World Bank Support to Education Since 2001: A Portfolio Note

♦ Education—the acquisition of knowledge and skills—plays a fundamental role in poverty alleviation and economic growth. This review aims to inform the new Bank strategy on Learning for All and to serve as an input into the Independent Evaluation Group's (IEG) planned evaluation of post-primary education in 2012. Covering the last decade the review asks, “What have World Bank-supported education projects sought to achieve, what have they actually achieved, and what has contributed to success?”

♦ From fiscal 2001-10, new World Bank commitments to education totaled $23 billion and commitments on an annual basis had doubled by the end of the period. The Bank’s corporate strategy has evolved from a focus on basic education to a dual focus on universal primary completion and post-primary “education for the knowledge economy.”

♦ The performance of education projects has dropped substantially over the decade and is now below the performance of projects in other sectors. Bank support has been most successful at increasing access to education and improving its equity, while fewer than half of projects have achieved education quality, labor force, management, learning, or efficiency objectives. Improving the quality of education inputs has not necessarily improved learning. Support to post-primary education has expanded, but the share of projects with labor market objectives has not, suggesting possible issues in the labor market relevance of post-primary efforts.

♦ The focus of the new Education Strategy 2020 on Learning for All is highly relevant. However, both learning and labor force outcomes have been difficult to achieve and there is a risk that by focusing on “all” the poor will be the last to benefit. The Strategy’s proposed knowledge database will benefit from many recently launched impact evaluations, but the potential contribution of stronger monitoring and evaluation of government programs supported by the Bank should not be overlooked. Understanding the factors that contribute to the variation in results for learning and labor force outcomes will be critical to improvement.

Increased World Bank Education Commitments and the Evolution of Education Strategy over the Decade

From fiscal years 2001-10, the World Bank committed about $23 billion to education programs in developing countries. About two-thirds of that amount was managed by Education Sector staff, and the remainder comprised education components of projects managed by other sectors. Three-quarters was in the form of investment operations, and the balance was in the form of development policy operations.
New education commitments more than doubled on an annual basis over the period, rising from about $1 billion annually through fiscal 2006, then doubling to $2 billion annually in fiscal 2007–08, and reaching an unprecedented $5 billion in fiscal year 2010 during the international financial crisis.

Important new international education initiatives have also been launched over the past decade, to which the World Bank was party—the 2000 Dakar World Education Forum on Education for All, the commitment to achieving the Millennium Development Goals that same year, and the launching of the Education for All Fast Track Initiative (FTI) in 2002 to help low-income countries reach the Millennium Development Goals. Since the FTI’s inception, the World Bank has hosted its Secretariat, serving as Trustee and Supervising Entity for the Catalytic Fund and the Education Program Development Fund. By mid-2010, 36 International Development Association recipient countries had received a total of $1.85 billion in Catalytic Fund grants to support primary education.

The World Bank’s corporate education strategy also evolved over the decade, from one focusing on basic education to one focusing on the two objectives of universal primary completion and post-primary “education for the knowledge economy.” The new strategy, covering the next 10 years, focuses on Learning for All as the basis for promoting development.

Scope of the Review

The aim of this desk review is to inform the new strategy and to serve as an input into IEG’s planned evaluation of post-primary education in 2012. Specifically, for the period covering the last decade the review asks, “What have the World Bank’s education projects sought to achieve, what have they actually achieved, and what has contributed to success?” It covers the 10-year period from fiscal 2001 to 2010.

The evidence presented draws on analysis of the Bank’s main internal database that tracks the lending portfolio; a desk review of the design documents and completion reports for all projects managed by the Education Sector that were approved from fiscal year 2001–09 and projects managed by other sectors that have large education components; and findings from past IEG evaluations.

Findings of Previous IEG Education Evaluations

Previous IEG evaluations of the Bank’s support to education pointed to widespread and successful expansion of primary school enrollment and a shift in project activities from infrastructure to support of policy and management reforms. But themes such as learning outcomes, the linkage of secondary and tertiary education to the labor market and economic growth, and private sector involvement were found to be less common, and monitoring and evaluation were found to be weak. IEG’s evaluation of World Bank support to primary education—From Increased Access to Learning Outcomes: An Unfinished Agenda (IEG 2006a)—recommended that efforts focus on improving learning outcomes, particularly of the poor and other disadvantaged children, and on improving the performance of sector management in support of learning outcomes.

