboration on capacity building, so that constrained resources can be used most efficiently.

The capacity-building programs should be designed to build working teams to collect and use of knowledge bases for instruction in critical areas. The deliverables would be case studies, simulations, background readings, and information updates on issues related to the ESSU strategic themes, for inclusion in client and staff learning events. Those events would be delivered in a variety of modalities: face-to-face seminars and technical workshops, as well as by a variety of distance learning channels, such as video-conferencing, and e-learning (structured instructional modules and interactive discussion forums). An e-learning course on “Introduction to Education Statistics and Indicators”ⁱⁱⁱ has been designed by the World Bank Institute and is being piloted for client training. This could be modified for Bank staff training. A similar e-learning course on “Economics and Finance of Education” is proposed for fiscal 2006 and would be enhanced by working collaboratively within the Bank.

Critical themes such as these could be prioritized in a capacity-building program in response to the demand from Bank staff and clients for training in content areas in the education sector. The proposed capacity-building program, outlined in Table A10-1, would make use of the current levels of resources, but would aim to use them in a more efficient and cost-effective manner.

ii See Aidan Mulkeen, "Capacity Building in African Institutions Institutional Research Partners: Proposal to the Steering Group of the Irish Education Trust Fund" [give complete citation].

iii "Introduction to Education Statistics and Indicators" is an eight-week long online course delivered via the Internet and facilitated by subject-matter specialists. Built-in examples, knowledge checks, quizzes, exercises, and discussion forum throughout the course provide an interactive environment to enhance self-paced and group learning through constructive feedback. Three videoconferences (at the beginning, the middle, and the end of the course) are planned to enrich exchange among learners and course facilitators with a human touch. To avoid problems associated with the Internet connectivity, the course is also available on CD-ROM.

Table A10-1. Capacity-building program based on ESSU strategic themes

<i>Priorities</i>	<i>WBI-HDNED collaboration</i>			<i>Estimated costs</i>	<i>Time frame</i>
	<i>Corporate skills</i>	<i>Sector skills</i>	<i>Operational skills</i>		
Focusing on economic development and poverty reduction within an integrated, countrywide perspective	Disseminate <i>World Development Report 2004</i> on issues of public service delivery to target the poor, using the training module developed to both Bank staff and clients	Work with HDNED and regions to develop content to support staff and clients in critical areas of strategic interventions related to equity and quality based on operational needs	<p>Co-develop training modules with PREM on both macro and micro economics and finance aspects of education, targeting participants from finance ministries and Ministry of Education's finance units</p> <p>Jointly collaborate with IIEP on preparation and delivery of learning events on poverty reduction strategy papers and public expenditure tracking surveys, based on existing training materials</p> <p>An e-learning course on "Economics and Finance of Education" (HDNED, and the regions) to introduce basic concepts related to case studies and to help personnel in ministries of finance and education understand each other's needs and differences in management and administration</p>	<p>\$40,000 for content modification and repackaging</p> <p>The anchor and the regions pay for their staff participation. The regions pay for client participation. \$50,000 for development of e-learning course adapted from existing materials</p>	Can pilot in fiscal 2006 if the required resources and commitments are in place
Broadening the strategic agenda for education within a systemwide approach	Toolkit for sharing experiences and support on sectorwide approaches	<p>Working in multisectoral teams to enhance educational quality, particularly with health, HIV/AIDs, SP, disability, labor markets, child labor, and governance issues</p> <p>Training materials developed on five content topics in the education sector (prioritized according to client/staff</p>	<p>Toolkit for sharing experiences and support on sectorwide approaches for clients</p> <p>Offer training focusing on systemic planning, diagnostic, analytic tools and intersectoral linkages; include participants from other sectors; incorporate supply /demand diagnostics, analysis of governance, accountability, and finance issues</p>	<p>\$20,000</p> <p>\$50,000 (\$10,000 for each module)</p> <p>\$15,000 for Education Planning module</p>	Can pilot in fiscal 2006 if the required resources and commitments are in place

