



USAID
FROM THE AMERICAN PEOPLE

PATHWAYS TO LEARNING IN THE 21ST CENTURY: TOWARD A STRATEGIC VISION FOR USAID ASSISTANCE IN EDUCATION

VOLUME I: TECHNICAL REPORT

June 2009

This publication was produced for review by the United States Agency for International Development. It was prepared under the Global Evaluation and Monitoring II BPA Number EDH-E-00-08-00003-00. It was prepared by the Aguirre Division of JBS International, Inc.

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The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Acknowledgements

The JBS Technical Report, *Pathways to Learning in the 21st Century: Toward a Strategic Vision for USAID Assistance in Education*, reflects four months of technical research and discussions within and outside USAID. Overall direction for the exercise was provided by USAID's Education Strategy Planning Committee (ESPC) under the leadership of Suezan Lee (ESPC chair), John Hatch (ESPC deputy chair), Patrick Collins (basic education chair), Clare Ignatowski (workforce development chair), and Ken Lee (higher education chair). As the ESPC regional representatives, Lubov Fajfer (E&E), Sharon Mangin Nwankwo (AFR), LeAnna Marr (AME), and Barbara Knox-Seith (LAC) guaranteed a field perspective. Yolande Miller-Grandvaux (EGAT/ED) ensured the special issues related to conflict and fragile states were integrated into the exercise. Jim Hoxeng (BE), Martin Hewitt (HE), Gary Bittner (HE), Kelley Cormier (WfD), and Sonjai Reynolds-Cooper (LAC) all provided their time, ideas, and intermittent coverage in the absence of the subsector chairs.

The JBS technical team included Sarah Auten (project manager), Catherine Balsis (strategy advisor and editor), Caroline Fawcett (workforce development), William Saint (higher education), Gita Steiner-Khamsi (basic education). Roger Rasnake (JBS project director) guided the team at critical junctures, Abigail Ladd (JBS research associate) provided research and drafting support throughout the process, and Jason Tolub (JBS project associate) assisted during the latter phases of USAID discussions and report development.

USAID mission field staff and a number of implementing partners and subject area specialists contributed valuable insights and feedback during the technical discussions phase. A special thank you is extended to the Academy for Educational Development for access to the Global Learning Portal during five weeks of virtual discussions, and to the Society for International Development for hosting USAID's meeting with external stakeholders.

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ACRONYM LIST

AAA	Accra Agenda for Action
AED	Academy for Educational Development
AFGRAD	Africa Graduate Fellowship
ATLAS	Advanced Training for Leadership and Skills
BEC	Basic Education Coalition
CASS	Cooperative Association of States for Scholarships
CINTERFOR	Inter-American Centre for Knowledge Development in Vocational Training
DCA	Development Credit Authority
EDC	Educational Development Center
EDDATA	Education Data for Decision-Making
EFA	Education for All
EGAT/ED	Economic Growth, Agriculture, and Trade Bureau Education Office
EGRA	Early Grade Reading Assessment
EMIS	Education Management and Information Systems
EPDC	Education Policy and Data Center
EQUATE	Education from a Gender Equality Perspective
EQUIP	Educational Quality Improvement Program
ESPC	Education Strategy Planning Committee
FORECAST	Focus on Results: Enhancing Capacity across Sectors in Transition Countries
GDA	Global Development Alliances
GDP	Gross domestic product
GER	Gross Enrollment Ratio
GGGI	Global Gender Gap Index
GLP	Global Learning Portal
GWIT	Global Workforce in Transition
ICT	Information and communications technology
IDA	International Development Assistance
IEA	International Education Association
ILO	International Labor Organization
INEE	Inter-Agency Network for Education in Emergencies
IQC	Indefinite Quantity Contract

IRI	Interactive Radio Instruction
LOE	Level of Effort
LLECE	Latin American Laboratory for the Assessment of Educational Quality
MDG	Millennium Development Goals
MLA	Monitoring Learning Achievement
NER	Net Enrollment Rate
NGO	Non-governmental organization
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PASEC	Program on the Analysis of Education Systems
PIRLS	Progress in International Reading Literacy Study
PISA	Program for International Student Assessment
SAQMEC	Southern and Eastern Africa Consortium for Monitoring Educational Quality
SSME	Snapshot of School Management Effectiveness
TIMMS	Trends in International Mathematics and Science Study
TVET	Technical and Vocational Education and Training
UIS	UNESCO Institute of Statistics
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UPE	Universal Primary Education
USAID	United States Agency of International Development

EXECUTIVE SUMMARY

Background

1. Over a four-month period of research and technical discussions, the USAID Education Office in the Economic Growth, Agriculture, and Trade Bureau (EGAT/ED) sought the insights and experience of internal and external stakeholders on the trends and issues of education in developing countries.¹ Deliberations addressed a range of topics from the factors affecting the supply and demand of education; to USAID strengths and weaknesses in delivering education programs; to prospects and concerns specific to basic education, higher education, and workforce development and the linkages between these subsectors.

2. The JBS report of this exercise is divided into three volumes. Reflecting the key findings from the research and discussions, *Volume I* is the technical report text and lays the basis for discussing and developing USAID's strategic vision document for Education. It outlines how education assistance is in the U.S. national interests, discusses the importance of education in development, proposes a strategic framework for USAID assistance to Education, and delineates key factors associated with each subsector. *Volume II* contains the research papers prepared during the course of the exercise. *Volume III* contains the summary process reports of the virtual discussions, regional phone calls, and strategy workshop.

Key Messages from Technical Discussions

3. Overarching messages from the education strategy exercise include a range of topics:
- *Recognize the needs of different audiences.* Participants recommended several different types of documents:
 - **a strategic vision** that will set the overall rationale, direction, and parameters for education assistance;
 - **operational guidance** that will lay out requirements and guidelines for programming resources in and across the education subsectors; and
 - **toolkits** that will assist field staff in carrying out their responsibilities in advocating for the sector and designing, monitoring, and evaluating activities.
 - *Balance guidance with flexibility.* Field staff requested sufficient flexibility in the strategy to adapt USAID/Washington guidelines to in-country circumstances.
 - *Describe a holistic approach that captures different levels and types of education.* Since countries require a mix of knowledge and skills to advance, USAID should broaden its framework to include basic education, workforce development, and higher education.
 - *Provide a deeper understanding of education linkages between subsectors.* By identifying and supporting the linkages between basic education, higher education, and workforce development, USAID can maximize the impact of assistance.

¹ Technical deliberations included teleconferences with USAID field staff and online discussions with internal and external audiences. See Annex I for a description of the process and list of research products.

- *Lay the basis for cross-sector synergies.* USAID’s multi-sector approach to development enables it to identify and address the nexus between education and other sectors -- economic growth, democracy, health, and poverty alleviation.
- *Put a greater focus on “learning for all”.* Ultimately, the purpose of education is ‘learning’ and education assistance must consider an array of variables to ensure the quality of learning outcomes.
- *Promote USAID’s strength in delivering assistance.* The Agency’s project-based approach allows Missions to initiate programs more quickly and efficiently than other donors, to pilot new and innovative approaches to education, and to foster collaborative relations among a range of private and public institutions in support of a government’s education agenda.

Overview of USAID’s Approach to Education

4. This report provides an overall conceptual approach to USAID assistance in education. It emphasizes that education is a continuum and thus suggests there is a need to look holistically at how possible interventions are supported by (or not) and contribute to (or not) other points on this continuum. The proposed approach outlines a framework of subsector objectives, priorities, and crosscutting themes; identifies critical program linkages between the subsectors; and presents a set of general principles for education programming. At the same time, it recognizes the importance of the Paris Declaration on Donor Effectiveness as well as the unique nature of each country. Thus, within the overarching framework, decisions on specific country strategies and education interventions are decentralized to the Mission level.

5. This report emphasizes not just technical priorities, but also management considerations, in order to support the most effective use of funds. There is nothing inherently more or less effective about investing in one subsector over another (e.g. out of school youth vs. early childhood education). Rather, impact, cost effectiveness, and return on investment must be assessed at the country level based on what can actually be achieved. The main challenge for education programming over the years has been how to support educational improvements that are meaningful at the national level and are institutionally sustained at all relevant levels. USAID experience has shown that it can produce positive outcomes for relatively small numbers of beneficiaries for the duration of project funding (i.e. ‘patches of green’). The current challenge and expectation for education donors is to support aspects of country education plans that achieve significant, sustainable national impact. This requires sound collaborative planning and design; ongoing coordination with donors, ministries and other stakeholders at various levels; sound plans for country ownership, capacity development, and USAID phase out; and effective ongoing monitoring and evaluation.

Proposed Framework for USAID Assistance in Education²

6. USAID’s overarching goal in Education is for people to gain the knowledge, skills, values, and attitudes they need to improve their lives and contribute to a peaceful and productive society. To advance this goal, USAID will improve system access, quality, and capacity in and across three subsectors -- basic education, workforce development, and higher education.

7. For each subsector, the framework proposes an objective and four priority areas. Together they form parameters to guide the focus of USAID programs, but they must be refined and adapted to local conditions through country analysis, dialogue, and planning. The priorities listed under each subsector are not presented in any hierarchical scheme or order of preference. Each Mission will make strategic

² See one page summary of framework, page 8 of this summary and Annex 2.

choices based on a range of variables associated with country conditions, host country plans, funding levels, and other donor involvement.

Basic Education: developing foundational skills for learning, citizenship, and work.

8. USAID's objective is to promote equitable access to a quality basic education. Four priorities are emphasized:

- *Improving access, including reaching under-served populations who are not enrolled in learning programs, have dropped out, or are at risk;*
- *Ensuring that students are learning basic, relevant knowledge and skills through improved pedagogy, materials, and management in both formal and non-formal systems;*
- *Coordinating with host countries and international donors to implement nationally-owned education plans and policies; and*
- *Promoting coherent and transparent educational systems that continuously measure, monitor and evaluate progress with clearly defined standards and benchmarks.*

Workforce Development: developing the technical and employability skills for the labor market.

9. USAID's objective is to promote policies and programs that help learners and workers acquire the competencies they need to be productively employed. Four priorities are emphasized:

- *Increasing access by reaching out-of-school youth and supporting women's transition into the workplace;*
- *Strengthening providers' responsiveness to community and private enterprise demands through curriculum reform, professional development, and partnerships;*
- *Promoting workforce development policies that support private sector development and encourage financial sustainability through public-private partnerships at the national, regional, and local levels; and*
- *Supporting policies and approaches that regulate certification and accreditation standards in the private sector, monitor and evaluate institutional effectiveness, and measure learning outcomes.*

Higher Education: developing the knowledge, technology, best practices, and human capital for local and national development.

10. USAID's objective is to strengthen capacity to provide quality higher education and training, undertake critical research, and increase access for clearly disadvantaged groups. Four priorities are emphasized:

- *Increasing access for underserved and disadvantaged groups through diversified financial arrangements, scholarship assistance, diverse forms of instructional delivery, and academic and other support services;*
- *Enhancing the quality of education and research through curriculum reform, faculty and staff training, more rigorous quality monitoring, an expansion of applied research, improved private sector collaboration, and greater overall articulation within the broader educational system;*
- *Cultivating a diverse system of autonomous and accountable higher education institutions, responsive to national development needs and capable of effective collaboration with the public and private sectors, by adjusting pertinent higher education policies or legislation and supporting relevant institutional interventions; and*
- *Involving key constituencies (e.g., students, faculty and staff, funders, employers, and the public) in quality assurance, financial oversight, and monitoring of learning outcomes through consultative*

approaches, relevant modifications to mechanisms for institutional governance and management, and other appropriate means.

Three cross-cutting themes strengthen education programming.

11. **Gender.** USAID has a long history of increasing girl's and women's access to education. The recent emphasis on education quality, however, requires continued attention to gender dynamics to ensure that inequality between and among girls and boys and women and men is not overlooked. USAID programs will take into account the four dimensions of gender equality in education: equality of access, of the learning process, of educational outcomes, and of external results, including career opportunities.

3

12. **Youth.** Decisions made by youth related to school completion, employment, personal habits, parenthood, and civic engagement have the biggest long-term impact on human capital. While those lacking opportunities are more susceptible to unproductive influences, experience has demonstrated that youth can be a positive force for change -- for themselves, for their communities, and for sustaining development gains into the future. The education sector is uniquely positioned to engage youth in formal and non-formal education settings and to help them gain basic literacy and numeracy skills, acquire knowledge and skills for the workplace, and to advance students to upper levels of study.

13. **Fragility and Conflict.** Education can play a key role in mitigating or contributing to instability and fragility.⁴ Root causes of fragility and conflict stem from unstable economic, political, social and security environments and can be exacerbated or mitigated by education. Increased investment in the education sector acts as a catalyst for social tolerance, reconciliation, community and nation-building, and prevention of violence. Countries that invest in equitable education reduce their own vulnerability to civil unrest. Conversely, discrepancies in educational opportunity can contribute to crisis, particularly where economic hardships coincide with regional, ethnic, and religious cleavages.⁵

Maximizing Impact with Education Linkages

14. Recognizing and supporting the linkages between basic education, workforce development, and higher education can create greater program complementarity and improve the efficiencies and results of USAID investments.⁶

15. For example, the access, quality, and relevance of **basic education** is vital to laying the foundation among all learners for work and higher level study. Education and training problems are significantly compounded (and more costly to resolve) if learners have not gained numeracy, literacy, and other skills such as critical thinking, problem-solving, teamwork, and knowledge generation at an early stage. The basic education priority of keeping youth in school can be met in part by paying closer attention to what workforce development approaches offer to at-risk youth, such as more flexible and relevant opportunities that support 'learning and earning'. Mentoring, tutoring, and counseling services can motivate disadvantaged students to aspire for higher levels of education.

³ See USAID, May 2008. *Education from a Gender Equality Perspective* and *The Gender Equality Framework*. A Report developed for the USAID Office of Women in Development by the EQUATE Project.

⁴ INEE Working Group on Education and Fragility (2008). *Education and Fragility: A Synthesis of the Emerging Research*. Amherst: Center for International Education, University of Massachusetts. Y. Miller-Grandvaux (2009). *Education and Fragility. A New Framework*. Journal of Education for International Development, Volume 4, Issue 1, April 2009.

⁵ USAID, 2005. *Education Strategy: Improving Lives Through Learning*. USAID: PC-ACD-232.

⁶ See Linkages discussion for each subsector (Section F) and the Linkages Matrix in Annex 3.

16. Career and work are essential aspects of a learner's development. School-to-work transition, career education, and job placement are just a few of the **workforce development** models that need to be integrated into primary, secondary, and tertiary education. Modalities such as internships, job-shadowing, and career exploration keep formal schooling relevant by introducing workforce incentives into the curriculum and motivating students to strive in their studies in order to achieve meaningful livelihoods. Where students cannot enter or return to the classroom, second chance education and vocational training offer alternatives to youth and adults. Integrating basic literacy and numeracy skills into rudimentary technical training (e.g., agriculture extension to small farmers; sewing instruction for women) addresses primary and workforce objectives simultaneously.