Evolving Objectives and Funding in Education Sector Projects

From fiscal 2001-10, the World Bank sharply increased its commitments to education in projects managed by the Education Sector, accounting for $15.8 billion in 223 projects. Over the first seven years of the decade, the sector approved about 24 new operations each year—the same average as the previous decade—while building new commitments up from historically low levels. Each year, on average, about $1.2 billion in new resources was committed to education in new Education Sector projects.

However, in fiscal 2009–10, education commitments rose dramatically during the economic crisis through a combination of additional financing of ongoing projects and approval of large projects in Brazil, Indonesia, Mexico, and Pakistan. As a result, in fiscal 2010, new commitments managed by the Education Sector rose to an unprecedented $3.7 billion, while the number of new projects dropped to below the trend (17). Although the share of development policy operations has increased over time, investment lending and grants remain dominant.

The Latin America and the Caribbean Region and the Africa Region each accounted for about a quarter of all new Education Sector projects over the decade, and the South Asia Region accounted for a third of new education commitments. The top five countries receiving Education Sector support were India, Mexico, Indonesia, Pakistan, and Bangladesh; together they accounted for more than a third of all children of school age in low- and middle-income countries.
Commitments increased for most education subsectors, with the largest amount for primary education. However, the share of projects addressing tertiary and technical/vocational education has increased sharply; the share for primary education has declined somewhat and the share addressing secondary education has risen slightly. The lending portfolio has become more complex, with the share of projects covering three or more subsectors rising from 14 to 34 percent.

Education Sector projects most often aimed to improve the quality of education inputs, increase access to schooling, and improve the equity and efficiency of education. One in five Education Sector projects had an explicit objective to improve learning outcomes. There was no clear trend in learning outcome objectives, although projects have increasingly financed development or implementation of learning assessments over the decade. An equal share of Education Sector projects had an objective related to the labor market—generating employment, creating human capital, or increasing the market relevance of education. These objectives were more common in post-primary than in primary education projects.

Low-income countries gave priority to increasing enrollments and gender equity objectives, whereas those in middle-income countries gave priority to learning outcomes and labor market/employment objectives.

Almost all projects included activities to build management capacity at some level, and 80 percent or more had activities related to teachers (teacher training or reform of teacher management), curriculum, methods, textbooks, and budget/finance. Three-quarters included activities related to sector governance or decentralization, supply or infrastructure, or assessments. Over the decade, there were important increases in the share of projects financing assessments, monitoring and evaluation, capacity, and school-level governance.

Performance and Results of the Education Sector Lending Portfolio

Three-quarters of Education Sector projects that closed since fiscal 2001 had satisfactory outcomes. At closing, projects are rated both by managing regions and by IEG on their outcome, defined as the extent to which they achieved their relevant objectives efficiently. Historically, projects managed by the Education Sector have had better results than projects in other sectors. However, over the decade there has been a substantial decline in the performance of exiting Education Sector projects, both absolutely and in relation to projects in other sectors. Performance ratings in the satisfactory range have dropped from 82 to 69 percent. This decline does not seem to be strongly related to any relative change in the composition of exiting projects in the Education Sector relative to other sectors. However, a small relative increase in the share of International Development Association projects and a large number of poor-performing Learning and Innovation Loans that exited in the past five years may have contributed to the slide.

Projects in middle-income countries and development policy operations tend to have better outcomes, as do those in Latin America and the Caribbean, South Asia, and East Asia and Pacific. Projects focusing on primary education and those with access and equity objectives have performed better than those focusing on post-primary education—particularly among low-income countries—and on learning and employment outcomes.

Addressing important issues in project preparation and supervision could contribute to a reversal of the downward trend in outcomes. However, the ongoing changes in the composition of the portfolio are likely to pose challenges. Objectives to improve learning outcomes and employment or other labor market outcomes have been more difficult to achieve than have objectives to increase access to education. Expansion of post-primary education will not be as easy to implement quickly, compared with expansion of primary education, and it promises to increase the complexity of investments, particularly in low-income countries.

A closer look at projects aiming to increase learning and employment outcomes shows that improving the quality of education inputs does not necessarily improve learning outcomes; the evidence that investments in vocational and higher training have contributed to meeting labor market demands is thin.

