

“All agree that the single most important key to development and to poverty alleviation is education.”

— James D. Wolfensohn
President, the World Bank

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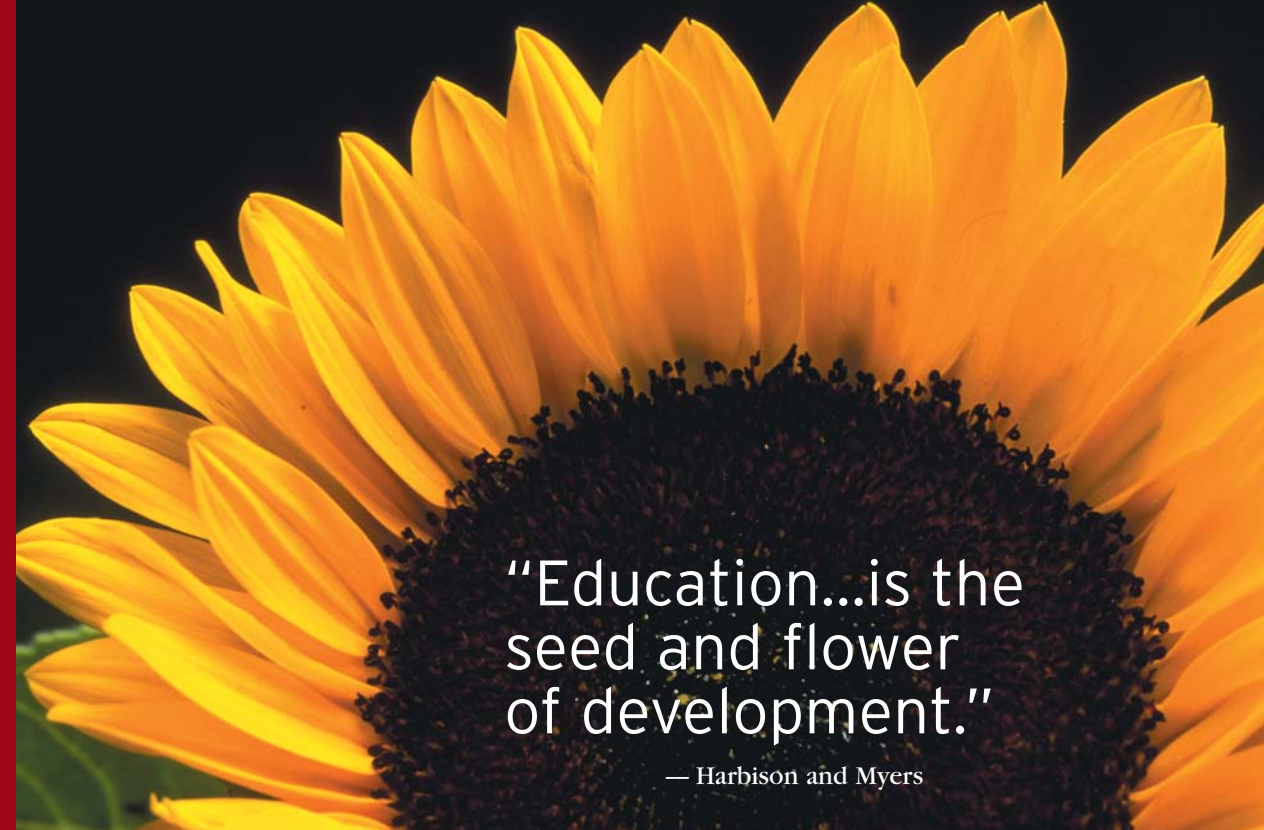
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“Education...is the seed and flower of development.”

— Harbison and Myers

Education opens doors and empowers.

For people, it opens up a world of opportunities, reduces the burden of disease and poverty, and gives greater voice in society. For nations, it opens doors to economic and social prosperity, spurred by a dynamic workforce and well-informed citizenry able to compete and cooperate in the global arena.

Why Invest in Education?

Because education is a powerful lever for poverty reduction and economic growth...

Education empowers people to take charge of their lives and make informed choices

It gives voice to the disadvantaged and is fundamental to constructing democratic societies



It fosters equity and social cohesion by providing people with access to productive assets such as land and capital, and by increasing labor mobility and earnings potential. An additional year of schooling raises incomes by 10 percent, on average (and by much more, in low-income countries)

It promotes sustained, job-creating economic growth and is key to attainment of the Millennium Development Goals (box); no country has ever achieved economic growth without reaching a critical threshold of about 40 percent in its adult literacy rate

It builds globally competitive economies by helping countries to develop a skilled, productive labor force and to create, apply, and spread new ideas and technologies

It promotes good health by encouraging children to practice healthy behaviors and avoid risky ones; giving youth the knowledge and values to avoid contracting diseases such as HIV/AIDS; and empowering women to have fewer children and better care for themselves and their families

Girls' education is a top-ranked social investment:

- A year of schooling for the mother reduces child mortality by about 10%
- An additional year of female education reduces the total fertility rate by 0.23 births
- Educated women are more likely to send their children to—and keep them in—school
- An increase of 1 percentage point in the share of women with secondary education is estimated to raise per capita income by 0.3 percentage points
- Education increases women's productivity and participation in the work force
- Educated women are better able to use environmentally friendly technologies



Education: Key to attaining the 2015 Millennium Development Goals

Education can go far in helping countries achieve the landmark Millennium Development Goals (MDGs), adopted by 189 countries and major development partners in September 2000. The goals require that, by 2015, countries:

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria, and other diseases
- Ensure environmental sustainability
- Develop a global partnership for development

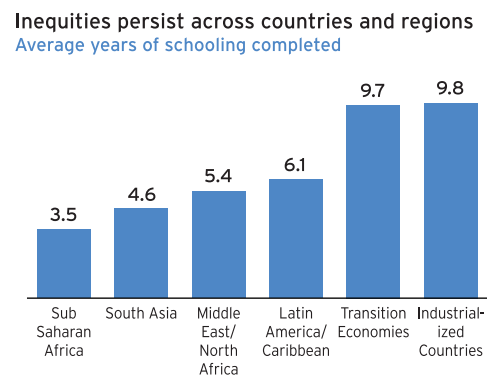


...and because countries continue to face enormous access, equity, quality and resource challenges in education

Access

Despite progress, over 113 million children aged 6 to 11 (about 1 in 5) lack access to primary school.