17. **Higher education** institutions can be employed to support objectives and priorities in the other subsectors. A concerted effort to build higher education capacity for training teachers and administrators, developing curriculum, evaluating educational processes and outcomes, and providing graduate level coursework and research to mid-career educators enhances and sustains the quality and efficiency of the whole education system. University-supported employer surveys, tracer studies, and labor market trend analyses provide valuable feedback on the content of technical and vocational training programs.

18. **Collaboration and planning with multiple stakeholders.** Families, communities, and private companies are key stakeholders in students' preparedness to get jobs and be productive. They have a vested interest in educational reforms and building accountability at all levels of the system. Beyond local parent-teacher associations and school boards, there are numerous models to draw on. For instance, community-run Charter Schools use work-based and accelerated approaches to help youth complete secondary school. The involvement of government, higher education institutions, and the private sector in the formulation of workforce initiatives is integral to provincial/regional economic development planning. The responsiveness of education and training to the needs of emerging industries is a critical element as is the R&D capacity of universities to develop new technologies, manufacturing processes, and products and services.

Adapting Assistance to the Country Context

19. As a result of varying levels of economic and educational development, sector challenges differ among countries and USAID Missions will analyze issues and make program choices within the context of their countries, the host government's national education plans, funding levels, and other donor activities. While it is not expected that Missions will necessarily choose to work in the three subsectors outlined in this report, they are encouraged to assess their education problems, engage in policy dialogue, and design strategies within the broader framework for education assistance to capture significant linkages and ensure synergies. This holistic approach to the education sector combined with other cross-sectoral approaches is ways in which USAID can maximize the impact of its investments in education.

Proposed Guiding Principles for Education Programming

20. USAID is a small but potentially significant player in this sector – generally providing far less than 1 percent of total expenditures for even basic education within countries. The challenge for Missions is to shape education interventions that are cost effective, yet provide the greatest impact. The following principles are proposed for USAID's consideration. They are adapted from the 2005 Education Strategy, but are updated and expanded to include key concepts from the technical discussions. Underlying all of these principles is the overarching concern of seeking maximum effect with finite resources.

Systematically pursue a sector-wide approach in making strategic choices and designing programs

21. In keeping with the *Paris Declaration on Aid Effectiveness*, USAID aligns its education programming with the priorities and objectives established by the recipient government's national plans. In doing so, USAID takes special account of the activities and contributions of **other donors** and actively coordinates with them to reinforce efforts and avoid duplication. Drawing on its comparative advantage in project-based assistance, USAID assesses proposed programs in the context of activities and issues in three education areas (e.g., basic education, workforce development, higher education) and in other development sectors (e.g., health, social protection, productivity, citizenship).

22. In fragile states, where government is weak or non-existent, USAID coordinates its efforts with a range of partners, including civil society organizations, interim state representatives, or multilateral organizations that assume leadership and have decision-making authority.

Avoid “aid favoritism” and the perpetuation of inequities caused by external assistance

23. USAID ensures that its assistance does not inadvertently perpetuate unequal treatment of regions, districts, schools, or groups within a country, thereby creating in the longer run “pockets of exclusion” and fragility. It mitigates the risk that external aid may be channeled only to groups with prior international exposure, with specific ethnic or linguistic identity, or with proximity to urban areas.

Increase the efficiency and effectiveness of education systems

24. USAID promotes system efficiency by encouraging competition as appropriate and building capacity at all levels for planning, managing, and evaluating education programs. It increases effectiveness by focusing on learning outcomes – the knowledge and skills learners need to successfully enter the workforce or proceed to the next cycle of studies.

Support innovation and knowledge-sharing across countries

25. Education and training institutions must manage and adjust to rapid change. USAID supports active communication, information sharing, and collaboration that transcend national boundaries and prompt new forms of regional partnerships among governments and institutions for problem-oriented innovation.

Use pilot projects as one tool in a broader education strategy

26. USAID supports pilot projects that contribute to ongoing educational reforms by demonstrating innovations or new technologies, creating awareness and political will, or helping frame the policy debate. Because pilots need to be cost-effective, replicable, and sustainable, USAID will evaluate the effectiveness of pilots (including randomized trials) and build in exit, scaling-up, and hand-over strategies.

Leverage additional resources

27. With few exceptions, neither USAID nor any other single donor is in a position to tackle the full range of educational challenges in a particular country. In addition to donor coordination (cited under the first principle), USAID actively seeks opportunities to work in partnership with U.S. private firms, foundations, and other organizations committed to educational development through the Global Development Alliances (GDA) and the Development Credit Authority (DCA).

Learn from performance monitoring and evaluations

28. USAID couples performance monitoring with different types of evaluation (formative, summative, and impact) to increase its understanding of why education results occur and what value an activity adds. This combined knowledge informs program management and provides lessons learned to

colleagues and organizations concerned with education progress. USAID is committed to disseminating its lessons in educational development in a systematic manner.

Promote sustainability in traditional and non-traditional ways

29. USAID seeks to ensure that its investments become institutionally and fiscally sustainable. Policy dialogue with host governments and capacity-building of management and delivery systems form the basis for sustainability in education. USAID will augment these efforts by promoting a culture of learning through collaborative partnerships that link communities, the private sector, education and training institutions, and government in common cause for an educated population.

Collaborate with other USG Agencies

30. Following the lead of the new Administration and Congress, USAID seeks coherence and efficiency with other U.S.-supported programs in education. To this end, it reaches beyond Agency boundaries to integrate with the planning and delivery efforts of other USG groups supporting the educational development in partner countries.

Leveraging USAID's Strengths in Delivering Education Assistance

31. USAID has considerable assets that it “brings to the table” in providing educational assistance to developing nations. These include: (i) field presence and organizational flexibility, enabling Missions to respond to country-specific conditions and needs in a multi-disciplinary fashion; (ii) in-depth program experience, institutional networks, and technical capacity; (iii) American technology and innovative spirit; (iv) strong commitment to social equity and quality in education; (v) unique models from the American education system (e.g., programs for pre-school children, at-risk youth, special needs students; land grant and community college systems); and (vi) a willingness to learn and improve.⁷

Collaborating With U.S. Government Agencies and Other Donors

32. To meet the challenges of educational development, USAID's approach must include systematic coordination and collaboration with other U.S. Government (USG) Agencies and with multilateral and bilateral donors. USG planning and budgeting processes provide specific opportunities during the programming cycle for the different government agencies to develop program coherence and efficiencies in support of the *Investing in People* foreign assistance objective. Effective collaboration with other donors can be more complex as different aid groups respond to the varying requirements of their organizations and governments. A useful step in thinking strategically about donor collaboration is to “map” other donor involvement in the sector in order to understand overall funding distributions, gaps, and duplications as well as potential areas for program interventions and partnering. While this was not part of JBS' mandate for this report, the team has developed some preliminary data on donor funding for education by region and subsector, which is presented in Annex 6.

Action Agenda for the Education Sector

33. During the course of technical discussions and planning meetings, a number of ideas emerged as to how USAID Washington could adapt current operational practices to support the evolution in thinking reflected in the proposed framework for education assistance.

⁷ These strengths are further detailed in Section E. Also see Volume II, Overarching Papers for J.Intili and E. Kissam, 2009. *What Strengths and Weaknesses Does the Agency Have in Developing Education Systems and in Relation to Other USG Agencies and with Other Donors?* Research paper prepared for USAID by JBS International; and Volume III, Summary of Mission Conference Calls.

- *Formulate and test more holistic approaches to education*, such as education sector assessments that examine issues and linkages in and across the subsectors and integrated mechanisms for program design and implementation. With additional funding, USAID also could plan, conduct, and evaluate a few country pilots that embody an integrated, sector-wide approach to education assistance.
- *Explore and develop a regional lens to education strategies and approaches*, such as cross-border (or “borderless”) study, training, research and development, and inter-institutional dialogue and problem-solving.
- *Design systematic approaches to program measurement, analysis, and planning*, including cross-country data analysis similar to the health sector or the E&E annual *Monitoring Country Progress* report.
- *Develop operational guidance and field tool kits*. Based on field suggestions, operational guidance needs to be updated annually and would cover programming issues such as funding streams and earmarks. Toolkits might include user-friendly briefers on how education integrates and supports USG commitments and strategies in the foreign assistance “F” framework; illustrative indicators and PMPs centered around typical program models; and examples of well-written scopes of work.
- *Develop and implement an annual research agenda for education*. In collaboration with the regional representatives and the field, EGAT/ED could develop a list of meaningful research topics that would assist and inform education programming.

34. If USAID approves a more integrated approach to education assistance, as implied in the proposed strategic framework, it may want to explore the implications of the strategy for financial resources, staffing and professional development, and organizational structures and communications. Deliberations raised several questions in this regard. How can staffing and training be updated to reflect the ideas of the framework? What training gaps will USAID need to address? What sector competencies will the USAID need to implement its new strategy? In terms of the communications among education sector practitioners in and outside of USAID, what lessons have been learned through the Education Strategy Planning Committee (ESPC) process? Given its dual responsibilities of technical leadership in the sector and support to the field, what steps can EGAT/ED take to strengthen its role within USAID vis-à-vis the field and regional bureaus, other EGAT offices, and other technical bureaus?

Proposed USAID Strategic Framework for Education

Overarching Goal		
People gain the knowledge, skills, and attitudes they need to improve their lives and contribute to a peaceful and productive society.		
Assistance Focus		
USAID directs its assistance to improve system access, quality, and capacity in basic education, workforce development, and higher education.		
<u>Basic Education</u>	<u>Workforce Development</u>	<u>Higher Education</u>
<i>Developing foundational skills for learning, citizenship, and work</i>	<i>Developing technical and employability skills for the labor market</i>	<i>Developing the knowledge, technology, best practices, and human capital for local and national development</i>
<u>Objective:</u> Promote equitable access to quality basic education.	<u>Objective:</u> Promote the acquisition of competencies needed by youth and adults to be productively employed.	<u>Objective:</u> Strengthen capacity to provide quality higher education and training, undertake critical research, and expand access.
<u>Priorities:</u> - <i>Access & Equity.</i> Improve equal access to quality basic education, including for underserved populations who are not enrolled, have dropped out, or are at risk. - <i>Quality and Relevance.</i> Ensure that students are actually learning basic, relevant knowledge and skills through improved pedagogy, materials, and management in formal and non-formal systems. - <i>Systemic Reform.</i> Coordinate with host countries and international donors to implement nationally-owned education plans and policies. - <i>Accountability, Transparency & Measuring Results.</i> Promote coherent and transparent systems that continuously measure, monitor and evaluate progress with clearly defined standards and benchmarks.	<u>Priorities:</u> - <i>Access and Equity.</i> Reach out-of-school, unemployed youth and support women’s transition into the workplace. - <i>Quality and Relevance.</i> Strengthen providers’ responsiveness to community and private enterprise demands through curriculum reform, professional development, and partnerships. - <i>Systemic Reform.</i> Promote workforce development policies that support private sector development and encourage financial sustainability through public-private partnerships at national/regional/local levels. - <i>Accountability, Transparency & Measuring Results.</i> Promote policies and approaches that regulate certification and accreditation standards in the private sector; monitor and evaluate institutional effectiveness; and measure learning outcomes.	<u>Priorities:</u> - <i>Access and Equity.</i> Reach underserved and disadvantaged groups with diversified financial arrangements; scholarship assistance; expanded instructional delivery; and support services. - <i>Quality and Relevance.</i> Enhance education and research through curriculum reform, faculty and staff training, rigorous quality monitoring, expansion of applied research, private sector collaboration, and greater articulation within the broader education system. - <i>Systemic Reform.</i> Cultivate a diverse system of autonomous and accountable higher education institutions responsive to national development needs and capable of effective collaboration with the public and private sectors. - <i>Accountability, Transparency & Measuring Results.</i> Involve key constituencies (students, faculty and staff, funders, employers, public) in quality assurance, financial management, and monitoring of learning outcomes.
----- Cross-cutting issues for all subsectors: gender, youth, and conflict -----		

Volume I: Technical Report

A. Introduction

“Education is the most powerful weapon you can use to change the world.”

Nelson Mandela

1. Education¹ is central to a nation’s development. It is a powerful vehicle for promoting peace and stability, reducing poverty and inequality, improving health, and laying a foundation for sustained economic growth and participatory democracy. While education alone cannot achieve these goals, it empowers individuals, communities, and societies to manage the risks and respond to the opportunities associated with a modern, interconnected world.

2. Public demand for education is intensifying around the globe, as evidenced by rising enrollment rates at all levels, increasing amounts of financial investment, and growing migration and mobility in search of educational opportunities. At the same time, progress has been uneven and challenges have surfaced across the education spectrum.² For example, completions of primary school and participation at the secondary level have not kept pace with the sharp increase in primary entry rates. Poverty and rural location remain significant barriers at all levels of learning. Despite considerable achievements in basic literacy among youth,³ students in school are still achieving far below international norms. Gender inequality in schooling persists in some regions; where female gains in education have been achieved, progress has not translated into broad participation in the labor force. The role and value of non-formal education and workforce development varies widely among countries, leaving too many without options for learning and work. And, the quality and relevance of all learning platforms are challenged as governments and institutions grapple with rising demand for education and the rapidly changing skill needs of a global economy.

3. In response to these changing conditions, USAID initiated a process to review and inform its approach in the education sector. Over a four-month period of research and technical discussions, the USAID Education Office in the Economic Growth, Agriculture, and Trade Bureau (EGAT/ED) sought the insights and experience of internal and external stakeholders on the trends and issues of education in developing countries.⁴ Deliberations addressed a range of topics from the factors affecting the supply and demand of education; to USAID strengths and weaknesses in delivering education programs; to prospects and concerns specific to basic education, higher education, and workforce development and the linkages between these subsectors.

Key Messages from Technical Discussions

4. What has emerged from these discussions is an evolution in thinking that builds and expands on earlier strategies. Overarching messages from the process include a range of topics:

¹ In this paper, education refers to the range of learning opportunities in formal, non-formal, and informal settings and includes three subsectors: basic education, workforce development, and higher education. See section F for definitions of each subsector.

² For background on the following challenges, see Education Policy and Data Center (EPDC), 2009 (January draft version). *Global Educational Trends, 1970-2025: A Brief Review of Data on Ten Issues*. Washington, D.C.: Academy for Education; F. Huebler, 2007. *Disparity between adult and youth literacy*. Geneva: ILO.

³ Youth cohort defined as 15-24 years old.

⁴ Technical deliberations included teleconferences with USAID field staff and online discussions with internal and external audiences. See Annex I for a description of the process and list of products.