<i>Priorities</i>	<i>WBI-HDNED collaboration</i>			<i>Estimated costs</i>	<i>Time frame</i>
	<i>Corporate skills</i>	<i>Sector skills</i>	<i>Operational skills</i>		
		<p>demand): e.g., improving teacher effectiveness, multigrade teaching/learning, fiscal decentralization, and secondary education and the labor market</p> <p>Launch a Webinar (online seminar) series on the various education content topics to deliver more relevant content fast to targeted audiences in both client countries and Bank offices</p>		<p>\$40,000 for design and implementation of Webinar seminars, using materials from “content themes”</p>	
Ensuring that interventions must be results oriented	Capacity building on impact evaluation for education programs	Run training modules on education monitoring and evaluation systems and assessment, building evaluation capacity and pushing for measurable results for public sector accountability and effective governance. These could be developed from existing training materials or those already under preparation (such as the toolkit on Assessment).	<p>Run regular training modules on program evaluation, project management, and implementation of reforms</p> <p>Develop (or identify) and disseminate toolkits on Operational Management</p>	<p>Staff from WBI, HDNED, DEC, and regions</p> <p>approximately \$50,000 for preparation of training materials.</p>	Can pilot in fiscal 2006 if the required resources and commitments are in place
Total estimated costs				\$265,000	

Annex 11

Framework of accountabilities for the Education Sector Strategy Update

<i>Position</i>	<i>Responsibility</i>
Regional Vice Presidents	<ul style="list-style-type: none"> ▪ Oversee implementation of regional action plans with attention to results ▪ Monitor resource allocations across countries in relation to Millennium Development Goals (MDGs) ▪ Support regional-level initiatives (in particular those that promote efficiency in Bank resources) ▪ Promote strong regional partnerships
Country Directors (as appropriate to the country circumstances)	<ul style="list-style-type: none"> ▪ Include in country assistance strategies (CASs), country diagnostic reports, and policy dialogue the key education challenges facing the country, with attention (in CAS lending program discussions) to taking advantage of the increased availability of IDA-14 resources ▪ Allocate sufficient resources for donor harmonization/supervision of sectorwide approaches, priority sector analysis, impact evaluation, and capacity building ▪ Promote cross-sectoral collaboration with an eye to achieving synergies
Regional Sector Managers	<ul style="list-style-type: none"> ▪ Ensure implementation of key thrusts of ESSU, with attention to selectivity and sequencing issues ▪ Ensure solid monitoring and evaluation plan for every operation ▪ Monitor operational efficiency, capacity building
Network Vice Presidents	<ul style="list-style-type: none"> ▪ Promote/identify opportunities for cross-sectoral collaboration and knowledge-sharing ▪ Promote/identify opportunities for staff sharing and joint learning programs
WBI Vice President	<ul style="list-style-type: none"> ▪ Oversee World Bank Institute support for ESSU implementation, encourage strong collaboration with HDNED and regions
DEC Vice President	<ul style="list-style-type: none"> ▪ Oversee DEC support for ESSU implementation, encourage strong collaboration with HDNED, HDNVP, and regions ▪ Promote alignment of DEC research program with ESSU
IFC Vice President	<ul style="list-style-type: none"> ▪ Encourage strong collaboration between IFC and the Bank on education, in overall strategy as well as country-level implementation
OPCS Vice President	<ul style="list-style-type: none"> ▪ Support ESSU implementation by providing guidance on lending instruments and assistance modalities and support for monitoring of sector strategy implementation
OED Director General, Quality Assurance Group	<ul style="list-style-type: none"> ▪ Support ESSU implementation by conducting timely quality assessments and evaluations to inform the design of new or ongoing work and by offering expert support for monitoring and evaluation
HD Vice President	<ul style="list-style-type: none"> ▪ Oversee implementation of ESSU and progress on MDGs and Fast Track Initiative partnership, identifying evolving resource and other constraints with a view to resolving them ▪ Encourage cross-sector collaboration within the HD network
HD Council	<ul style="list-style-type: none"> ▪ Support integration of regional and (education) sectoral priorities
Education Sector Board	<ul style="list-style-type: none"> ▪ Implement ESSU ▪ Monitor progress on the results framework ▪ Oversee progress on Fast Track Initiative partnership ▪ Ensure that staffing across regions and across headquarters and country offices are aligned with work program needs and that new hirings respond to needs outlined in ESSU ▪ Ensure systematic exchange of cross-regional knowledge and experience
Education Hub (Anchor)	<ul style="list-style-type: none"> ▪ Support the Education Sector Board in monitoring progress on the results framework ▪ Ensure close collaboration with World Bank Institute and regions on staff/client capacity-building program and with DEC/HDNVP/regions on education research ▪ Provide strong support to Fast Track Initiative partnership (through HDNED-based secretariat)

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