- Primary enrollment and completion rates are lowest in Sub-Saharan Africa and South Asia, which together account for most of the world's out-of-school children
- Pre-primary enrollment in low-income countries is well below rates in rich countries (10% vs 70%)
- Tertiary enrollment in 1997 was 10% in less developed countries, compared with 52% in OECD countries
- Nearly one billion adults are illiterate

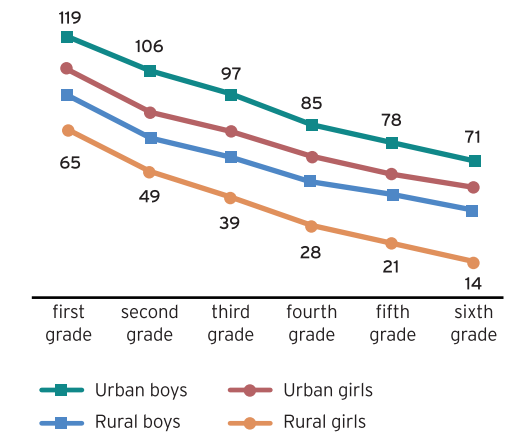


Equity

Access is particularly constrained for girls, poor children, and children with learning disabilities.

- Two-thirds of out-of-school children are girls, who are particularly affected by poor families' inability to pay school charges for tuition, books, and uniforms. Other barriers are distance from school, poor sanitation, household chores and farm work, and culture
- Women account for about two-thirds of all illiterate adults
- An enormous digital divide, exacerbated by weak telecommunications infrastructure and poor access to electricity, threatens to worsen inequity in education across countries

Primary Education in Benin
Percentage of children reaching each grade



Quality

Quality in the classroom is often low, resulting in high dropout rates and low achievement.

- Overcrowding, a lack of teaching materials, outdated or scarce textbooks, irrelevant curricula, and ill-qualified—or absent—teachers weaken quality and learning achievement
- Given high opportunity costs of education, poor parents withdraw children—especially girls—from low-quality schooling
- Almost a third of all developing country pupils leave school before completing the primary cycle. Even those who complete it fail to attain minimum functional literacy
- Incentives for students to learn are dampened by weak economies and lack of jobs
- Science education often lacks the needed laboratory materials; many universities lack qualified professors, good libraries and access to international periodicals

Resources

Many countries lack adequate resources to expand coverage and improve quality in education and are especially challenged in providing free universal primary education.

- Overall tax revenues are weak; education ministries lack the ability to compete for domestic budget resources; and funds are often not available at the school level, where they can do the most good
- In addition, many countries, especially those in Sub-Saharan Africa, must contend with armed conflicts and HIV/AIDS, whose devastating impact is enormous and which can dramatically raise education sectors' cost burden
- On average, developing countries spend \$40 on a student each year, compared with nearly \$4,000 spent by OECD countries

“This school was okay, but now it is in shambles, there are no teachers for weeks. It lacks competent principals and teachers. There is no safety and no hygiene.”

—Discussion group, Vila Junqueira, Brazil*

* This quote and the ones on page 27 and the inside back cover are taken from *Voices of the Poor: Crying out for Change* (2000), the second of a three-part series drawing on a 60-country participatory study aimed at understanding poverty from the perspective of poor people.



World Bank Support for Education

Vision and Goals

Our Work at a Glance

Education for All

Strengthening Competitiveness in the Knowledge Economy

Our Broader Education Agenda



World Bank Support for Education: Vision and Goals

Already the world's largest external financier of education, the World Bank is today more committed than ever to helping countries foster private investment and economic growth, and empower poor people to participate in that growth—through education.

The need for progress is urgent, and the stakes are high. Disparities in education are already huge. Education is a dialogue between the present and the future. The education choices countries make today will define their forward path: growth and prosperity or stagnation and decline.

Our vision is one of cohesive societies and dynamic economies. How to help make this vision a reality? By **focusing on results**. We can claim success only if:

- all children complete school, learn well, adopt healthy behaviors and positive values, and eventually live well
- more and more female, rural, poor, and vulnerable children are given access to good education
- more adults obtain skills—and gainful employment
- more teachers are well-trained and well paid
- more school curricula and learning materials are of good quality and relevant to labor market and societal needs
- more education systems are well resourced and managed, with active community participation
- more universities produce highly skilled graduates who add to national and global knowledge
- more countries use knowledge and technologies to leapfrog into a more dynamic, higher-growth economy

Our overarching goals are to help countries:

- Ensure that, by 2015, every girl and boy in the developing world has access to and completes a free and compulsory primary education of good quality
- Compete successfully in global markets by building up a workforce of skilled, dynamic people able to create and apply knowledge

World Bank Support for Education: Our Work At a Glance

What services does the World Bank provide?