- *Recognize the needs of different audiences.* In analyzing the needs of Congress, USAID Washington, Mission field staff, and implementing partners and other stakeholders, participants acknowledged the desirability of developing several different types of documents:
 - **a strategic vision** that will set the overall rationale, direction, and parameters for education assistance;
 - **operational guidance** that will lay out requirements and guidelines for programming resources in and across the education subsectors; and
 - **toolkits** that will assist field staff in carrying out their responsibilities in advocating for the sector and designing, monitoring, and evaluating activities.
- *Balance guidance with flexibility.* While it is essential to provide parameters and guidance for education programming, field staff require sufficient flexibility to adapt USAID/Washington guidelines and principles to in-country circumstances.
- *Describe a holistic approach that captures different levels and types of education.* Countries require a mix of knowledge and skills to advance and no one method or level of support will address the specific human capacity needs of all assistance environments. With its in-country presence and technical expertise, USAID is well-suited to broaden its approach to consider potential interventions in basic education, workforce development, and higher education.
- *Provide a deeper understanding of education linkages between subsectors.* Identifying and supporting the learning and institutional linkages between basic education, higher education, and workforce development can maximize the impact of USAID funding and sustain gains after programs end.
- *Lay the basis for cross-sector synergies.* A more knowledgeable and skilled workforce enhances productivity; a literate public with access to information casts more informed ballots; an educated population makes healthier lifestyle choices. USAID's multi-sector approach to development enables it to identify and address the nexus between education and other sectors -- economic growth, democracy, health, and poverty alleviation.
- *Put a greater focus on "learning for all".* Ultimately, the purpose of education is 'learning'. Education assistance must consider an array of variables to ensure the quality of learning outcomes. Focusing on 'learning for all' can help policy makers and providers think more strategically about the dynamic interplay of access, equity, and quality in a range of learning opportunities and delivery modes at all levels.
- *Promote USAID's strength in delivering assistance.* The Agency's project-based approach allows Missions to initiate programs more quickly and efficiently than other donors, to pilot new and innovative approaches to education, and to foster collaborative relations among a range of private and public institutions in support of a government's education agenda.

B. Education Assistance is in the U.S. National Interests

5. The U.S. National Security Strategy explicitly promotes development, in conjunction with defense and diplomacy, as a key pillar of American foreign policy. Recognizing that "literacy and learning are the foundation of democracy and development,"⁵ the United States quadrupled funding for education assistance from 2002-2008.⁶

⁵ The National Security Strategy of the United States, 2002, p. 23.

⁶ The USAID basic education budget alone increased from \$150 million to 694 million, 2002-2008.

B.1 Education Helps Achieve Foreign Assistance Objectives

6. The education sector plays an instrumental role in achieving the five U.S. foreign assistance objectives of the joint State/USAID strategic plan: peace and security; democracy and governance; investing in people; economic growth; and humanitarian assistance.⁷ It exercises this influence by preparing children and youth to participate in society and enabling learners of all ages to gain the skills they need to lead healthy, productive lives. At a societal level, education promotes stability and positive participation in the global community.

Achieving Peace and Security

7. Fragile and conflict-affected states⁸ have emerged as a key priority in the Education for All (EFA) agenda.⁹ UNICEF estimates that one in four children -- approximately 540 million worldwide -- live in dangerous, unstable conditions.¹⁰ In 2005, the thirty-five countries identified as fragile states by the OECD were home to 37 percent of the world's out-of-school children¹¹ and at least a quarter million children were exploited as child soldiers.¹²

8. Increased investment in the education sector acts as a catalyst for social tolerance, reconciliation, community and nation-building, and prevention of violence. Countries that invest in equitable education reduce their own vulnerability to civil unrest. Conversely, discrepancies in educational opportunity can contribute to crisis, particularly where economic hardships coincide with regional, ethnic, and religious cleavages.¹³ Rapid investment in post-conflict learning systems serves as an incentive to maintain peace by changing destructive group norms and rehabilitating and reintegrating child soldiers into society.¹⁴

Governing Justly and Democratically

9. Education is a powerful tool for building and sustaining democracies. Studies show a significant correlation between higher levels of education, political stability, and strength of democratic rights.¹⁵ Cross-national research has demonstrated that public perceptions of and support for democracy are strongly related to years of formal schooling at the primary and secondary level.¹⁶

10. Experience points to the role of education in promoting civic engagement, social cohesion, and good governance.¹⁷ It is a conduit for information about citizen rights and responsibilities regarding the rule of law, participation and transparency in government, and elimination of corruption. Schools themselves serve as localized centers through which communities can organize and build social capital.¹⁸

⁷ The Joint Strategic Plan of the U.S. Department of State and USAID: 2007-2012. For background on this section, see Volume II, Overarching Papers (A. Ladd, 2009. *What is the Relevance of Education to Other U.S. Government Foreign Assistance Objectives?* Paper prepared for USAID by JBS International).

⁸ Since 2005, USAID distinguished fragile states, from those already in crisis, as "countries that are vulnerable, i.e., where services, security, and legitimacy are tenuous, and where violent conflict is a reality or a great risk."

⁹ UNESCO, 2008. *EFA Global Monitoring Report Summary: Education for All by 2015, Will We Make It?* Paris: UNESCO.

¹⁰ Basic Education Coalition, 2003. *Education in Crisis Situations*. Accessed online: www.basiced.org.

¹¹ UNESCO. 2008. *Ibid*.

¹² Basic Education Coalition (BEC), 2005. *Children in Conflict Situations: Educating Child Soldiers*. Accessed online: www.basiced.org.

¹³ USAID, 2005. *Education Strategy: Improving Lives Through Learning*. USAID: PC-ACD-232.

¹⁴ See BEC, 2005; and B. Barakat, et al. 2008. *Desk Study: Education and Fragility*. Oxford, UK: Conflict and Education Research Group.

¹⁵ Basic Education Coalition (BEC), 2004. *Teach a Child; Transform a Nation*. Washington, D.C. refers to studies by the World Bank and Freedom House.

¹⁶ G. Evans and P. Rose, 2007. *Education and Support for Democracy in Sub-Saharan Africa: Testing Mechanisms of Influence*. Working Paper No. 75. Afrobarometer Working Papers: Cape Town.

¹⁷ M. Boissiere, 2004. *Rationale for Public Investments in Primary Education in Developing Countries*. Washington, D.C.: Operations Evaluation Department, World Bank.

¹⁸ Academy for Educational Development (AED). *Policy Brief: Education's Contribution to Economic Growth*. Internal undated brief received December 2008 from USAID.

Overall, an educated population is more resilient and able to help maintain stability and adapt to social and economic disruption.

Promoting Economic Growth and Prosperity

11. A number of studies discuss the relationship of education and economic growth.¹⁹ Statistical evidence that expanded schooling leads to faster economic growth has been surprisingly weak. However, recent studies that focus on student test scores rather than on school enrollment or years of schooling provide strong support for the conclusion that better schooling leads to faster economic growth, especially in countries with good economic policies. Education directly affects performance in all areas of productive endeavor – agriculture, manufacturing, and services of every kind, including health, communications, and transportation. Competencies acquired in organization, management and the use of technology ensure individual productivity, which in turn contributes to national competitiveness within the global economy. Educational progress reduces poverty, both by encouraging faster growth overall and by giving the children of poor families the skills they need to gain access to the job opportunities that growth produces.

12. Learning transmits knowledge that enables more efficient management of household economies. In addition, higher level skills allow for international labor mobility as individuals seek improved opportunities. In the process, labor migration generates a considerable flow of remittances to home countries, may ease local unemployment problems, and allows workers to acquire new skills, knowledge, and ideas that are often transferred back to their originating countries.

Investing in People

13. Girls' education has demonstrated the strong correlation between investments in education and health outcomes. It is widely accepted that educated girls and women are likely to have healthier pregnancies and be more proactive in ensuring the health, nutrition, and schooling of their children. Children of educated mothers are more likely to succeed in school.²⁰ In addition, with over 70 percent of premature adult deaths linked to behaviors begun in adolescence, basic education is viewed as one of the strongest weapons against risky behaviors leading to HIV infection, unintended pregnancy, and chronic substance abuse.²¹ By imparting literacy, communication tools, and analytical skills, education provides learners with the means to make informed choices that impact the length and quality of their lives.

14. Education also contributes to the protection of vulnerable groups (e.g., ethnic minorities, child laborers, people with disabilities, children in conflict situations, and AIDS orphans) – as a barrier to their exploitation and in empowering them with an understanding of their rights.

Providing Humanitarian Aid

15. Since 2000, millions of people have been displaced from their homes as a result of manmade or natural disasters. On average, at least half of the refugee and internally displaced populations are children. In emergency situations, education programs serve as a source of normalcy to those living in temporary or chronic insecurity.²² Creative interventions have integrated basic education into training

¹⁹ See D. Bloom, D. Canning and K. Chan, 2006. *Higher Education and Economic Development*. Africa Human Development Series No 102. Washington, D.C.: World Bank; F. Luca, 2007. *Returns to Education in the Economic Transition: A Systematic Assessment Using Comparative Data*. World Bank Policy Research Working Paper 4225. Washington, D.C.: World Bank; E. Hanushek and L. Woessman, 2007. *The Role of Education Quality in Economic Growth*. Working Paper 4122. World Bank Policy Research, Washington, D.C.

²⁰ The value of girls' education is widely documented, including BEC, 2004.

²¹ U.S. Department of State, January 2005. "Protecting Youth from AIDS in the Developing World," in *Growing up Healthy*, an issue of *Global Issues*; and Basic Education Coalition, 2008.

²² BEC, 2003, *Ibid*.

for survival and productive pursuits, thus encouraging a sense of purpose during the period of displacement and in building skills for post-crisis life.

B.2 International Agreements Strengthen Donor Coordination

16. Over the last twenty years, significant strides have been made to direct the focus and impact of the donor community on universal issues, including education.

17. The significant role of education in development gained international recognition when over 150 countries pledged their support toward the goal of universal education in 1990 and 164 countries reconfirmed this commitment in 2000 by adopting a Framework for Action for meeting the target of *Education for All (EFA)* by the year 2015. Six EFA goals outline measures of success for the international community: Expand early childhood and care; Provide free and compulsory primary education for all; Promote learning and life skills for young people and adults; Increase adult literacy by 50 percent; Achieve gender parity by 2005 and gender equality by 2015; and Improve the quality of education.

18. EFA is further strengthened by the *Millennium Development Goals (MDGs)*, which include universal primary education; the UN Literacy Decade (2003-2012) and the UN Decade of Education for Sustainable Development (2005-2014). The *Monterrey Consensus* (2002) and follow-up *Doha Declaration* (2008) have mobilized resources and international fiscal cooperation for financing the MDG goals.

19. In an effort to reform the delivery and management of aid, the *Paris Declaration on Aid Effectiveness* was endorsed in 2005 by developed and developing countries as well as multilateral and bilateral donors. The declaration addresses issues of ownership in partner countries, alignment of donors with national development strategies, donor harmonization and transparency, and mutual accountability. In 2008, the *Accra Agenda for Action (AAA)* pledged to accelerate implementation of the Paris Declaration.²³

20. Taken together, these accords form the basis for coordinated action and support in the education sector and influence USAID's guiding principles and approach to education assistance.

C. Investing in Learners at All Levels Makes a Difference

21. No country has reached sustained economic growth without attaining near universal basic education. At the same time, experience is demonstrating that higher education is a powerful engine for prosperity in the global knowledge economy and workforce development programs are essential for building the skills needed for employment and re-employment.²⁴ Comparison of two cases illustrates the importance of investing in all levels of an education system.

C.1 The Role of Education in Development: An Illustration

22. It is well documented that East Asian economies expanded more rapidly than those in other developing regions during the latter half of the 20th century. The USAID economic growth strategy cites the case of South Korea, where per capita incomes rose dramatically from \$770 in 1950 to over \$14,340 in the 1990s.²⁵ In comparison, income levels in the Latin American and Caribbean region grew

²³ For a description of these eight accords, see Volume II, *International Agreements on International Development and Foreign Aid*, January 2009.

²⁴ BEC, 2004, *Ibid. Teach a Child: Transform a Nation*. Washington, D.C.; D. Kapur and M. Crowley, 2008. *Beyond the ABCs: Higher Education and Developing Countries*. Working Paper No. 139. Washington, D.C.: Center for Global Development; and D. Bloom, et al., 2006.

²⁵ USAID, 2008. *Securing the Future: A Strategy for Economic Growth*. Washington, D.C.: USAID.

much less, just doubling from \$3,000 in 1950 to \$6,200 by the end of 1990s.²⁶ Several studies have argued that what distinguished the successful and rapid development of Korea and the other East Asian “tigers” from many of the countries in Latin America was their ability to learn from abroad. The underlying premise of this argument is that the development of skills and technology interact in important ways, and this relationship is a fundamental reason for the observed differences in productivity and incomes across countries.²⁷

23. To illustrate, in the early 1960s Mexico and Korea were both equally underdeveloped agrarian societies with nearly half their populations illiterate. Since that time, the development strategies pursued by each country resulted in dramatically different results. By the turn of the century South Korea possessed one of the finest educational systems in the world and was a world-class producer of high-tech products. Mexico, on the other hand, was still graduating less than half of its secondary school-age students, restricting its ability to adapt and broadly deploy more productive technologies. In South Korea there is a history of close collaboration (manpower planning, research, and training) between government agencies, universities, domestic and foreign industries, and the broader education system. In Mexico, and many other Latin American nations, the collaborative linkages between education systems and industries, with a few exceptions, have been tenuous at best.²⁸

24. The phases of economic development and educational development in South Korea correspond closely, as outlined in the Korea case in Annex 5. As workforce needs evolved from simple, low-level, technical competence to higher-level, multi-tasking competencies, the educational system responded. Starting with universal primary education and adult literacy programs in the 1950s, Korea expanded and diversified educational opportunities through each economic development phase to include distance learning, technical and vocational education and training, and higher education.²⁹ Korea’s education systems continue to evolve and diversify as the nation makes the transition toward a more advanced knowledge economy.

C.2 No One Model Fits All Circumstances

25. While the South Korea example illustrates the importance of education in development, this report is not suggesting that the South Korea “model” should be followed by other countries. Education must be flexible to fit local and national needs and differing levels of development. Whatever model a country chooses to follow, however, there appears to be growing consensus around a set of elements that need to be taken into account when reforming and developing education systems, as depicted in the following figure.³⁰

²⁶ David de Ferranti, et al., 2003. *Closing the Gap in Education and Technology*. Washington, D.C.: World Bank.

²⁷ Ibid. and also see Joonghae Suh and Derek H. C. Chen (ed.), 2007. *Korea as a Knowledge Economy: Evolutionary Process and Lessons Learned*. Washington, D.C.: World Bank; World Bank, 2009. *Korea’s Transition Toward Knowledge Economy*, a K4D Case Study, with lessons learned, focusing on the role of media and international cooperation. Web: worldbank.org; World Bank Report No. 20346-KO, 2000. *Republic of Korea: Transition to a Knowledge-Based Economy*. Report prepared by the World Bank and OECD at the request of the Ministry of Finance and Economy of the Government of Korea, as an input to its strategy for becoming an advanced knowledge-based economy. Washington, D.C.