The increasing focus on outcomes and impacts in these two areas underscores the importance of a solid conceptual framework that focuses not just on inputs and outputs but on outcomes and other factors likely to affect them. For example, investments in measuring learning outcomes have increased. However, the factors actually affecting these outcomes in a given context and their distribution are still poorly understood; there are indications that projects and governments are not collecting sufficient information to understand what is and is not working. Al-
though there appears to be greater interest in impact assessments and some improvements in evaluation design over the decade, the quality of monitoring and evaluation remains unacceptably low, with only a quarter of projects receiving M&E quality ratings of substantial or high.

Objectives and Performance of Education Components Managed by Other Sectors

About a third of new World Bank education commitments from fiscal 2001-10—$7.5 billion in 378 projects—was managed by sectors other than education. Sixteen percent of projects managed by other sectors had education commitments, and for about half that number (7 percent) at least 20 percent of commitments for the operation were allocated to education.

Certain types of operations were more likely to have education commitments. Nearly 80 percent of operations managed by the Poverty Reduction and Economic Management Sector included some education commitments, but in no case did they exceed 30 percent of total commitments. Development policy operations managed by other sectors were more likely to have some education commitments (35 percent) than investment projects were (11 percent), but projects with the largest education commitments were more likely to be investment projects.

The Social Protection Sector was the most prominent in managing operations with a large share of education commitments. The most common project types were poverty reduction projects, social sector service delivery or reform projects, social fund/community-driven development projects, safety net/employment projects, and emergency/disaster projects.

Nearly 60 percent of projects in other sectors with at least a fifth of commitments for education had an education objective, whereas for most of the rest of the projects education was an input into achievement of some other objective. However, one in five of the projects with 20 percent or more of commitments for education did not mention education in the results framework at all—not as an objective, output, or outcome. All of these were social fund/community-driven development projects.

World Bank Education Sector staff participated in the preparation or supervision of about half of the operations with more than 20 percent of commitments for education, more so in projects with education objectives, greater education commitment levels, reform content, and social sector projects. However, there is no information on the total input of Education Sector staff and consultant education specialists for the education components of projects managed by other sectors.

Assessing the efficacy of projects managed by other sectors in achieving education objectives is difficult because they tend to be multisectoral and the extent of reporting and detail are not as great as the projects managed by the Education Sector.

Poverty Reduction Support Operations (PRSOs)—multisectoral development policy credits or grants, usually in a series and managed by the Poverty Reduction and Economic Management Sector—were common among projects with education components comprising 20-29 percent of total commitments that were managed by other sectors. About two-thirds of these PRSOs were implemented in parallel with education sector operations and the remaining third was the only education sector lending at the time. The most common education objectives were to improve access, quality, and efficiency of education.

It is difficult to assess achievement of the education objectives of the PRSOs because the education results chain and monitoring were weak and they were so often implemented in parallel with other operations. IEG’s evaluation of PRSOs (IEG 2010e) concluded that they play a strong “supporting role” to sector investment lending but are more limited as a sole instrument for sector lending. It recommended that PRSO sector content focus on crossesectoral or central ministry issues critical to facilitating key sector reforms and strengthening sector budget processes.

The objectives of projects with education components comprising at least 30 percent of commitments were generally similar to those of Education Sector projects, except that fewer had equity or quality objectives and none had an explicit learning outcome objective. Improved access was the most common objective, and seven of the nine closed projects with that objective were judged to have achieved it.

Conclusions

Learning for All

The Education Sector’s goal of Learning for All is highly relevant. The strategy cites dramatic numbers concerning the large share of primary graduates in low-income countries who still have difficulty with reading and basic calculations. The Bank’s focus on the learning agenda
will complement and improve the relevance of other international education initiatives that have focused mostly on primary school completion and gender equity. About one in five projects in the Education Sector lending portfolio already explicitly aims to improve learning outcomes. This has not changed much over the decade, although an increasing share of projects finance achievement tests and learning assessments.