Sound policies, strong institutions, and finance—all are crucial to progress. The World Bank thus supports education in developing countries through

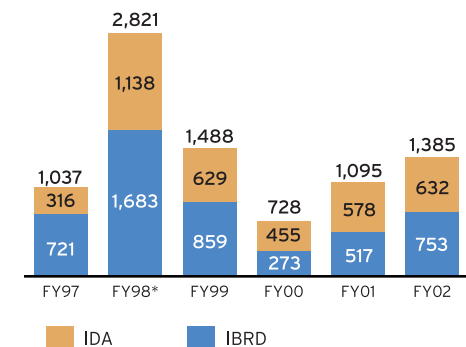
a mix of knowledge and resource transfers, combining lending with “non-lending” services—policy advice and analytical, knowledge-sharing, and capacity building services. World

Bank lending for education averages \$1 billion a year and has exceeded \$30 billion since 1963, when such funding first began.

Non-lending services are vital in helping countries:

- formulate policies and strategy based on sound analysis and the lessons of global experience
- build national consensus around reforms
- mobilize resources from other partners
- build capacity to design and implement reform programs

World Bank Lending for Education
In millions of dollars, fiscal year ending June 30



* FY98 lending was boosted to above-average levels due to the global financial crisis

Who are our clients?

The Bank supports **IBRD- and IDA-eligible countries** (box).

About 150 education projects were under implementation in some 80 countries worldwide as of June 30, 2002, adding up to a portfolio of \$9.6 billion. Africa, and Latin America and the Caribbean, each account for a quarter of these projects, with Latin America accounting for the largest share of the portfolio (about one-third) in dollar terms.

For what purposes do we lend?

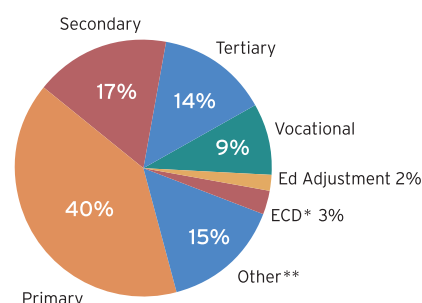
The Bank's portfolio of education projects is wide-ranging. These projects are helping countries, for example, expand pre-school coverage, improve the supply and quality of primary and secondary school teachers and textbooks, promote health and nutrition through the school system, provide scholarships for secondary schoolgirls, design financing for higher education, and strengthen school management.

How have we changed?

Education is central to World Bank strategy

Education is one of five corporate priorities in the Bank's overall assistance strategy to help countries reduce poverty. Investing in effective delivery of key services such as edu-

Portfolio of Active Education Projects, 6.30.02
By Subsector, Total number of projects, 153



* Early Childhood Development
** Includes projects covering more than one subsector

What are IBRD and IDA?

World Bank lending is of two types.

The International Bank for Reconstruction and Development, IBRD, lends to middle-income and creditworthy poorer countries. As a financially strong institution driven by a poverty-reduction (rather than profit-maximization) objective, it provides access to market-rate financing in larger volumes, with longer maturities, and in a more stable manner than the market provides. Funding for IBRD lending is raised in international debt capital markets.

The International Development Association, IDA, provides long-term loans, known as "credits", at zero interest to the poorest developing countries. IDA helps build the human capital, policies, institutions, and physical infrastructure that these countries urgently need to achieve faster, environmentally sustainable growth. IDA is funded largely by contributions, replenished every three years, from the Bank's richer member country governments.

cation and health is seen as key to empowering poor people and improving the investment climate.

We are focusing more strategically on poor countries

IDA lending for education, benefiting low-income countries, was 55 percent of total lending for education in FY00-02, the period covered by the 12th Replenishment of donor-provided IDA funding, compared with about 35 percent under the previous two IDA replenishments. Poorest countries are also benefiting from debt relief under the Heavily Indebted Poor Countries (HIPC) initiative, which calls for freed resources to prioritize social spending.

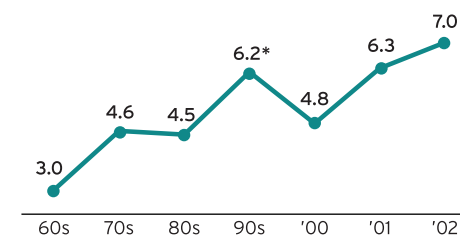
Outcomes, rather than inputs, drive the agenda

A growing focus on outcomes has meant more support for the Millennium Development Goal of universal primary education. It has also meant greater support for policy reform, education quality, and learning achievement, rather than infrastructure. Attention to early childhood development as well as conflict and HIV/AIDS—which, respectively, boost and hinder education outcomes—is also growing.

The Bank is doing things differently

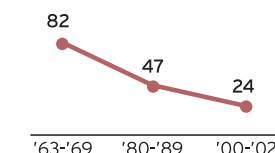
- Helping countries prepare nationally “owned” and comprehensive poverty reduction strategies that provide a common basis for all donor assistance
- Engaging more education partners within countries—in particular parents and communities
- Adopting a sector-wide, holistic approach to a country's entire education program

Education Lending as a Share of Total Bank Lending In Percent



* Excludes FY98, which was exceptionally high due to financial crisis. Including FY98, the share is 7.1 percent.

Lending for infrastructure As a share of total lending for education, in percent



- Advocating—to all countries—the compelling need for attention to tertiary education and lifelong learning to keep pace with the demands of a dynamic, knowledge-based global economy
- Using technology for innovative delivery of education and for exchanging real-time information on good practices
- Coming together with development partners at the global level to meet challenges that go beyond country borders

World Bank Support for Education: Education for All (EFA)

What is EFA?