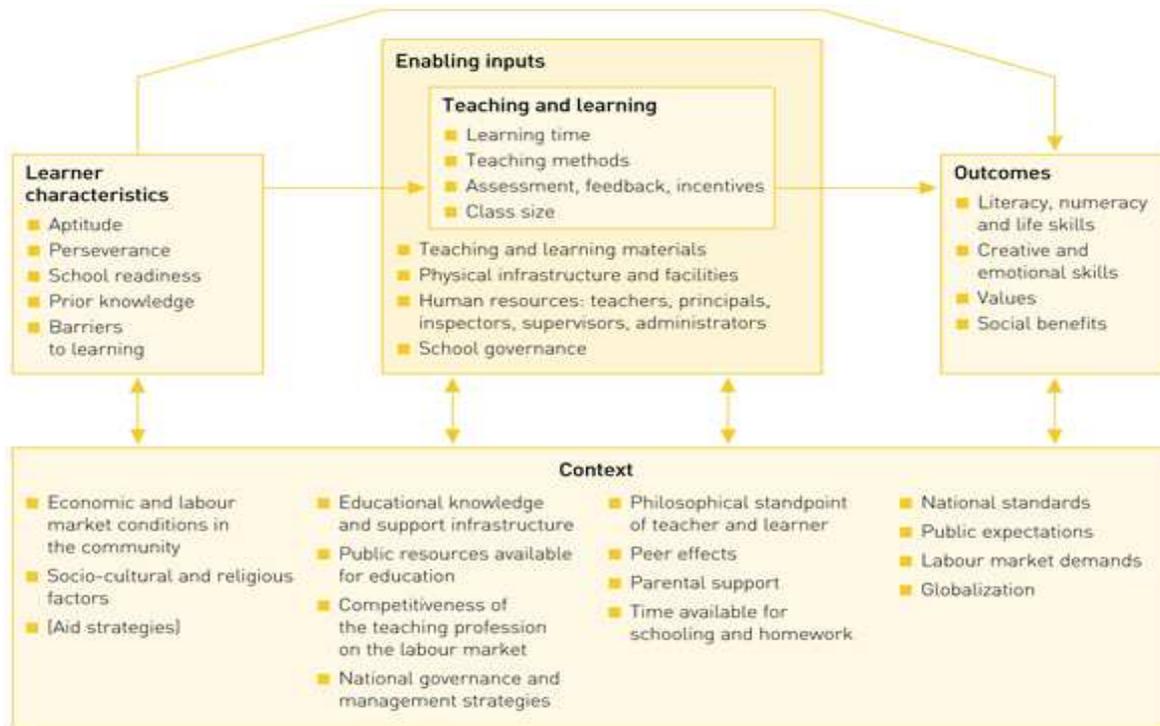
²⁸ Mark Hanson, as discussed in the EGAT/ED online, January 28, 2009. Also see Mark Hanson, *Transnational Corporations as Educational Institutions for National Development: The Contrasting Cases of Mexico and South Korea*. *Comparative Education Review*, vol. 50, no. 4, 2006): pp. 625-650; and

Mark Hanson, 2008. *Economic Development, Education and Transnational Corporations*. New York: Routledge Press.

²⁹ Young-Hyun Lee, 1999. *Workforce Development in the Republic of Korea: Policies and Practices*. Asian Development Bank Institute.

³⁰ Adapted from a “Framework for Understanding Education Quality” in *EFA Global Monitoring Report 2005*. New York: UNESCO, p. 36.

Figure 1: Common Elements of Education Systems



26. This framework can be adapted to any level of education, in formal and non-formal systems. It groups elements into five central dimensions that influence the core processes of teaching and learning: learner characteristics; economic and social context factors that shape demand for education and pose both opportunities and challenges to the system; enabling inputs and resources supporting the learning process; teaching and learning strategies that motivate students to learn; and the outcomes of education, which may include academic achievement, emotional development, and changes in attitudes and behavior as well as broader benefits to society. Several of these elements are discussed in more detail in the following section.

D. A Range of Factors Impact Education in the 21st Century

27. As suggested in the previous Figure 1, twenty-first education systems must respond to a variety of factors: rising demand for education services; the interplay of demographic, economic, technological, political, and environmental variables; and key systemic issues related to cost, capacity, quality, and relevance that are constraining the system's ability to deliver meaningful learning opportunities. These factors present both opportunities and challenges to policy-makers, educators, and learners.

D.1 The Demand for Education is Increasing

28. In virtually all countries and at every instructional level, the demand for education and workforce training is on the rise and far outstrips the rate of population growth. Worldwide, primary school enrollments grew by 5.5 percent annually between 1995 and 2005, while the average population growth rate for the same period was 1.31 percent.³¹ In tandem, the numbers of secondary school students increased by 13.2 percent a year over the same period. Enrollments in tertiary education soared by 13.9 percent annually during that decade. These trends varied from one geographical region to another, as shown in Table D.1-1.

Table D.1-1. **Average annual growth rates in education enrollments by level and region, 1995-2005.***

Region	Primary	Secondary	Tertiary
OECD countries	0.7%(b)	1.1%(b)	10.7%
Eastern Europe and Central Asia	-2.0%	5.7%	19.2%
East Asia	-4.5%	9.5% (a)	12.1%(a)
Latin America and the Caribbean	6.4%	34%	12.7%
North Africa and Middle East	7.6%	11.1%	8.8%
South Asia	16.1%	6.5%	3.4%
Sub-Saharan Africa	16.7%	4.5%	1.6%
Worldwide	5.5%	13.2%	13.9%

Source: World Bank EdStats

Notes: ^aData are for period 1995 – 2004 (as 2005 data were not available); ^bNER data (all other data points are GER as NER were not available); Comparable data for enrollments in workforce development programs are not available.

D.2 External Factors Present Opportunities and Challenges

29. The demand for education in developing countries is shaped by the dynamic interaction of demographic, economic, technological, political, and environmental factors. These elements provide both opportunities and challenges to education systems. Key factors are summarized below and explored in more detail under the education subsector discussions presented in Section F.³²

Changing Demographics and the Youth Bulge

30. Current fertility and population growth rates in developing countries, although declining, still remain high enough in some regions and individual countries to undermine efforts at increasing access to learning opportunities. Due to high fertility rates in the past, large ‘baby boomer’ groups have been created -- most notably in the Middle East, North Africa, and Sub-Saharan Africa. The demand for education in these areas will increase as this bulge works its way through the system.

31. These demographic patterns hold obvious implications for educational expenditure, educational quality, and educational access in the years ahead. The youth cohort in all countries represents the next generation of job-seekers. This may be positive -- if the energy and talent of youth are harnessed for the development of their countries, or it may be negative -- if it leads to rising unemployment and creates conditions for social unrest. Given these options, the youth factor needs to be addressed simultaneously

³¹ UN statistics.

³² For a fuller treatment of these factors, see the separate *Context Papers for Basic Education, Higher Education, and Workforce Development* in Volume II of this report.

as a complement to second chance or accelerated learning for youth in basic education, workforce development, and higher education.

Globalization and A World-wide Labor Market

32. The growth of international markets over the past two decades, combined with the power of the ICT revolution, have produced an integrated, highly competitive, knowledge-driven economic system often referred to as 'globalization.' At the same time, the entry of China and India into the world economy has effectively doubled the supply of low- and semi-skilled labor directly linked to world trade, while the increase of skilled workers has been significantly less.³³

33. The dynamics of change in the global skill-mix, along with an increased need for more managerial and organizational capacities in developing countries, has several consequences for national labor markets. First, vigorous competition from China, Vietnam, and other emerging exporters of light manufacturers has posed a serious challenge to many countries seeking to enter the same markets in recent years.³⁴ Second, the global market for skilled workers has sparked increased international migration among well-trained individuals, thus diluting the quality of labor available in developing countries at a time when it is needed to boost the competitiveness of local economies.³⁵ Third, a rising demand for higher levels of education and skills training is occurring in local economies as employers seek to replace the knowledge lost to migration and workers seek to improve their opportunities for employment. These heightened expectations – particularly among youth -- are exerting tremendous pressures for reform of national education systems.³⁶

The ICT Revolution and the Digital Divide

34. The information and communications technology (ICT) revolution has integrated the world, eliminated space and time in human interactions, and where connectivity exists -- vastly accelerated the rate of change in almost every area of human endeavor. With an explosion in the internet since its introduction in 1989, nearly one out of every four of the world's 6.7 billion inhabitants is an internet user today.³⁷

35. The rapid diffusion of computer use and internet connectivity places information and knowledge at the center of economic competitiveness and social development.³⁸ As a consequence, labor market requirements for highly skilled workers, including computer literacy, are rising around the world.³⁹ At the same time, the digital divide exacerbates existing disparities in market access and position, not only between countries but also between rural and urban areas in developing countries themselves.

36. Concurrently, the integration of ICT capabilities (computers, internet, broadcast technologies, and cell phones) into learning systems faces multiple challenges in large parts of the developing world. Computers and other hardware are often under-utilized due to cost considerations, disrepair, problems with electricity or connectivity, or lack of proper planning and integration of technology into the teaching-learning process. Too often computers are used exclusively for the teaching of computer literacy. Finding ways to harness the power of ICT to improve the efficiency and effectiveness of learning

³³ World Bank, 2005.

³⁴ Paul Collier, 2007. *The Bottom Billion: Why the Poorest Countries are Failing and What Can be Done*. New York: Oxford University Press, Inc.

³⁵ Frédéric Docquier and Abdeslam Marfouk, 2004. *Measuring the International Mobility of Skilled Workers, 1990-2000*. Working Paper Series No. 3381. August. The World Bank.

³⁶ World Bank. 2003. *Lifelong Learning in the Global Knowledge Economy: Challenges for Developing Countries*. Washington, DC: World Bank.

³⁷ Internet world stats, February 26, 2009.

³⁸ World Economic Forum (2008). *The Global Information Technology Report 2007-2008*.

³⁹ D. Autor, F. Levey and R. Murnane, 2001. *The Skill Content of Recent Technological Change: An Empirical Exploration*. NBER Working Paper 8337. Cambridge MA: National Bureau of Economic Research.

at all levels in both formal and non-formal settings is a leading issue and represents a highly promising area for donor involvement.⁴⁰

More Participatory Forms of Governance

37. Over the past two decades, democratic governance has increased around the world. In 2008 fully 63 percent of the world's nations were classified by Freedom House as having some form of electoral democracy, up from 41 percent in 1989.⁴¹ These trends favor increased citizen participation and decentralization of political life and public sector management.

38. As democratic practices rise, so do citizen expectations for equitable access to public services, including education. In turn, the intensity of this demand generates strong political pressures in support of expansion and impedes the reforms necessary to improve quality. Issues of "good governance" arise as newly-elected administrations struggle to put in place the key institutional support capacities for delivering educational services. Overlapping authorities and deficient coordination among Ministries (for example - Education, Labor, Youth, Economy) cause confusion in roles, redundancies in responsibilities, and for workforce development, lack an obvious champion within government.

39. The democratic push to promote local decision-making also has prompted broad decentralization of public services. This has led to greater roles in the management and financing of basic education at the provincial, district, and school levels. In workforce development, it has encouraged local and regional partnerships and cost-sharing with the private sector. In higher education, it often has sparked initiatives to secure greater legal and management autonomy for universities. Decentralization by itself, however, does not automatically affect quality or access; to do so requires information sharing and capacity building at local and regional levels and clarity regarding roles and responsibilities throughout the system.

The Recent Economic Downturn

40. The economic meltdown of 2008 is strongly felt in developing countries: commodity exports have dropped, foreign direct investments have fallen, and remittances have declined sharply. It is estimated that global economic gross domestic product (GDP) in 2009 will decline for the first time since World War II.⁴² Poverty is projected to be on the rise in developing countries, placing a heavy burden on the most vulnerable: the poor, low-income women, the workers in the informal sector, and unskilled labor. Experts expect this downturn to impact education trends, as well. Donor assistance is likely to decrease and the public-private partnerships that have spurred the technological revolution in education are expected to diminish over the next few years. As a result, the pressure on recipient governments and donors to combat financial leakage and corruption, curb ineffective spending, and reduce inefficiencies will mount.⁴³

Prevalence of Fragility and Conflict

41. Of the 25 countries characterized as fragile states, USAID operates in 23 of them. Of the 25 countries listed as instable, USAID operates in all 25 of them.⁴⁴ Frequently, in these environments, there is an additional legacy of conflict, posing special problems to education systems. Issues include massive schooling and infrastructure backlogs, constituencies that require urgent attention (e.g. child soldiers,

⁴⁰Wadi D. Haddad and Alexandra Draxler, eds. (2002). *Technologies for Education. Potentials, Parameters, and Prospects*. Paris and Washington, DC: UNESCO and AED.

⁴¹ Freedom House. 2009. "Number and Percentages of Electoral Democracies." Retrieved from <http://www.freedomhouse.org/uploads/fiw09/CompHistData/EDNumbers&Percentages.pdf>

⁴² World Bank, 2009. *Swimming against the Tide: How Developing Countries are Coping with the Global Crisis*. Background paper for the G20 Finance Ministers and Central Bank Governors Meeting, Horsham, UK on March 13-14, 2009. Washington, D.C.: The World Bank.

⁴³ UNESCO (2009). *Investing out of the crisis: the education dynamic*. Paris: G8 Education Experts Group Meeting, March 6, 2009.

⁴⁴ The USAID 2009 Alert lists: Fragility and Risk for Instability: Worldwide Rankings.

refugees/returnees, demobilized or alienated youth), and additional demands on the learning environment (e.g. peace-building, vocational training, psychosocial support). Fragile situations often call for different modes of interaction with education authorities, which may be conflicted, fragmented, de facto, or illegitimate, and with different international organizations, including peace-keeping, humanitarian and diplomatic partners.

Global Warming

42. In the next decade, up to 175 million children are likely to be affected every year by the kinds of natural disasters brought about by climate change. By 2010, for instance, there will be 50 million 'environmentally displaced people', most of whom will be women and children.⁴⁵ In the current and future landscape of increased disasters and increased vulnerability, governments, humanitarian agencies and the wider international community must back measures designed to help children and their communities prepare for and mitigate the effects of climate change. Such measures should be built into village, regional, national and international planning and education systems need to be involved in this planning.

D.3 Key Systemic Factors Impede Education Provision

43. As policymakers, institutions, and educators struggle to satisfy the shifting demand profiles for education they face a range of issues including increasing costs, inadequate capacity and accountability, shortcomings in quality, and questionable relevance to national goals and labor market needs.⁴⁶

Rising Costs

44. As populations grow and educational enrollments expand at all levels, government costs in providing publicly funded aspects of education rise correspondingly, and governmental revenues are hard pressed to keep up. Average public expenditure on education as a percent of government spending increased from 15.1 percent to 19.5 percent within the Middle East and North Africa between 1990 and 2003,⁴⁷ from 15 to 18 percent in East Asia over 1990-2000,⁴⁸ and from 8 to 13 percent in South Asia during the same period.⁴⁹ Unfortunately, as education systems expand more rapidly than education budgets, they drive down expenditure per student to questionable levels.