Achieving Learning for All will involve substantial challenges. Only about a third of the recently closed projects with learning outcome objectives substantially achieved them. Even where there have been improvements, average learning outcomes are still relatively low. However, the results suggest that building projects that have conceptually stronger results frameworks, based on a clearer understanding of the binding constraints to better learning, and that track intermediate as well as final outcomes are important. The variability in results suggests that understanding “what works” in improving learning is context-specific, highlighting the need for more experimentation and better monitoring and evaluation. Although major impact evaluation initiatives have been launched across the Bank, including many on education, the monitoring and evaluation record for projects and learning from within projects remains quite weak. The share of projects that aimed to test pilot interventions dropped by half.

Learning for All implicitly includes the poor, but it does not ensure that the poor will be targeted or will be the first to benefit. Although the poorest children are least likely to be enrolled and have lower learning outcomes, few education projects explicitly target learning among the poor and even fewer track those outcomes. The review highlights several cases where learning outcomes among the poor have been tracked and learning improved, but these are the exception. Targeting the poorest and most disadvantaged children will be critical in raising overall learning outcomes. Tracking outcomes among the poor is important for understanding whether learning is actually improving in that group, and for interpreting trends in average learning outcomes when enrollments are rapidly expanding, bringing in more children from disadvantaged backgrounds.

The Labor Force Relevance of Post-Primary Education

Given the large increase in support for post-primary education in the past decade, it is somewhat surprising that the share of education projects with objectives related to the labor force relevance of education has not increased. The share of Education Sector projects financing tertiary education rose from 18 to 40 percent and for vocational education from 18 to 33 percent over the past decade, yet the share of education projects with objectives related to labor market relevance or employment has hardly budged. This disconnect suggests a lack of attention to the links between post-primary education and the labor market and the risk of low relevance of Bank support.

Labor market-related objectives of education projects have also been difficult to achieve, and attribution of labor market outcomes to education support has been problematic. In fact, the results frameworks linking post-primary education to labor force outcomes have been particularly weak. Only five of the nine recently completed projects with labor market objectives had identified any outcome indicator. When data were provided, they tend to be from two points in time, and labor market variables clearly can fluctuate a great deal. Simple indicators like the employment rate do not reveal anything about the type of occupation, the sector of employment, earnings, opportunities, or the duration and stability of the employment of graduates.

All the projects that reported on outcomes found positive results, but for the most part they were unable to convincingly attribute results to the education support. Weaknesses in the conceptual framework may reveal a lack of prior analysis or understanding of the links between the education system and the labor market, something that warrants further investigation.

Labor market-related education objectives are also relatively prominent in education projects managed by other sectors, particularly those managed by the Social Protection Sector. This review found that Education Staff do participate in preparation and supervision of a substantial share of projects managed by other sectors when there are explicit education objectives. The review was not able to look into the extent to which projects managed by the Education Sector are benefitting from cross support and other expertise from other sectors when it comes to improving the market relevance of post-primary education.

Reversing Slippage in Sector Performance

The Education Sector will face additional challenges in turning around the recent decline in project performance. The share of Education Sector projects with satisfactory outcomes declined in the past decade, from 82
to 69 percent. The cause of the decline is not easy to pinpoint; increasing the number of projects with multiple sub-sectors, expanding support to post-primary education in low-income countries, and the learning outcome agenda will increase the complexity of the portfolio and provide additional challenges.

This review points to key factors in project design and preparation that continue to play a role in the performance of recently closed operations and suggest avenues for improvement: realism with respect to the time frame for results and the level of political commitment; the degree of complexity of project design in relation to the borrower’s capacity; the adequacy of ex ante risk assessment and mitigation plans; and a well thought-through results framework with clear objectives and indicators linking outputs to outcomes and impacts—in both the short and long term.

Knowledge Database

Finally, although the knowledge database anticipated by the 2020 Education Strategy will benefit from many recently launched impact evaluations, the potential contribution of stronger monitoring and evaluation of government programs supported by the Bank should not be overlooked. Much could be learned—and with greater relevance to the local context—by ensuring better project monitoring and evaluation. Understanding the factors contributing to the variation in results for learning and labor force outcomes will be key to improving performance.

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Contact IEG:

Director-General, Evaluation: Vinod Thomas
Director: Cheryl Gray (IEGPS)
Manager: Monika Huppi (IEGPS)
Task Manager: Martha Ainsworth (IEGPS)

For more information, please contact us at:
http://www.worldbank.org/ieg
IEG Help Desk: (202) 458-4497
E-mail: ieg@worldbank.org