Education for All (EFA) is a commitment made by some 150 countries and their external partners in Jomtien, Thailand in 1990 and reaffirmed at the World Education Forum in Dakar, Senegal in 2000. The EFA commitment broadly is to extend the benefits of education to every citizen of every society throughout the developing world, and specifically to:

- Ensure universal primary education for all children by 2015
- Eliminate gender disparities in primary and secondary education
- Improve early childhood care and education
- Ensure equitable access to “life skills” programs
- Achieve a 50 percent increase in adult literacy by 2015
- Improve all aspects of the quality of education

“To build a country,
build a schoolhouse.”

—Amartya Sen, *New York Times* (February 2000)



Education for All: Accelerating progress...by advancing the global agenda

Real change can only be brought about at the country level. But the enabling role of partners can be vital, particularly at the global level. A foremost priority for the World Bank has been to identify, and nurture, the global conditions needed for achieving Education for All (EFA), as described below.

Defining a strategy for achieving EFA has been a crucial first step. The strategy calls for strong leadership and commitment, reflected in adequate domestic spending on primary education and education policies focused on quality and primary school completion (box) as well as efficiency, along with special attention to the needs of poor and disadvantaged children, in particular girls.

Raising the EFA Bar: Completion, not Enrollment

Enrolling in school is not enough. It is only when children *complete* 5 or 6 years of good-quality primary schooling that learning takes place.

The use of completion, rather than enrollment, rates as the EFA target puts 89, rather than 32, countries at risk of not achieving universal primary education. In other words, the EFA challenge is far more serious than earlier realized.

Building consensus on what constitutes progress—and aid-worthiness—has been equally important. EFA is achievable—



Education for All: A Dream Gathers Momentum

1990 – Jomtien, Thailand

The world community commits to achieving universal primary enrollment by 2000

April 2002 – Dakar, Senegal

Acknowledging slow progress, the world community reaffirms commitment to Education for All

September 2000 – New York, USA

A total of 189 countries and their partners adopt the Millennium Development Goals for 2015; two of the eight goals are drawn from EFA (universal primary education, gender equity in education)

July 2001 – Genoa, Italy

The Group of Eight (G-8) countries establish an EFA task force, to be led by Canada

March 2002 – Monterrey, Mexico

International leaders adopt the Monterrey Consensus, a partnership linking financial support from developed countries to concrete actions by developing countries

April 2002 – Washington, DC, USA

The World Bank's Development Committee—comprising the Board of Governors who represent its member countries—endorses the Bank's proposed EFA Action Plan (which also receives overwhelming support from the international community)

June 2002 – Kananaskis, Canada

The EFA Fast-Track Initiative—one element of the Action Plan—wins worldwide endorsement, identifying a first round of 18 countries eligible for priority financial support and 5 countries eligible for intensified policy support

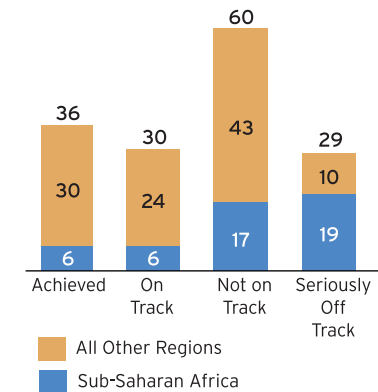
with the right policies and external support. In April 2002, the Bank put forward an Action Plan for EFA, prepared in consultation with governments and key partners. At the heart of the widely endorsed Plan—seen as a breakthrough in bringing EFA within reach—is a development compact: as developing countries reform their education systems, in line with an EFA scorecard, external partners will extend financial and technical support.

Launching the Fast-Track Program has generated strong global momentum. A total of 18 eligible pilot countries—12 of them in Africa—will receive accelerated donor support to yield early lessons and demonstrable successes which can be replicated more widely. Five other populous countries, includ-

ing India and which are home to 50 million of the estimated 113 million out-of-school children, will receive other (non-finance) support to help them speed up efforts to address systemic constraints to progress.

Expanding global knowledge on what works, by drawing lessons from the experience of countries that have been pursuing EFA, is a vital part of facilitating progress. The Bank is systematically synthesizing and disseminating knowledge on successful EFA experience through the *Education Notes* series.

Prospects for Attaining Universal Primary Completion
Total of 155 Countries



Education for All: Accelerating progress...by supporting country efforts

Achieving Education for All will take time. Sustained country effort—to put appropriate policies in place, implement reforms, and adequately fund primary education—is at the heart of achieving EFA goals. There are no magic bullets. The World Bank and other development partners are actively engaged with countries to address the data, policy, capacity, and resource gaps in achieving EFA. We are helping countries focus on the disadvantaged, on quality, and on learning outcomes, and channeling support to the school level as much as possible. To close the global financing gap, we are increasing our own lending and helping mobilize other donor resources.

Improving access and quality. Bank support is dominated by the access challenge, with fast-growing recognition that attention to quality must keep

“More children in school” or “better quality education” should not be a tradeoff

Uganda's “big-bang” approach in the mid-nineties—making primary education free and sharply increasing public spending on it—dramatically increased poor children's access. But pupil-teacher and pupil-classroom ratios and test scores initially worsened, although they are now recovering.

Uganda's experience highlights the need to carefully balance expansion with quality.



Raising future prospects for Indian girls

India's state-implemented District Primary Education Program has been helping to reduce the primary enrollment gender gap with Bank support.

In the state of Uttar Pradesh, home to a significant share of the world's out-of-school children, girls' enrollment was doubled, and the dropout rate halved, between 1992 and 2000. Success was due to increased infrastructure (including latrines and drinking water facilities), and greater focus on quality, textbook availability, in-service teacher training, and stipends to teachers to improve learning materials.

pace (box). To support quality, and learning in the classroom, the Bank is helping to train teachers and school administrators and ensure their adequate compensation; improve pupil-teacher and pupil-classroom ratios; improve textbook and learning materials, with attention to issues of language-of-instruction; and strengthen the teaching profession, by developing curriculum and teaching standards and upgrading teacher training institutes.