45. A large proportion of government budgets for education tend to be used for teacher salaries. Still, their wages are frequently not competitive on local markets, leading to difficulties in recruiting and retaining staff, or in the growing practice of private tutoring after school hours.⁵⁰ In some instances it has led to massive hiring of contractual and volunteer teachers or para teachers (teaching staff without teacher qualifications) who are even more poorly remunerated – thus, perpetuating the low retention rates of teachers and low quality of learning. In some regions, corrupt practices – such as the “selling” of grades and information -- are a norm, putting an added financial burden on households as students try to climb the educational ladder. Beyond salaries, technical, vocational, and university programs have significant costs related to procuring and maintaining specialized equipment.

⁴⁵ Save the Children, April 2007. *Legacy of Disasters: The Impact of Climate Change on Children*. [Online at savethechildren.org.uk/en/54_3851.htm](http://savethechildren.org.uk/en/54_3851.htm).

⁴⁶ These factors are reviewed more fully for each subsector under Section F and covered in greater detail in the respective research papers in Volume II of this report.

⁴⁷ World Bank, 2008. *The Road Not Traveled: Education Reform in the Middle East and North Africa*. Washington, DC: World Bank, p. 313.

⁴⁸ World Bank *EdStats*.

⁴⁹ World Bank *EdStats*.

⁵⁰ See Iveta Silova, Virginija Budiene, and Mark Bray (eds.), 2006, *The Hidden Marketplace: Private Tutoring in Former Socialist Countries*. New York: Open Society Institute. Gita Steiner-Khamsi, Christine Harris-van Keuren, with Iveta Silova and Ketevan Chachkhiani. 2009. *Decentralization and Recentralization Reforms: Their Impact on Teacher Salaries in the Caucasus, Central Asia, and Mongolia*. Background paper for the EFA Global Monitoring Report. Paris: UNESCO Global Monitoring Report.

46. At all educational levels, rising costs in the sector are a significant barrier to educational attainment by poorer students. Private schooling in all forms has proliferated in response to intensifying demand and the perceived low quality and relevance of public institutions. Second generation workforce development programs are diversifying their financial base to include some combination of cost-sharing between the trainees, enterprises, foundations, and public sector. Universities are increasing their fees as demand increases for more sophisticated skills.

Weak Public Management Capacities

47. Although public management capacities are the most visible indicator of a country's development, they are simply the surface manifestation of underlying imperfections. Contributing causes include outdated personnel policies and uncompetitive salary structures within the civil service, inadequate legal frameworks, corruption, inappropriate training programs, a sheltering of public institutions from competition, and a hierarchical rather than a service orientation.

48. Weaknesses in public management skills affect educational performance at all levels. School directors may be poor managers of their teaching staff and meager resources. Supervisors may lack the authority and means to manage education staff as well as the academic and financial statistics that allow them to monitor, to plan, and to identify problem situations. University presidents may be superb scholars but poor administrators. Senior officials may be reluctant to delegate authority, to reward excellence, or to plan strategically. Policymakers may be short on the management information, analytical abilities, or communication skills necessary for policy formulation and implementation. And, communities and other stakeholders are not empowered to demand accountability or to support schools and other learning environments. All of these limitations cripple an education system's ability to respond to changing educational demands in a timely and efficient manner.

Quality Shortcomings

49. Educational quality means success in imparting knowledge and skills. It has been shown to be more important than quantity as a stimulus to economic growth and experience in some regions suggest that without quality improvements, the return on education investments is zero.⁵¹ At the primary and secondary levels, students may be in school, but in many cases the learning process suffers from overcrowded classrooms and teacher absenteeism. Technical and vocational training, if it exists, may not be teaching a relevant trade. At the tertiary level, technical and university classrooms may be overcrowded, laboratories and computers in short supply, teaching staff either absent or unqualified, corruption pervasive, and quality monitoring undeveloped. The inability of the education system in many settings to capture the imagination of students is demonstrated by high levels of drop-out and repetition.

50. Because of the importance of educational quality, a growing competitive interest in international rankings of institutions and student achievement has been kindled. At the primary and secondary level, this is accomplished through comparative international assessments of learning achievement at different educational levels and in diverse subject areas.⁵² Notably, developing countries have been poorly represented in these appraisals. At the tertiary level, the rankings focus on individual universities and institutions.⁵³

⁵¹ E. Hanushek and L. Woessman, 2007. *The Role of Education Quality in Economic Growth*. World Bank Policy Research Working Paper No. 4122. Washington, DC: World Bank.

⁵² The quality of primary and secondary education has been measured for the past decade by two standardized tests, the Trends in International Math and Sciences Study (TIMSS) and the Program in International Student Assessment (PISA), that enable international comparisons of student learning achievements. Cost and capacity constraints have prevented most developing countries from participating in these periodic exercises, although this situation is slowly improving.

⁵³ The two best known worldwide rankings are those of the United Kingdom's Times Higher Education Supplement ranking of 200 universities, and China's Shanghai Jiao Tong University ranking of 500 universities.

51. Apart from international assessments, governments are investing effort in the periodic testing of student learning achievement and charging various public agencies with monitoring the quality of education and technical training. Initiatives to improve workforce development programs through skills standards and competency-based teaching have been piecemeal and require comprehensive reform at the national level. In higher education, the last decade has witnessed an explosion of national quality assurance and accreditation agencies, including regional and international networking initiatives among them.

Questionable Relevance of Offerings

52. As the pressures of global competitiveness push for greater accountability in the delivery of education, the challenge of achieving educational relevance becomes more acute. Learners need basic literacy and numeracy skills to proceed with their learning. Students want to avoid unemployment. Employers seek work-ready employees. Governments want their education investments to have a large and immediate impact on the nation's economic growth and social development. Education systems at all levels and in all settings must examine their mission, goals, and activities in light of evolving national priorities and needs. Ideally, they need to join in a common search for educational approaches that produce graduates who can easily find jobs and that offer a continual process of learning and re-learning.

D.4 The Way Forward: Multiple Pathways to Learning

53. Considering the current demand pressures and systemic constraints on education as well as the opportunities and challenges presented by these factors, the *vision* for educational development in the 21st century is to provide multiple opportunities for different types of learning to a widening range of students.

54. In our fast-paced world, knowledge rapidly loses currency and skills quickly become dated. Youth must be educated for tomorrow's opportunities as well as today's jobs. Instead of preserving and transmitting time-tested skills and understanding, education systems are challenged to prepare people for a future that is less predictable and more uncertain than at any time in human history. In response, educators stress the importance of imparting basic literacy and numeracy skills as well as the ability to continuously learn and adapt to changing circumstances and needs. And education systems themselves are transformed as modern societies express their needs for just-in-time learning, lifelong learning, short cycle learning, internet-based training, knowledge maintenance activities, and second-chance education.

55. As educational 'pathways' become more diversified and flexible, the linkages between primary, secondary, and tertiary education and workforce development at each of these levels become more fluid and more pertinent. Public-private partnerships help facilitate these changes in the education sector through the involvement of industry, business, professional associations, and communities in advisory groups and governance bodies. Pedagogical initiatives seek to get students out of the classroom for experiential lessons and apprenticeships, while bringing practical exercises into the classroom.

56. This path forward also envisions a widening range of students including old and young, employed and unemployed, women and men, urban and rural, talented and disadvantaged, well-prepared and poorly prepared, drop-outs and graduates, and those with special needs. Conceptually if not operationally, this requires a system of lifelong learning.

E. USAID's Evolving Approach to Education

57. The 21st century *vision* for education has yet to be realized in the majority of educational institutions in the majority of countries. Today's world is far too diverse to lend itself to problem-solving by general prescription. The following objectives, priorities, cross-cutting themes, linkages, and guiding principles are proposed as USAID's "overarching approach" to assistance in the education sector. It

emphasizes that education is a continuum and thus there is a need to look holistically at how possible interventions are supported by (or not) and contribute to (or not) other points in this continuum. At the same time, USAID recognizes the importance of the Paris Declaration on Donor Effectiveness as well as the unique nature of each country. Thus, within this broad construct, decisions on specific country strategies and education interventions are decentralized to the Mission level. The conceptual elements approved as USAID's strategic framework in education will be augmented with operational guidance on key technical and funding issues.

E.1 Proposed Framework for USAID Assistance in Education

58. The following framework was developed with the understanding that “one size does not fit all” and that effective programming requires analysis, dialogue, and planning at the country level. For each subsector, the framework proposes an objective and four priority areas and taken together they form the ‘parameters’ for USAID programs in education. Within the context of these parameters, each Mission will make strategic choices based on a range of variables associated with country conditions, host country plans, USAID funding levels, and other donor involvement. The priorities listed under each subsector are not presented in any hierarchical scheme or order of preference. A one-page summary of the USAID Framework for Education Assistance is included as Annex 2.

An Overarching Goal

59. USAID's goal in Education is for people to gain the knowledge, skills, values, and attitudes they need to improve their lives and contribute to a peaceful and productive society. To advance this goal, USAID will improve system access, quality, and capacity in and across three subsectors -- basic education, workforce development, and higher education. Specifically, assistance will be directed to:

- Strengthen stakeholder capacity to develop, participate in, and sustain policies and programs that promote lifelong learning.
- Help educational institutions at all levels provide high quality learning opportunities that are relevant to changing economic and social needs.
- Facilitate equitable access to and participation in a range of learning opportunities, over the lifetime of the learner.
- Promote the unique role of education and training in conflict-affected environments.

Basic Education: developing foundational skills for learning, citizenship, and work

60. USAID's objective is to promote equitable access to a quality basic education. Four priorities are emphasized:

- *Improving access*, including reaching under-served populations who are not enrolled in learning programs, have dropped out, or are at risk;
- *Ensuring that students are learning* basic, relevant knowledge and skills through improved pedagogy, materials, and management in both formal and non-formal systems;
- *Coordinating with host countries and international donors* to implement nationally-owned education plans and policies; and
- *Promoting coherent and transparent educational systems* that continuously measure, monitor and evaluate progress with clearly defined standards and benchmarks.

Workforce Development: developing the technical and employability skills for the labor market.

61. USAID's objective is to promote policies and programs that help learners and workers acquire the competencies they need to be productively employed in the private sector. Four priorities are emphasized:

- *Increasing access to skills development* by reaching out-of-school youth and supporting women's transition into the workplace;
- *Strengthening providers' responsiveness to community and private enterprise demands* through curriculum reform, professional development, and partnerships;
- *Promoting workforce development policies* that support private sector development and encourage financial sustainability through public-private partnerships at the national, regional, and local levels; and
- *Supporting policies and approaches that regulate certification and accreditation standards* for the private sector, *monitor and evaluate* institutional effectiveness, and *measure* learning outcomes.

Higher Education: developing the knowledge, technology, best practices, and human capital for local and national development.

62. USAID's objective is to strengthen capacity to provide quality higher education and training, undertake critical research, and expand access for clearly disadvantaged groups. Four priorities are emphasized:

- *Increasing access for underserved and disadvantaged groups* through diversified financial arrangements, scholarship assistance, diverse forms of instructional delivery, and academic and other support services;
- *Enhancing the quality of education and research* through curriculum reform, faculty and staff training, more rigorous quality monitoring, an expansion of applied research, improved private sector collaboration, and greater overall articulation within the broader educational system;
- *Cultivating a diverse system of autonomous and accountable higher education institutions*, responsive to national development needs and capable of effective collaboration with the public and private sectors, by adjusting pertinent higher education policies or legislation and supporting relevant institutional interventions; and
- *Involving key constituencies* (e.g., students, faculty and staff, funders, employers, and the public) in quality assurance, financial oversight, and monitoring of learning outcomes through consultative approaches, relevant modifications to mechanisms for institutional governance and management, and other appropriate means.

Cross-cutting Themes Strengthen Education Programming

63. **Gender.** Recognizing the critical roles women and men play in the development of a country's social and economic infrastructure, the USAID education strategy addresses gender inequalities and differences in all aspects of education programming - problem identification, strategy development, program design and implementation, performance monitoring, and evaluation.⁵⁴ USAID has a long history of increasing girl's and women's access to education. The recent emphasis on education quality, however, requires continued attention to gender dynamics (i.e., the relations and interaction between males and females) to ensure that inequality -- between and among girls and boys and women and men -

⁵⁴ See USAID, May 2008. *Education from a Gender Equality Perspective and The Gender Equality Framework*. A Report developed for the USAID Office of Women in Development by the EQUATE Project.

- is not overlooked. USAID programs take into account the four dimensions of gender equality in education:⁵⁵

- *Equality of access* – encompasses initial enrollment, persistence, attendance and retention in formal, non-formal, and alternative approaches to education and training.
- *Equality of the learning process* -- encompasses pedagogic processes that accommodate different learning styles and needs and teaching methods and materials that are free of stereotypes and gender bias.
- *Equality of educational outcomes* – encompasses need to remove gender bias from teacher perceptions and expectations of individual achievement, classroom assessment methods, and tests and examinations.
- *Equality of external results* -- encompasses equal access to career opportunities and comparable pay. While this dimension falls outside of the education system, the achievement of equality in education acts as a catalyst for equality in other spheres of life. Important steps can be taken in educational settings, such as leadership training for girls and women and increasing student awareness of the value and status of women and girls in society.

64. **Youth.** Youth are a diverse group, and adolescence and young adulthood are formative stages in life. Decisions made by youth related to school completion, employment, personal habits, parenthood, and civic engagement have the biggest long-term impact on human capital. In the short-term, those lacking opportunities are more susceptible to unproductive influences associated with risky lifestyles, crime and corruption, and armed conflict. In the longer-term, the opportunity costs of ignoring their learning needs can be high, putting a sustained drain on public resources and social services. Experience has demonstrated, however, that if given the chance, youth are a positive force for change -- for themselves, for their communities, and for sustaining development gains into the future.

65. The USAID education strategy focuses on meaningful learning opportunities for youth, whether they are in or out of school. In formal school settings, their needs are addressed through more relevant curriculum, improved teacher training, and the integration of workforce and career development models that offer learners an opportunity to acquire on-the-job skills and explore different occupations. For those who are out-of-school and unemployed, assistance programs improve their earning, learning, and skill development through youth and youth-serving organizations and community-business partnerships. USAID supports remedial mechanisms such as “second chance” education to those who were unable to avail themselves of first-chance opportunities. Other support services provide tutoring, mentoring, and counseling to encourage youth to stay in or re-enter the education system and to advance to upper levels, including university study.