Focusing on girls. Female education is a key contributor to achievement of not only EFA but all of the Millennium Development Goals. Efforts are wide-ranging, to help parents appreciate the benefits of girls' education and cope with the direct and opportunity costs of girls' schooling; improve quality and learning achievement, which affect the perceived (and actual) value of education; provide sanitary facilities and alleviate other constraints such as distance to school; and improve the school environment for girls by increasing the presence of qualified female teachers and introducing anti-harassment policies, gender-sensitization training for teachers, and gender-sensitive curricula and textbooks.

Helping education systems cope with HIV/AIDS. Education merits urgent priority in the fight against HIV/AIDS both because of its tremendous potential for protecting children and youth from the infection and because of the epidemic's crippling impact on the sector—teachers dying or falling ill, and the resulting erosion of teaching quality; reduced access by girls; and sharp

Helping Africa fight HIV/AIDS

The Bank is:

- "Fast-tracking" support for EFA in 14 African countries, including 11 with HIV prevalence rates above 2 percent
- Supporting 11 countries in use of the Ed-SIDA planning model, which helps reflect the impact of HIV/AIDS on the projected supply of and demand for education
- Promoting, in 20 countries, sound school health and sanitation policies, health/nutrition services, and "life-skills" education, through the multi-partner, community-based Focusing Resources on School Health (FRESH) approach
- Helping implement multisectoral Multi-Country HIV/AIDS Program (MAP) projects in 16 countries committed to HIV prevention, with \$553 million committed to date
- Providing debt relief to free up budgetary resources for spending on health and education in 23 countries

increases in the costs of providing education. The Bank is helping countries strengthen policies and curricula that promote education and HIV/AIDS prevention; scale up progress through multi-pronged efforts (box); mobilize global resources; and generate and share knowledge on innovations and successful approaches, involving, for example, youth-to-youth peer counseling or popular television.

Promoting Early Childhood Development (ECD)

ECD programs have proven benefits for a child's early years, which are critical for overall development. ECD programs help to increase academic achievement and reduce dropout and delinquency. The World Bank has increased investment in ECD programs every year since 1990, to a cumulative total of \$1.2 billion through 2002. Together with partners, the Bank is helping countries implement ECD programs by strengthening partnerships with

Africa: A strong case for ECD...

- Infant mortality, at 92 per 1,000 live births, is the world's highest
- Of the African children who survive to the age of 6, nearly a third are stunted
- Over 95 percent of Africa's 5 to 6-year olds have no access to pre-schools
- Female-headed households—and neglected young—are rising in number
- The well-being of war-affected children is particularly at risk

...and the Bank's response

Working with key partners and a growing number of interested governments, the Bank's ECD portfolio in Africa has risen 10-fold since the early '90s and will continue to expand. ECD is vital for Africa to realize progress in EFA.

communities as well as NGOs and the private sector (such as Save the Children, the Aga Khan Foundation, and SmithKline Beecham); increasing local capacity; establishing links with school health and nutrition; decentralizing implementation to local municipalities; raising awareness and reinforcing sound childrearing practices; and promoting exchange of information through an internet-based ECD Knowledge Base (<http://www.worldbank.org/children>).

Education for Peace in Colombia

In late 2001, policymakers, mayors, survivors of massacres, former street children, and artists gathered in Medellín, Colombia to establish an “education for peace” network. The Bank-sponsored workshop was an action-oriented forum to expand successful peace initiatives.

One remarkable innovation was the use of dance and music to help victimized youths overcome their trauma.

Protecting EFA prospects in post-conflict countries. About 30 countries in the throes of armed conflict are among those estimated to be “seriously off track” in terms of prospects for achieving EFA. Wars wreak havoc on enrollment (as children become refugees, orphans, or soldiers); on schools; on teaching quality; on school management; and on resources for education. The Bank has been helping many affected countries rebuild and re-equip

schools; train teachers; and help traumatized children—all a challenge where data, technical capacity, and leadership are weak. The Bank is also committed to sharing lessons learned in post-conflict countries; coordinating with multiple donors, particularly for EFA Fast-Track countries (Uganda, Ethiopia, Democratic Republic of Congo); and convening people around solutions (box).

Advancing adult literacy and non-formal education. Expanding literacy and education for adults and out-of-school youth is an important part of achieving Education for All. The MDGs call for gains in the literacy rate of 15-24 year-olds, particularly women. The Bank has supported over 100 different adult literacy and education programs over the last 30 years, by addressing the needs of school dropouts and children in remote areas and at risk (AIDS orphans, street children), with basic education and lifelong learning for illiterate women, especially mothers, and poor and disadvantaged people; funding projects; supporting analysis; drawing lessons from country experience; expanding the knowledge base (box); strengthening

inclusion of literacy concerns in poverty reduction strategies; supporting skills training and income-generating activities; and increasingly involving parents, communities, and NGOs.

Skills and Literacy Training: Some Lessons

Lessons from the Bank’s work in skills and literacy training include the following:

- Education and training programs for very poor adults need to offer concrete and immediate benefits to ensure and sustain interest
- Organizations dealing with livelihoods, rather than education, seem better able to design and deliver livelihood and literacy training
- Greater autonomy—with accountability—is important for local governments, as are stronger alliances with NGOs
- Programs work better for groups with a common interest, rather than for individuals, and if instruction is participatory and interactive

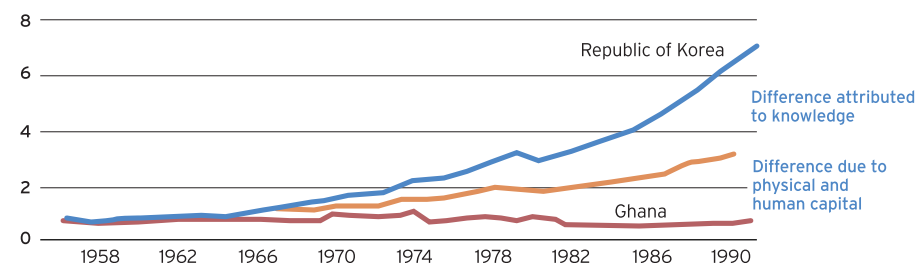
World Bank Support for Education: Strengthening Competitiveness in the Knowledge Economy

“It is impossible to have a complete education system without an appropriate and strong higher education system... You have to have centers of excellence and learning and training if you are going to advance the issue of poverty and development in developing countries.”

—James D. Wolfensohn, March 2000

To compete in today’s knowledge-driven economy and shifting global markets, countries need a flexible workforce of skilled, dynamic workers able to create and apply knowledge. They need strong secondary and tertiary education systems to fully participate in the knowledge and information revolution—and to train a high-quality pool of teachers and education administrators. They need increased capacity for innovation through research and science and technology. The World Bank recognizes that without these efforts, countries risk facing a growing technological and learning divide, and is providing support in many ways.

Knowledge and Economic Growth
In thousands of 1985 US dollars



Secondary education

- Support for secondary education has averaged 15 percent of new lending for education in recent years. As with primary education, access, quality, equity, and resources are the main challenges for low-income countries. For middle-income countries, Bank support has been focusing on improving quality and equitable access and supporting innovative funding modalities.

Tertiary education

- Tertiary education projects are helping some 30 countries develop a vision and formulate nationally-“owned” strategies; undertake reforms to expand financing options, strengthen governance and management, improve quality, and develop science and technology.
- A new World Bank report (July 2002), *Constructing Knowledge Societies: New Challenges for Tertiary Education* discusses the role of tertiary education in development and ways in which countries can derive its full benefit, while identifying how the Bank and other development agencies can support such efforts.
- Bank assistance is tailored to country needs. Tertiary education support to **Korea**, for example, helped double the number of research projects in science and technology in the second half of the nineties, with the majority of them published (including internationally) and with benefit also to the private sector. A Learning and Innovation Credit to **Yemen** approved at end-June 2002, on the other hand, will help the country prepare a tertiary education strategy and pilot its early implementation, focusing on governance, funding mechanisms benefiting girls and poorer students, and improved education quality.

Lifelong learning and digital divide

- A forthcoming paper on lifelong learning will explore broader concepts of education—driven by rapid obsolescence of skills and the need for “learning to learn”—and their substantial implications for learning outcomes, delivery modes, teaching skills, and sector management.
- Some support for lifelong learning is already under way. For example, **Bangladesh**—where adults average 2.5 years of education—is providing post-literacy and continuing education to neo-literates through a stronger non-formal education program. More advanced **Chile**, on the other hand, is building a lifelong learning system with involvement of private employers and workers, focusing on access, quality, equity, and institutional strengthening for secondary and tertiary technical schools.
- Technology** can transform learning, by improving both access and quality. In 1997-2001 more than three-fourths of World Bank-financed education projects included distance education (print and radio as well as video-conferencing, computers, and the Internet), education technology, information and communications technology (ICT), or education management information systems components.





World Bank Support for Education: Our Broader Education Agenda

Putting Education in the Broader Development Context

The World Bank recognizes that education outcomes depend heavily on policies and factors beyond the education sector.

Collaborating with sectors affecting or affected by education. In fiscal 2002, 24 new Bank-financed operations in other sectors also provided support for education. In financial terms, such support added up to \$430 million—over a third of total lending for education projects in fiscal 2002.

Examples include:

- Helping countries to use the education “vaccine” in preventing HIV/AIDS
- Supporting school health programs for better learning outcomes
- Addressing transport, water and sanitation constraints to school access and attendance
- Earmarking funds for education in economy-wide operations and improving public institutions’ governance in public expenditure management operations
- Through the World Bank Institute (the World Bank’s “training” arm), building countries’ capacity to implement education reforms
- With the International Finance Corporation (a member of the World Bank Group), identifying opportunities for private collaboration in education

Helping countries integrate education within national development strategy. Our support to low-income countries in preparing Poverty Reduction Strategy Papers (PRSPs) helps education ministries:

- Ensure that national education plans and targets feature prominently in overall country strategy
- Ensure adequate budgetary spending on education as well as priority use of funds freed up from debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative
- Promote education policies that are poverty-focused, such as eliminating user fees for primary education, and aligning the school calendar with local economic activity

Strengthening dialogue between Education and Finance ministers through the PRSP process can make a big difference to education outcomes

Our Broader Education Agenda: Promoting results-based innovation

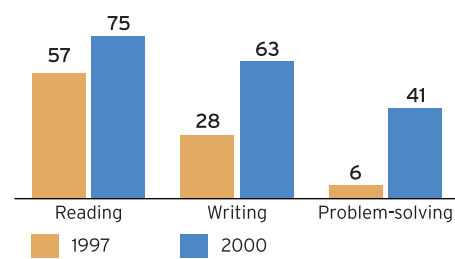
No two countries—or even two regions within a country—are the same. Times also change. For both reasons, successful development is in constant need of fresh thinking and continuous adaptation and innovation. Only with new and home-grown solutions can progress in education be accelerated to a pace commensurate with the wave of new generations of children inevitably on their way, most of them in the developing world.