66. **Fragility and Conflict.** Education can play a key role in mitigating or contributing to instability and fragility.⁵⁶ Root causes of fragility and conflict stem from unstable economic, political, social and security environments and can be exacerbated or mitigated by education. Key drivers of conflict such as exclusion from education services based on ethnic, religious or political identity, lack of state institutional capacity and legitimacy; corruption and weak governance of the education system; and violence in and around schools can all be generated, exacerbated and conversely mitigated by education. Corruption within the school system exacerbates exclusion from access to education, and drastically undermines the quality of teaching of learning to the extent that the public education system can fail its constituents. Violence and lack of safety is one of the prime reasons why children, and especially girls, as

⁵⁵ See Gender Equality Framework, *ibid.* pp.4-8.

⁵⁶ INEE Working Group on Education and Fragility (2008). *Education and Fragility: A Synthesis of the Emerging Research*. Amherst: Center for International Education, University of Massachusetts. Y. Miller-Grandvaux (2009). *Education and Fragility. A New Framework*. Journal of Education for International Development, Volume 4, Issue 1, April 2009.

well as teachers cannot access or be retained in schools. Teaching and learning materials, curricula that promote intolerance and hatred undermine social cohesion. Lack of capacity of the state or education systems to provide minimum quality education services is a destabilizing factor that fosters grievances and can lead to civil unrest. Education interventions that address the drivers of fragility and conflict are likely to play a mitigating role as well as lay the foundation for viable education.

67. When conflict has occurred, and in situations of emergency, the early resumption of education is key to helping communities establish normalcy and begin recovery. Schools provide an important protective function to children, allowing parents and other caregivers an opportunity to attend to other tasks while providing opportunities for both ensuring cognitive development and healing from trauma. During these periods, USAID works with the international assistance community to: provide temporary learning facilities, safe spaces, and materials; rehabilitate school structures; extend psychosocial training to teachers; and restore or provide minimum conditions of service for teachers, including standards of qualifications or diplomas for teachers. During protracted displacements as well as in early recovery phases, USAID combines support for basic formal education with non-formal opportunities for life skills development and technical training. In these settings, USAID provides Accelerated Learning Programs to re-engage out-of-school children and youth in mainstream education with a program that compresses two years of the national curriculum into one school year. In this case education and training effectively bridges the gap between humanitarian assistance and sustainable development.

E.2 Maximizing Impact with Education Linkages

68. Recognizing and supporting the linkages between basic education, workforce development, and higher education can create greater program complementarity and improve the efficiencies and results of USAID investments.⁵⁷ Key linkages are summarized below and explored in more detail in Section F.

69. The access, quality, and relevance of **basic education** are vital to laying the foundation among all learners for work and higher level study. Education and training problems are significantly compounded (and more costly to resolve) if learners have not gained numeracy, literacy, and other skills such as critical thinking, problem-solving, teamwork, and knowledge generation at an early stage. The basic education priority of keeping youth in school can be met in part by paying closer attention to what workforce development approaches offer to at-risk youth, such as more flexible and relevant opportunities that support 'learning and earning'. Mentoring, tutoring, and counseling services can motivate disadvantaged students to aspire for higher levels of education.

70. Career and work are essential aspects of a learner's development. School-to-work transition, career education, and job placement are just a few of the **workforce development** models that need to be integrated into primary, secondary, and tertiary education.⁵⁸ Modalities such as internships, job-shadowing, and career exploration keep formal schooling relevant by introducing workforce incentives into the curriculum and motivating students to strive in their studies in order to achieve meaningful livelihoods.⁵⁹ Where students cannot enter or return to the classroom, second chance education and vocational training offer alternatives to youth and adults. Integrating basic literacy and numeracy skills into rudimentary technical training (e.g., agriculture extension to small farmers; sewing instruction for women) addresses primary and workforce objectives simultaneously.

⁵⁷ See Linkages discussion for each subsector (Section F) and the Linkages Diagram in Annex 3.

⁵⁸ Economic development levels vary greatly among countries, thus the appropriate workforce development model must be customized to meet local needs.

⁵⁹ See World Bank, 2006. *World Development Report 2007The Next Generation*, Washington D.C.: The World Bank; World Bank, 2008. *Youth in Africa's Labor Market*, Washington D.C.: The World Bank.

71. **Higher education** institutions can be employed to support objectives and priorities in the other subsectors. A concerted effort to build higher education capacity for training teachers and administrators, developing curriculum, evaluating educational processes and outcomes, and providing graduate level coursework and research to mid-career educators enhances and sustains the quality and efficiency of the whole education system. University-supported employer surveys, tracer studies, and labor market trend analyses provide valuable feedback on the content of technical and vocational training programs.

72. **Collaboration and planning with multiple stakeholders.** Families, communities, and private companies are key stakeholders in students' preparedness to get jobs and be productive. They have a vested interest in educational reforms and building accountability at all levels of the system. Beyond local parent-teacher associations and school boards, there are numerous models to draw on. For instance, community-run Charter Schools use work-based and accelerated approaches to help youth complete secondary school. The involvement of government, higher education institutions, and the private sector in the formulation of workforce initiatives is integral to provincial/regional economic development planning. The responsiveness of education and training to the needs of emerging industries is a critical element as is the R&D capacity of universities to develop new technologies, manufacturing processes, and products and services.

E.3 Adapting Assistance to the Country Context

73. As a result of varying levels of economic and educational development, sector challenges differ among countries and, ultimately, these individual circumstances must shape the education interventions that best address each country's human resource needs. USAID Missions will analyze issues and make program choices within the context of their countries, the host government's national education plans, funding levels, program management capacity, and other donor activities. While it is not expected that Missions will necessarily choose to work in all of the three subsectors outlined in this report, they are encouraged to assess their education problems, engage in policy dialogue, and design strategies within the broader framework for education assistance to capture significant linkages and ensure synergies. This holistic approach to the education sector combined with other cross-sectoral approaches are ways in which USAID can maximize the impact of its investments in education.

74. Since it is impossible to present information on each country, preliminary educational profiles for each region have been developed and are provided in Annex 4. The following summaries reflect challenges currently identified in various USAID regional documents. These issues hold implications for all educational levels and settings.

75. In general, USAID Missions in **Asia and the Middle East** identify three major challenges in the education sector. There are growing needs at the *post-primary level*, with secondary enrollments dropping dramatically after six years of schooling. Poorly prepared for the labor market, *Middle Eastern youth* face unemployment rates nearly twice the world average (20-40 percent, compared with 10-20 percent). And, complex *gender issues* in the region prevail. India, Iran, Pakistan, and Nepal rank among the bottom 10 countries in the Global Gender Gap Index (GGGI) while all countries in the Middle East (except Israel) rank in the bottom 25 percent. Where females have advanced in their education, they frequently remain unemployed. In other cases, boys and men are bearing the brunt of gender inequality in learning environments.

76. USAID Missions in **Latin America and the Caribbean** also report three major areas of challenge in the education sector. While the region has nearly achieved universal primary education enrollment, a growing number of youth are leaving school without basic math, language, and science skills. Because of this *poor quality*, primary repetition rates are twice the world average and increase the cost of education by an estimated \$4 billion annually. *Access and equity issues remain for disadvantaged*

groups, such as indigenous girls, urban and rural poor, and minorities. *Unemployed youth*, who have left school without basic and literacy skills, are highly susceptible to gangs, crime, and remaining in poverty.

77. USAID Missions in **Africa** report deep and urgent challenges in the region's education systems - all of which are exacerbated by the impact of HIV/AIDS on children, families, communities, and the delivery of educational services. Access remains a major issue with *too many children out of school*, including marginalized populations such as orphans and vulnerable children, unemployed youth, and Muslims. The *delivery and quality* of basic education suffers from an inadequate number of trained teachers and insufficient learning materials. *School rehabilitation* and massive capacity gaps are challenges in areas recovering from conflict. And finally, the most needy children and families are constrained by the *out-of-pocket costs* of schooling.

78. Close to two decades after the dissolution of the Soviet Union, USAID Missions in **Europe and Eurasia** (E&E) witness a different set of challenges in education. With the region's average primary NER at 92 percent, and average secondary GER at 91 percent,⁶⁰ attention is focused more urgently on the relationship of the education sector to the requirements of employment in transition economies. Despite a rapid decline in fertility in recent decades, *youth unemployment* remains at fifty percent or higher in Albania, Azerbaijan, Kosovo, Macedonia, Montenegro, and Serbia. As the *formal sector continues as the main provider of workforce development*, many countries are challenged to update these systems and introduce private approaches so that education and training more directly correspond to the needs of a market economy. Lastly, *corruption* in education is pervasive at all levels, affecting the volume, efficiency, and quality of education services.

E.4 Guiding Principles for Education Programming

79. USAID is a small but potentially significant player in this sector – generally providing far less than 1 percent of total expenditures for even basic education within countries.⁶¹ The challenge for USAID Missions is to make strategic choices that are cost effective, provide impact on the national scale, and are institutionally sustained at all relevant levels. This requires sound collaborative planning and design; ongoing coordination with donors, ministries, and other stakeholders at various levels; solid plans for country ownership, capacity development, and USAID phase-out; and effective ongoing monitoring and evaluation.

80. All of these elements of effective educational programming form the basis for the following guiding principles. They are adapted from the 2005 Education Strategy, but are updated and expanded to include key concepts from the technical discussions. They transcend technical issues at the subsector level and are intended to address the overarching concern of seeking maximum effect with finite resources.

Systematically pursue a sector-wide approach in making strategic choices and designing programs

81. In keeping with the *Paris Declaration on Aid Effectiveness*, USAID aligns its education programming with the priorities and objectives established by the recipient government's national plans. In doing so, USAID takes special account of the activities and contributions of **other donors** and actively coordinates with them to reinforce efforts and avoid duplication. Drawing on its comparative advantage in project-based assistance, USAID assesses proposed programs in the context of activities and issues in other education areas (e.g., basic education, workforce development, higher education) and in other development sectors (e.g., health, social protection, productivity, citizenship).

⁶⁰ UNESCO. 2008. EFA Global Monitoring Report 2009: *Overcoming Inequality: why governance matters*. Paris: UNESCO.

⁶¹ See Annex 6: Education Donors and Funding Distributions.

82. In fragile states, where government is weak or non-existent, USAID coordinates its efforts with a range of partners, including civil society organizations, interim state representatives, or multilateral organizations that assume leadership and have decision-making authority.

Avoid “aid favoritism” and the perpetuation of inequities caused by external assistance

83. USAID ensures that its assistance does not inadvertently perpetuate unequal treatment of regions, districts, schools, or groups within a country, thereby creating in the longer run “pockets of exclusion” and fragility. It mitigates the risk that external aid may be channeled only to groups with prior international exposure, with specific ethnic or linguistic identity, or with proximity to urban areas.

Increase the efficiency and effectiveness of education systems

84. USAID promotes system efficiency by encouraging competition as appropriate and building capacity at all levels for planning, managing, and evaluating education programs and by seeking to identify and target major sources of inefficiency. It increases effectiveness by focusing on learning outcomes – the knowledge and skills learners need to successfully enter the workforce or proceed to the next cycle of studies.

Support innovation and knowledge-sharing across countries

85. Education and training institutions must manage and adjust to rapid change. USAID supports active communication, information sharing, and collaboration that transcend national boundaries and prompt new forms of regional partnerships among governments and institutions for problem-oriented innovation.

Use pilot projects as one tool in a broader education strategy

86. USAID supports pilot projects that contribute to ongoing educational reforms by demonstrating innovations or new technologies, creating awareness and political will, or helping frame the policy debate. Some pilot activities are intended strictly as tests and they are not meant to be sustained. In other cases, where pilots are a first phase in a broader effort, USAID will build in exit, scaling-up, and hand-over strategies. In all cases, the Agency is committed to evaluating the effectiveness of pilots (including randomized trials).

Leverage additional resources

87. With few exceptions, neither USAID nor any other single donor is in a position to tackle the full range of educational challenges in a particular country. In addition to donor coordination (cited under the first principle), USAID actively seeks opportunities to work in partnership with U.S. private firms, foundations, and other organizations committed to educational development through the Global Development Alliances (GDA) and the Development Credit Authority (DCA).

Learn from performance monitoring and evaluations

88. USAID couples performance monitoring with different types of evaluation (formative, summative, and impact) to increase its understanding of why education results occur and what value an activity adds. This combined knowledge informs program management and provides lessons learned to colleagues and organizations concerned with education progress. USAID is committed to disseminating its lessons in educational development in a systematic manner.

Promote sustainability in traditional and non-traditional ways

89. USAID seeks to ensure that its investments become institutionally and fiscally sustainable. Policy dialogue with host governments and capacity-building of management and delivery systems form the basis for sustainability in education. USAID will augment these efforts by promoting a “culture of

learning” through collaborative partnerships that link communities, the private sector, education and training institutions, and government in common cause for an educated population.

Collaborate with other USG Agencies

90. Following the lead of the new Administration and Congress, USAID seeks coherence and efficiency with other U.S.-supported programs in education. To this end, it reaches beyond Agency boundaries to integrate with the planning and delivery efforts of other USG groups supporting the educational development in partner countries.

E.5 Leveraging USAID’s Strengths in Delivering Education Assistance

91. USAID has considerable assets that it can bring to the table in providing educational assistance to developing nations.⁶²

92. **Field Presence and Organizational Flexibility.** USAID’s decentralized system of programming enables it to respond to country-specific conditions and needs. Its project-based approach allows the Agency to initiate programs more quickly and efficiently than other donors and to test new ideas and approaches in collaboration with local governments and institutions. Its multi-disciplinary approach to development provides opportunities to tackle problems and identify synergies across sectors.

93. **Experience, Networks, and Technical Capacity.** USAID has accumulated a wealth of program experience and capacity to provide long-term technical support in education. Drawing on a large network of U.S. private sector non-governmental organizations and for-profit enterprises, American universities and professional associations, and private businesses of all shapes and sizes, USAID adds significant value by cultivating collaborative relations with host government ministries, building partnerships between U.S. and local institutions, and encouraging grassroots community engagement. A unique American contribution in working with the private sector is the notion of ‘corporate social responsibility.’

94. **Technology and an Innovative Spirit.** USAID is tapping into the vast reservoir of American experience in the development and application of information and communication technologies and using this national comparative advantage as its own in assisting developing countries to reshape their approaches to education. Use of cell phones and other technologies for mentoring distant teachers, self-paced computer assisted learning, virtual instructional demonstrations, online course delivery, and educational game-ware are examples of some of the more advanced applications of ICT to education. These and other tools demonstrate the potential of technology to offset the shortage of qualified teachers, supplement classroom instruction, encourage social networking among students and schools across national boundaries, and stimulate innovations in the teaching and learning process. Their use can only increase in the future and USAID is well placed to assist this expansion and tie it in with American business expertise.

95. **Commitment to Social Equity.** USAID programs in all sectors consistently reflect democratic values and a commitment to social equity goals. In education, this orientation has led it to encourage increased access to educational opportunities at all levels; to foster remediation for system failures; to address the special learning needs of ethnic minorities, women, AIDS orphans, educational drop-outs, and those with physical and mental challenges; and to cast its concern particularly on the urgent requirements of fragile states.