Support for innovation is vital to tailoring the World Bank’s response to a country’s particular needs. Whether to strengthen learning outcomes for poor pre-school Turkish children by training and empowering their mothers; to reduce HIV prevalence among African youth by promoting education messages in “soap operas” on television; or to improve education in diverse ways through fresh approaches as illustrated in the examples below, the Bank is deeply committed to supporting results-focused innovation by countries.

- Guinea’s Teacher Education Learning and Innovation Credit transformed the **teaching** environment between 1998 and 2002. Innovative methods led to a jump in teachers trained annually, from about 100 to over 2000, and to faster gains in enrollment, from 51 percent to 70 percent over the 4-year period.
- Senegal’s Pilot Female Literacy Project strengthened **non-formal education** via private providers, who worked closely with grassroots communi-

ties (with the government as catalyst) to meet their needs. Estimated benefits include declines in infant mortality as well as the number of births, and a 23 percent increase in girls' enrollment; some 200,000 women had received training by early 2002. Learning achievement too showed remarkable gains, reflecting the improved quality of literacy training.

Gains in Learning Assessment under Senegal's Pilot Female Literacy Project
In percent



- A new **funding formula** for education in Sri Lanka is making a difference nationwide, by stimulating provinces to spend more on quality-enhancing learning materials and less on teacher salaries. A first evaluation of Sri Lanka's General Education Project in 2001 showed that education resources are being distributed more equitably and that poor



and disadvantaged schools are receiving resources on an unprecedented scale, while funds for quality inputs, such as teaching materials, are being systematically allocated.

- El Salvador's innovative EDUCO program broke new ground in **community-based postwar rebuilding** of the education system in the early nineties. A national strategy transferring public education funding to parents and communities to manage schools—hiring and firing teachers, maintaining schools, raising additional resources—went far in lifting the country's education system out of crisis. EDUCO contributed to more than 90 percent of the expansion in rural access during the nineties, while significantly lowering teacher absenteeism—and thus improving quality.
- An education **financing and management reform** project, covering all schools up to 10th grade, has expanded learning opportunities for Armenian children. With a pivotal difference made by extensive parent-school-government consultations, a new Textbook Revolving Foundation is making possible better and more affordable textbooks; curricula are being improved; and schools are competing for innovation grants. The result: more “fun” textbooks, creative activities, and Internet access for children, and greater school capacity to mobilize and manage extra-budgetary resources.

Our Broader Education Agenda: Focusing on Poor People

Whether in promoting Education for All or education for the knowledge economy, all our work in the sector is anchored in the overarching objective of poverty reduction.

Nearly half of the world's six billion people live on less than \$2 a day. Some 2 billion more people will be added to the planet in the next 25 years, nearly all of them in poor countries. Education has unique potential to lift these present and future generations out of poverty. But promise will not become reality without targeted effort. To ensure that its work in education alleviates poverty, the World Bank is focusing on:

The world's poorest countries: Over half of our active education projects are in countries that are home to the vast majority of people who live on less than \$2 a day—and which are eligible for low-cost IDA lending (see box on Bangladesh).

Secondary schoolgirls in rural Bangladesh get stipends—and access to a brighter future

The Female Secondary School Assistance Project, financed by IDA between 1993 and 2001, made great strides in expanding access for rural girls—with a range of important related benefits. By providing incentives—stipends—to keep girls in school, the project contributed to a doubling of enrollments, delayed marriage, more single-child families, more females employed with higher incomes, reduced dowries, and more confident young women with greater involvement in their children's education.

A follow-up project has just been launched, continuing to expand access but now also linking quality outcomes with stipends and tuition support.

Poor and disadvantaged people in middle-income countries:

Our education lending in middle-income IBRD-eligible countries focuses heavily on the deprived segments of the population, to promote their access to higher quality education and inclusion in society and development (see box on Brazil).

Africa and South Asia: Our intensified support for universal primary completion is particularly focused on these regions. The 23 EFA Fast-track countries include Bangladesh, the Democratic Republic of Congo, India, Nigeria, and Pakistan, which together account for about 50 million of the world's total out-of-school population.

Pro-poor policies: In helping countries prepare poverty reduction strategies we strongly advocate education policies that use overall resources efficiently and improve access, quality, and equity of education for underprivileged children.

Brazil's *Bolsa Escola*: Breaking Poverty's Vicious Cycle

In 1995 Brazil launched an innovative program called *Bolsa Escola* to increase educational attainment among poor children and reduce the incidence of child labor. Cash grants were given to mothers (reflecting evidence that women spend more on children's education) to send children to school, covering a child's living expenses and the opportunity cost of attending school.

The program has produced results and set an example as one model for increasing educational attainment. For the year 2001-02, some 11 million children, who would otherwise have been engaged in labor, went to school as a result of *Bolsa Escola*.

HIV/AIDS: We urge countries to put education at the heart of the HIV/AIDS agenda. Poverty does not always lead to HIV/AIDS, but the disease indisputably impoverishes affected families—and can destroy countries' entire education systems by rapidly eroding the supply of teachers and administrators.

Early childhood development (ECD): ECD can play a vital role in giving poor children a solid start on learning achievement and putting them on an equal footing with their richer cohorts in terms of their physical, social, and cognitive development.

Tertiary education and science and technology (S&T). By supporting increased access to tertiary education we aim to expand employment and income opportunities for underprivileged students—thus lowering inequality—and to foster socially cohesive cultures through the values and knowledge that such education can impart. Support for S&T is aimed at fostering needed breakthroughs in food security, health, water, and the environment—which rank among today's most serious poverty challenges.

“Forty-five youths have...passed their...examinations. Because they have not been able to find suitable jobs, they have joined the [armed] forces... There is uncertainty as to how long they will be able to survive.”

—A report from Ihalagama village, Anuradhapura, Sri Lanka



Our Broader Education Agenda: Partnering for progress

Progress requires partnership. This lesson of experience dominates the changes of the past decade in the World Bank's approach to development. Working in partnership is key to building broad ownership of—and thus sustaining—development activities. It also helps scale up the overall development effort, by multiplying the ideas, capacity, and finance available to countries in addressing the challenges they face.

At the country level, our aim is to listen, understand, and support—through analysis, advice, knowledge and information, and finance. While the national government remains the foremost partner within countries, the Bank increasingly works with parents, teachers, NGOs, foundations, and the private sector. The need to foster local ownership and local communities cannot be overstated: it is largely at this level that creative solutions will be born, and sustained.

At the international level we seek to cooperate around shared global objectives, mobilize resources, and work to harmonize donor policies and procedures that can pose an avoidable burden on aid recipients.

Examples of global partnership include:

- Education for All, whose progress depends crucially on the coming together of multiple bilateral and multilateral donors and agencies, including UNESCO, the United Nations agency responsible for education
- The Bank's Development Grant Facility (DGF), a mechanism to support global or regional initiatives undertaken with partners, in which the Bank's \$14 million investment over the five years ended June 30, 2002 has leveraged \$130 million from other donors
- The United Nations Interagency Working Group on schools and education, whose work focuses on the global HIV target of achieving a 25 percent reduction in infection rates among young people by 2010
- The Africa Virtual University, a now independent "university without walls" originally piloted in 1997 by the Bank and 12 African, European, and North American universities to help Africa leapfrog into the Knowledge Age

An important partner, within the World Bank Group, is the International Finance Corporation (IFC), the institution's private sector arm. IFC is strengthening its support for private financing and provision of education, to help expand access to quality education in the context of scarce public resources. Priority areas are tertiary education, technical and vocational training, technology-based and distance education, and student financing—areas in which potential for progress, by mobilizing the private sector, is greatest.

Helping Universities in Peru

In August 2000, IFC approved a \$7 million loan to *Universidad Peruana de Ciencias Aplicadas* to expand and modernize its facilities, enhance its computer network, and support its student loan and scholarship programs. UPC's focus on internships and linkages with Peruvian professional sectors maximizes career opportunities for its graduating students.



The Road Ahead

Progress is imperative—and possible. Indeed, dramatic improvements are within reach, where political will is strong, effective reforms are adopted, and international support is adequate.

Countries such as Brazil, Eritrea, the Gambia, Guatemala, and Uganda demonstrate that gains of 20 percentage points in primary completion rates can be made in less than a decade. Countries such as Guinea, Malawi, Mauritania, and Uganda have dramatically expanded their education systems, Guinea with a remarkable erosion of its gender gap.

The central challenge is to scale up these successes. More and more countries need to accelerate progress in education, to increase access, particularly for those most disadvantaged; and to improve quality and relevance, so all children, youth, and adults enjoy healthier, more productive, and more peaceful lives.

Even countries that have come far have farther to go. Only 5 percent of Eritrea's 5 to 6-year olds have access to kindergarten schools; the average number of children to a classroom remains close to 100 in Mauritania; one in five girls in Malawi is likely to have HIV/AIDS; over 90 percent of Brazil's higher education budget is spent on salary and benefits, allowing little spending on educational materials, library and laboratory resources, and so on; and the tertiary enrollment ratio for all of Africa remains a meager 4 percent. Sub-Saharan Africa as a whole, by 2015, will account for 15 percent of the world's primary school-age children but for 75 percent of those out of school.

The World Bank is committed to helping countries meet their education goals. Our commitment is rooted in the firm belief that formidable as the road ahead may be, the destination is attainable. It is a road that developing and industrial countries will need to walk together, combining reform and finance to pave the way for progress. Key challenges will be to:

- **Foster strong and steadfast political commitment to education**, even in troubled environments (such as recession and conflict), by providing strong support for national consultative processes through which countries formulate poverty reduction strategies
- **Influence—and build capacity for—policymaking particularly in poor-performing countries**, where lending is an ineffective driver of change
- **Tailor assistance to country needs** while drawing broad lessons from global experience, notably by involving parents, teachers, youth, communities, nongovernmental organizations, and increasingly, the private sector in designing solutions
- **Mobilize the sizeable financial resources needed** to support reforming countries with sound education plans, as part of an overall call for increased Official Development Assistance by donors
- **Stay focused on development impact** and education outcomes, requiring, in turn, early attention to the enormous challenge of building country capacity to generate accurate data, working closely with UNESCO's Institute of Statistics

The tasks ahead are mighty, complex and urgent. We must tackle them. It is our collective responsibility, and in our collective interest, to educate the world's uneducated children and adults and open up to them the doors of opportunity. There is no time to lose.

"If you are planning for a year,
sow rice; if you are planning for a
decade, plant trees; if you are planning
for a lifetime, educate people."

— Chinese proverb



"I live in the hope that things
will be better for the children,
that they will complete school,
learn some trade."

—A poor woman, Sarajevo, Bosnia and Herzegovina

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“Education can be the difference between a life of grinding poverty and the potential for a full and secure one; between a child dying from preventable disease, and families raised in healthy environments; between orphans growing up in isolation, and the community having the means to protect them; between countries ripped apart by poverty and conflict, and access to secure and sustainable development.”

—Nelson Mandela and Graca Machel, *Washington Post*, May 1, 2002