⁶² See Volume II, Overarching Papers for J.Intili and E. Kissam, 2009. *What Strengths and Weaknesses Does the Agency Have in Developing Education Systems and in Relation to Other USG Agencies and with Other Donors?* Research paper prepared for USAID by JBS International; and Volume III, Summary of Mission Conference Calls.

96. **Commitment to Quality.** USAID is recognized as a champion of quality education. It has tackled identified problems through curriculum reform, teacher training, the establishment of monitoring and evaluation capacities, the organization of education management information systems to track performance, and community participation. And, it is increasing its commitment to helping countries develop the tools and methods necessary for learning assessments.

97. **Attributes of the American Education System.** The U.S. educational system contains several models that have attracted interest. These constitute appealing and somewhat unique ‘products’ that USAID can offer to its developing country counterparts. Among them are the American model of higher education (notably the land grant college and the community college), the American model of pre-school education, and American models of teaching at risk youth and special needs children. These have been extensively tested and analyzed in the United States and offer USAID ready technical knowledge for transfer abroad.

98. **Willingness to Learn and Improve.** USAID seeks to fulfill the potential of its strengths and mitigate its weaknesses. It is addressing a number of recommendations from the strengths and weaknesses survey conducted last fall, including: formulating more integrated education strategies that embrace a longer-term vision and focus on national impact, working more effectively across education subsectors and other development sectors, improving program evaluations, and strengthening information dissemination.⁶³

E.6 Collaborating With U.S. Government Agencies and Other Donors

99. To meet the challenges of educational development, USAID’s approach must include systematic coordination and collaboration with other U.S. Government (USG) Agencies and with multilateral and bilateral donors.

100. The new Administration has called for a more integrated ‘whole-of-government’ approach to devising strategies and attaining results toward the achievement of U.S. foreign policy goals. This mandate has implications at the Washington and country level as USG agencies work together to align resources and programs and to find the most effective ways to deliver assistance and sustain gains over the longer term. USG planning and budgeting processes provide specific opportunities during the programming cycle for the different agencies to develop program coherence and efficiencies. The team assumes these opportunities and processes are being followed as USAID education practitioners reach out to the Departments of State and Labor, the Millennium Challenge Corporation, and other agencies supporting the *Investing in People* foreign assistance objective.

101. Effective collaboration with other donors can be more complex as different aid agencies respond to the varying requirements of their organizations and governments. A useful step in thinking strategically about donor collaboration in education is “mapping” other donor involvement in order to understand overall funding distributions, gaps, and duplications as well as potential areas for program interventions and partnering. While this was not part of the JBS’ mandate for this report, the team has developed some preliminary data on donor funding for education by region and subsector, which is presented in Annex 6.

102. During 2007, multilateral and bilateral donors contributed an estimated USD 12.2 billion for expanding and improving education in developing countries. Within the subsectors of education worldwide, basic education received roughly 41 percent of funding, secondary education got 19 percent, and higher education was given 38 percent.⁶⁴ Support for workforce development or technical/vocation education is not registered separately. However, donor strategy documents and reports suggest that

⁶³ See Intili and Kissam, 2009.

⁶⁴ Estimates are only approximate, as they do not include funds unallocated by sub-sector reported by some donors.

financial support for that subsector has been rising in recent years, mainly as the result of growing attention to the critical role of skills development for enhancing productivity and competitiveness in the global economy.⁶⁵

103. With overall donor funding favoring basic education and higher education, it would be useful to assess whether these trends represent a point of imbalance that would benefit from some adjustment, especially as larger cohorts of basic education graduates – the product of EFA successes – seek a transition to secondary education. Within basic education, substantial investments have been made in expanding enrollments (e.g., school construction), but comparatively less attention has been given to fostering educational quality – although this is beginning to change. Recent interventions in secondary education seek to restructure curricula and promote new teaching methods. However, consensus on curriculum is limited and the question of how much vocational or ‘life skills’ content should be included remains open. At the post-secondary level, funding strongly favors universities over other types of tertiary institutions (e.g., community colleges, polytechnics) and is concentrated heavily on the provision of training to university staff through partnership programs with donor country universities. As a result, financial and technical support for information technology systems development and for research are in short supply. Understanding and responding to these trends in donor financing can help USAID in fulfilling its commitment to the Paris Declaration and ensuring that client governments receive consistent policy and program messages from their development partners.

F. Working In and Across Education Subsectors

104. This section provides background and additional detail to the issues raised in section D and the elements of the proposed approach for education assistance described in section E. Each subsector section presents the development progress, challenges, and lessons for that subsector, proposes an objective and short list of priorities for educational programming, and discusses the linkages with the other two areas. While duplicating some of the material in earlier sections, they can also serve as “stand-alone” pieces for education practitioners in the field.

F.1 BASIC EDUCATION

a. Definition and Scope

105. Basic education, according to USAID usage, includes all efforts aimed at improving early childhood development, primary education, and secondary education (delivered in formal or informal settings), as well as training for teachers working at any of these levels. In its definition, USAID includes training in literacy, numeracy, and other basic skills for adults and out-of-school youth. The common thread among these elements is that they help learners gain the general skills and basic knowledge needed to function effectively in all aspects of life. Aid efforts primarily have been directed towards improving access and quality during the compulsory years of schooling, which for most countries includes primary and lower secondary school.

b. General Progress, Challenges, and Lessons

Progress and Trends in Basic Education

106. *Increased enrollment and educational attainment.* With the exception of fragile states, educational attainments have risen globally since 2000. More children are enrolled in school for longer periods of

⁶⁵ See Volume II, Workforce Development: G. Lambert, 2009. *Multilateral and Bilateral Donor Involvement in Workforce Development*. Research paper prepared for USAID by JBS, International.

time, although durations of compulsory basic education vary by region. The lowest is in Sub-Saharan Africa (7.1 years) while the highest is in the Latin America and Caribbean region (9.5 years), closely followed by Eastern Europe and Central Asia (9.4 years).

107. *Girls' education.* In the new millennium, 20 more countries have achieved gender parity in basic education. The ratio of countries worldwide with gender parity at secondary school level has improved significantly; it now stands at 37 percent.⁶⁶ Once the general barriers for enrollment are removed, girls do extraordinarily well with regard to educational attainment. Girls tend to out-perform boys in reading literacy⁶⁷ and they seem to catch up rapidly in mathematics and science. The gender gap in mathematics, favoring boys, appears to close gradually.⁶⁸ However, the progress in girls' education varies widely by region. In Sub-Saharan Africa, in particular, there are only 89 girls for every 100 boys in primary school.⁶⁹

108. *The technological revolution in educational reform.* The technological revolution is not limited to computers and Internet. It also extends to the ubiquitous appearance of the cell phone as well as solar technologies and other alternative energy sources that enable a widespread use of television, monitors (for DVD), and radio for instructional purposes. Cell phones are used for a broad spectrum of activities, ranging from mentoring novice teachers to inquiring about teacher salary disbursements. Over the past few decades, a series of projects have taken advantage of radio and other electronic devices as a medium for distance education. Interactive radio instruction (IRI), for example, has facilitated interaction among learners as well as between teachers and learners.⁷⁰

109. *Global agreements on reform priorities in basic education.* Starting with the Education for All (EFA) movement in 1990, donors have reached general agreement on some of the key reform priorities in basic education and coordination overall has improved. Collaborative mechanisms – such as the EFA Fast-Track Initiative or education coordination in emergency situations -- have emerged at global and country levels. In this new environment, where the Paris Declaration formulated standards for effective aid, education donors support reform initiatives that the recipient governments have launched and thereby align their funding priorities with those of the host country.

Challenges in Basic Education

110. *Unequal access to education.* Non-enrollment in primary education as well as drop outs after primary completion are a challenge for specific groups and specific regions. In 2006, approximately 75 million children were not in primary school. In Sub-Saharan Africa, nearly one-third of children of primary school age were not in school.⁷¹ Globally, low enrollment is closely associated with poverty, distance to school (lack of access), and the poor quality of education. According to the UNESCO Institute of Statistics (UIS), among the wealthiest fifth of children -- 9 out of 10 children are in primary school. The ratio of enrollments is much lower for children from poor families, where among the poorest fifth -- only 6.5 out of 10 children attend primary school. Using household surveys and UIS, the Education Policy and Data Center forecasts that one-third of school-age children in developing countries

⁶⁶ UNESCO, 2009. *EFA Global Monitoring Report 2009. Overcoming inequality: why governance matters.* Paris; UNESCO GMR.

⁶⁷ The gender difference for reading literacy, in favor of girls, has been confirmed in the PISA 2006 study, OECD 2008.

⁶⁸ See PISA 2006, OECD 2008 as well as David Baker and Gerald LeTendre (2005). *National Differences, Global Similarities.* Stanford: Stanford University Press.

⁶⁹ Education Policy and Data Center (2009). *Global Educational Trends, 1970-2025. A brief review of data on ten issues.* Washington, DC: EPDC (draft version, January 2009).

⁷⁰ World Bank, 2005. *Improving Educational Quality through Interactive Radio Instruction. A Toolkit for Policy Makers and Planners.* Washington, DC: World Bank, Africa Region Human Development, Working Papers Series No. 52.

⁷¹ UNESCO, 2009. *EFA GMR 2009.*

will not finish primary school – 12 percent because they will never enter school and 22 percent because they will drop out of primary school before they have finished.⁷²

111. As the 2009 Global Monitoring Report confirms, the transition from lower to upper secondary school is a dropout point in many education systems.⁷³ The average gross enrollment ratio (GER) in 2006 was, at a global level, 78 percent in lower secondary but only 53 percent in upper secondary. In sub-Saharan Africa attainment levels are low for both cycles of secondary: 38 percent in lower secondary and 24 percent in upper secondary. But in other regions of the developing world, the disparities between GER in lower and upper secondary also are vast. They are especially pronounced in East Asia, Latin America and the Caribbean.⁷⁴ In contrast, the gap is narrow in developed countries, countries in transition, as well as in the Central and Eastern Europe region. In the latter group, GER is 89 percent in lower secondary and 85 percent in upper secondary school level.

112. *Low education quality and teacher quality.* The new focus on universal primary completion (rather than universal access only) has been systematically pursued since 2000. The failure of early reform strategies (e.g., enhancing resources, reducing class size, improving school infrastructures, etc.) to improve student learning outcomes have forced educational planners and policy makers to explore other reasons for the low quality of education. There are no simple solutions for “fixing” the problem. Current thinking suggests that effective reform must target multiple elements simultaneously: the classroom, the school, the community, and the broader provincial and national system. Approaches cover a range of activities, placing varied emphases on strengthening: student-centered pedagogy, professional management at schools, social accountability and community participation, educational finance, governance, and monitoring and evaluation. In addition, a proliferation of standards-based or outcomes-based education reform has emerged over the last decade. While donor aid has channeled funds at all levels of the educational system, the evidence questions whether these initiatives -- many of which have only lasted for the duration of external funding, have produced lasting results at the classroom level. There is agreement that education systems can only be as good as their teachers and research has shown that high quality teaching can compensate for the disparities in student backgrounds, including their socioeconomic status, language proficiency and parents' education levels—factors that generally account for a large share of variability in learning outcomes.⁷⁵

113. The supply of qualified teachers is a crucial part of expanding access and improving quality. In developed countries that maintain a cadre of high quality teachers, education systems are characterized by a selective and diligent recruitment into teacher education studies with great emphasis placed on the quality of pre-service teacher education. In Singapore, for example, only 20 percent of students applying to teacher education programs are admitted and almost all of them complete their studies in teacher education and end up working as teachers.⁷⁶ The situation in developing countries is quite different. In the Kyrgyz Republic, for example, high school graduates must be lured into teacher education studies by means of government scholarships. All of those applying for a teacher education program are accepted and the majority of them (60 percent) are granted a scholarship. However, 37 percent of the admitted students change to other degree programs over the course of their studies or quit higher education altogether. An additional 44 percent of the admitted students complete their studies in teacher

⁷² Education Policy and Data Center (2009). *Global Educational Trends, 1970-2025. A Brief Review of Data on Ten Issues*. Washington, DC: EPDC (draft version, January 2009); reference to p. 3.

⁷³ Global Monitoring Report (2009). *EFA Global Monitoring Report 2009. Overcoming Inequality: Why Governance Matters*. Paris: UNESCO GMR; excerpts are from p. 86.

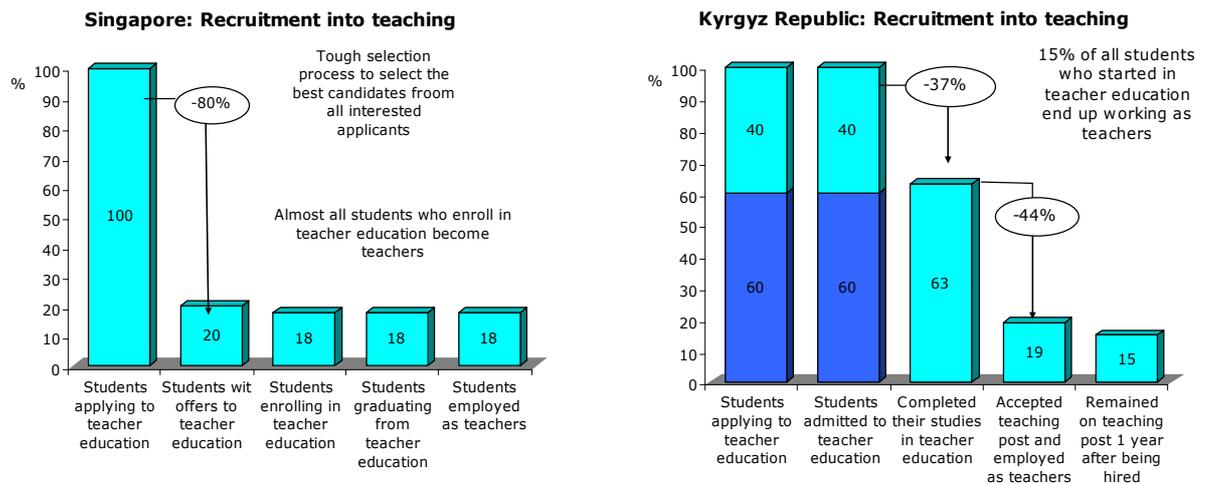
⁷⁴ In East Asia, GER in lower secondary is 92% as opposed to 57% in upper secondary. The drop in enrollment is also prominent in Latin America (103% in lower secondary, 76% in upper secondary) and in the Caribbean (72% in lower secondary, 43% in upper secondary). Source: GMR (2009, p. 86).

⁷⁵ Fernando Reimers, 2006. Teaching quality matters: Pedagogy and literacy instruction of poor students in Mexico. *Harvard Educational Review*, 42, 194-214.

⁷⁶ McKinsey, 2007. *How the World's Best-Performing School Systems Come out on Top*. London: McKinsey & Company, reference to exhibition 10.

education but do not apply for teaching posts. Finally, of those that applied and started to work as teachers, one-quarter quit their teaching post after one year.⁷⁷ The contrast in recruitment strategies between a high-performing developed country (Singapore was the league leader in TIMSS) and a low-performing developing country (Kyrgyzstan ranked at the very bottom in PISA 2006) is striking. In Singapore, 90 percent of teacher education students end up working as teachers, whereas in Kyrgyzstan only 19 percent of those enrolled in teacher education become teachers.

Figure 2: Recruitment into Teaching – Comparison between Singapore and the Kyrgyz Republic



114. Naturally, there exist vast differences between the educational systems in Singapore and the Kyrgyz Republic, or in general, between systems in developed and developing countries. The teaching profession is an attractive job in Singapore while the teaching profession in the Kyrgyz Republic is unattractive because of the low and fragmented teacher salary structure, as well as the difficult working environment.

115. Other developing countries are in a much more precarious situation than the Kyrgyz Republic. In many cases, neither the secondary school nor the lower tertiary education system provides a sufficient pool of graduates that could be recruited as future teachers. These countries depend on using alternative models of instruction as well as qualifying para-teachers and eventually certifying them as teachers. Two factors—low recruitment rates into teaching and heavy reliance on para-teachers, account for the preference of donors to invest in the professional development of practicing teachers (e.g., in-service training, mentoring, on-the-job training) rather than in pre-service teacher education reform. As a result, the quality of pre-service teacher education visibly lags behind the innovations implemented for in-service teacher training.

116. *Integration of technology roadmaps into education sector strategies.* Currently, ICT is used in three distinct ways in basic education and in the education of primary and secondary school teachers: (i) as a substitute or supplement to the delivery system, (ii) as a virtual space and social networking tool, and (iii) as a medium to innovate teaching and learning. Despite the wide range of ICT's potential in education, ICT integration in the content and methods of teaching only occurs haphazardly. In basic

⁷⁷ G. Steiner-Khamsi, C. Kumenova and N. Taliev, 2008. *Teacher Attraction and Retention Strategy. Background paper for the Education Development Strategy of the Kyrgyz Republic 2011-2020.* Bishkek: Ministry of Education and Science, Department of Strategic and Analytic Work.

education, curriculum and teacher training reform are rarely linked to the technology strategies that are developed in close collaboration with private partners. Operational funding, equipment maintenance, and connectivity are also issues.

117. *The global economic crisis.* The economic meltdown of 2008 is strongly felt in developing countries.⁷⁸ Commodity exports have dropped significantly, foreign direct investments are falling, remittances have declined sharply, and ODA is likely to decrease in many high-income countries. Public-private partnerships, which are responsible for so much of the technological revolution in education, are likely to diminish over the next few years. Poverty is projected to be on the rise in developing countries and it is expected that conditional cash transfer programs, scholarship programs, school grants, school lunches, and other measures that establish safety nets and target social protection may be needed in schools. At the same time, the pressure on recipient governments and donors to combat financial leakage and corruption, curb ineffective spending, and reduce inefficiencies is mounting.

Lessons in Basic Education

118. *Greater focus on entry and exit stages of primary education.* The focus of the last two decades to achieve universal primary education has shifted over time. Efforts now include an emphasis on the entry into primary (pre-1) as well as on the exit into lower secondary education. The EFA Fast-Track Initiative, in particular, has supported ‘School Readiness’ programs (or pre-1 classes) to mitigate drop out during the early grades of primary school.⁷⁹ Research further suggests that expanding lower secondary education boosts completion rates in primary school. Increased availability and access at the lower secondary level seems to motivate parents to have their children complete primary school.⁸⁰ This finding implies that a critical mass of lower secondary schools may be needed to attain universal primary completion, with estimates indicating that at least 35 percent secondary net enrollment is necessary to achieve over 90 percent primary net enrollment.⁸¹

119. The shift in focus favoring increased attention to secondary education has led to a sharp decrease (13 percent) in IDA credits allocated for primary education.⁸² This sign suggests that many developing countries are approaching the goal of near-to-universal primary education by the year 2015 and, as a result, are focusing on expanding lower secondary education. In countries where universal primary education remains a distant goal, strengthening pre-primary and lower secondary education can have a salutary effect on universal primary completion. On the one hand, early childhood development programs help to reduce drop-out rates in the early grades of primary school; on the other hand, expanding access to lower secondary school motivates parents to keep their children enrolled for the full duration of primary school.

120. Near-to-universal primary completion, however, has had an unintended side effect. Many countries do not pursue—or possibly have abandoned after a series of serious and costly attempts—the goal of enrolling difficult to reach and excluded groups of children. Apart from orphans, this group is broadly defined and ranges from children with disabilities and other special needs to homeless children, street children, child laborers, and those in hard-to-reach locations.

121. *Do students learn in school?* The achievements in educational access over the past decade are quite impressive. However, there is widespread criticism that donor aid has not produced a parallel

⁷⁸ World Bank, 2009. *Swimming against the Tide: How developing countries are coping with the global crisis.* Background paper for the G20 Finance Ministers and Central Bank Governors Meeting, Horsham, UK on March 13-14, 2009; UNESCO (2009). *Investing out of the crisis: the education dynamic.* Paris: G8 Education Experts Group Meeting, March 6, 2009.

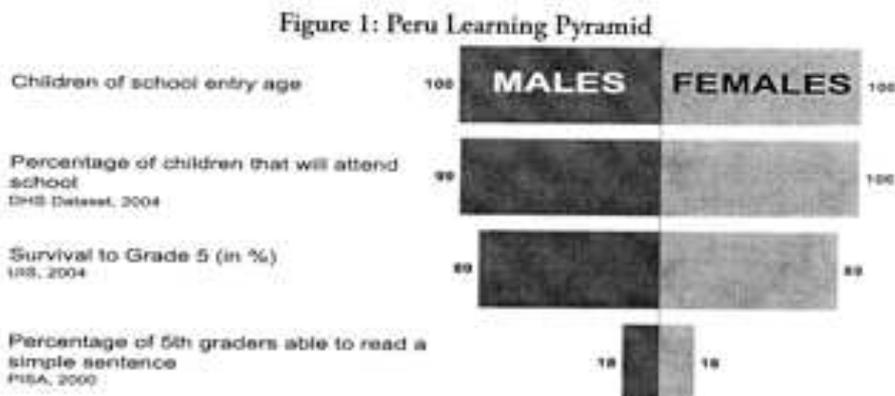
⁷⁹ M. Clemens, 2004. *The long walk to school: International education goals in historical perspectives.* Center for Global Development Working Paper 37. Downloaded on November 16, 2008 from <http://www.cgdev.org/content/publications/detail/2754/>.

⁸⁰ See World Bank, 2005. *Expanding Opportunities and Building Competencies for Young People. A New Agenda for Secondary Education.* Washington, DC: World Bank.

⁸¹ M. Clemens, 2004. op.cit.

⁸² EFA-FTI, 2008. *Annual Report 2007*, p. 13.

improvement in student learning outcomes in developing countries. As several studies⁸³ have pointed out, most education reform efforts, regardless of scope and budget, have not resulted in a meaningful change at the heart of an education system: the relationship between the teacher and the student in the classroom. In Peru, for example, only 18 percent of 5th grades are able to read a simple sentence. The following figure presents the “learning pyramid” for Peru.⁸⁴ These trends demonstrate that enrollment alone is not a reliable predictor for learning outcomes, leading some experts to suggest that the goal of education should be ‘Learning for All’ or universal ‘participation’ rather than only ‘Education for All’ or universal access.



Source: EQUIP 2 (2008), *Opportunities to Learn*, p. 2

122. The great concern over the lack of educational quality has triggered a host of student achievement tests, both in developed and developing countries. League tables from PISA, TIMSS-R, PIRLS, and other OECD- and IEA-type studies are used to increase (or in rarer cases: to alleviate) pressure for reforms. With international funding, developing countries have participated in such international student achievement studies. Typically, however, countries that consistently score at the very bottom of international league tables gain little policy-relevant insights from these studies. The situation might change in the future with more comparable educational systems from developing countries joining OECD and IEA-type studies.

123. In recent years, a new generation of student achievement tests is helping policy makers and stakeholders in developing countries to assess and compare the quality of their educational system with that of other low-income countries. One such initiative is EGRA (Early Grade Reading Assessment). Funded by USAID and the World Bank and carried out in conjunction with RTI International, the EFA Fast Track Initiative, and the William and Flora Hewlett Foundation, EGRA is now used in more than twenty countries. Another useful test, piloted in two countries (Jamaica and Peru) to-date, is the SSME (Snapshot of School Management Effectiveness). This standardized test draws from school effectiveness research and compares, among other variables, school management effectiveness with student learning outcomes.

⁸³ See, for example, World Bank (2006). *From Schooling Access to Learning Outcomes An Unfinished Agenda. An Evaluation of World Bank Support to Primary Education*. Washington, DC: World Bank, Independent Evaluation Group; EQUIP 2 (forthcoming). *The Power of Patience: Education System Reform and Aid Effectiveness. Case Studies in Education Reform* [tentative title]. Washington, DC: USAID (authors: J. Gillies et al.).

⁸⁴ EQUIP 2, 2008. *Opportunity to Learn: A high impact strategy for improving educational outcomes in developing countries*. Washington, DC: USAID (authors: J. Gillies and J. J. Quijada).

124. A few initiatives exist at the regional level, for example: SAQMEC in the Southern Africa region; LLECE in Latin America; PASEC in francophone sub-Saharan Africa; and MLA in three Central Asian countries.⁸⁵ At the national level, many developing countries are lacking reliable standardized tests that assess student achievement and curricula at the end of primary and lower secondary education or that link to workforce development requirements. Such studies would allow governments to compare student performance across regions, districts, and schools. Some countries do not yet have adequate tools to isolate specific problems or bottlenecks in promoting educational quality. Others have the tools, but they require improved quality monitoring to effectively target districts, schools, or groups of students that systematically under-perform. Governments in these countries rarely use standardized student assessments as a source of information to identify vulnerable groups or regions that require targeted educational interventions.

125. *Change at institutional, school and classroom level.* There is widespread agreement that improving educational quality requires simultaneous action at three levels: teaching and learning in the classroom, effective management of schools, and policy and structural reforms to support school- and classroom-level changes. Too often, institutional changes at the national level do not trickle down to the local level. In turn, pilot projects that fund innovative practices in effective school management and student-centered learning are not supported by the institutional reforms that would help sustain such efforts after donor support ends.

126. *Education beyond test scores in fragile states.* It would be wrong to assume that learning outcomes—in terms of acquired skills and knowledge—are the only indicators for measuring the effectiveness of schooling. In fragile states,⁸⁶ which comprise one-sixth of the world population, schools play a key role in creating normalcy, safety, and protection for children and youth, and in the long run, in mitigating conflict. The revived commitment of donors to education in fragile states, as reflected in the Inter-Agency Network for Education in Emergencies (INEE), has revealed that unequal access and discrimination in education -- based on ethnicity, religious political affiliation, or gender -- create “pockets of exclusion” that can lead to grievances and civil unrest.

127. A milder but more widespread form of “pockets of exclusion” is likely to build up in those non-fragile states that are not able or not willing to provide primary education in the mother tongue of the students. Advocates of mother tongue or community language teaching argue this is a human right and present numerous examples of schools where enrollment surged, education became relevant, and the quality of teaching improved when the mother tongue of the children was (re-)introduced as the language of instruction in primary school. Many community schools and low-fee private schools in sub-Saharan Africa, Central and Latin America, and Southeast Asia use this approach during primary education as a transition to instruction in the official language. In general, they have been successful in attracting children to school and providing quality education, with the result that these students are prepared to perform well in public secondary schools and beyond.⁸⁷

128. *Long-term solutions to teacher shortages, professionalism, and quality.* Globally, teacher shortages have reached epidemic proportions. The shortage will exacerbate over the next few years, particularly for primary schools in sub-Saharan Africa as well as secondary schools throughout the developing

⁸⁵ For a more comprehensive list of student assessment instruments see EQUIP 2 Issue Brief (n.d.), *Measuring Learning Outcomes in Developing Countries: A Primer*. Washington, DC: USAID.

⁸⁶ Fragile states are defined as countries with ineffective governments that lack political will, legitimacy, or capacity to carry out essential provisions for livelihood, let alone universal basic education.

⁸⁷ See James Tooley and Pauline Dixon (2009). Private Education for Low-Income Families: Results from a global research project. In: P. Srivastava and G. Walford, eds, *Private Schooling in Less Economically Developed Countries. Asian and African Perspectives*, chapter 4. Oxford: Symposium Books, Oxford Studies in Comparative Education; Barbara Trudell (2007). Local Community Perspectives and Language of Education in Sub-Saharan African Communities. *International Journal of Educational Development*, 27, 552-563; EQUIP 2 (n.d.), *Meeting EFA: Reaching the Underserved through Complementary Models of Effective Schooling*. Washington, DC: USAID.

world.⁸⁸ UNESCO estimates that 18 million additional teachers are needed to achieve universal primary education by 2015. The ubiquitous problems with teacher shortage, poor working conditions for teachers, and low teacher salaries have left governments and school managers at a loss on how to respond. The lack of teacher professionalism – particularly teacher absenteeism and the high cost of public education associated with teachers' private tutoring practices and other, informal fees collected from parents -- is pervasive. Teacher shortage is most grave in rural areas and for subject areas in secondary school that compete with better-paid jobs in the private sector (foreign languages, mathematics, and science). Strong community participation and other forms of social accountability have a positive impact on teacher motivation and professionalism. Reforms must develop strategies for systematically attracting and retaining qualified teachers.

129. *Youth bulge and secondary school expansion.* Demographic and economic trends are increasing pressures on lower and upper secondary school. Demographically, the age structure of the population over the next two decades, especially in sub-Saharan Africa and some countries of Asia, will be dominated by youth.⁸⁹ With primary attainment increasing or even becoming nearly universal in several countries, there will be a greater number of students entering secondary school. Quality improvements in primary school are likely to reduce drop out rates and increase the number of students prepared to continue to the secondary level. Economically, youth unemployment rose globally in the period 1995 to 2005 from 12.3 percent to 13.5 percent⁹⁰ and 15-24 year olds without formal education are disproportionately affected by the risk of unemployment. A new trend of “reverse gender exclusion” reveals that in those countries where secondary enrollment exceeds 60 percent, young men are less likely to be in secondary school than young women.⁹¹ Second chance education and a wide array of non-formal education measures are necessary to ensure universal basic literacy.

130. It is difficult to predict the impact of the global economic crisis on youth employment and their willingness to enroll in secondary school. Judging from trends in the higher education sector, however, enrollment in secondary school may follow the same counter-cyclical pattern as in the tertiary sector: young people remain longer in or return to formal education during times of economic crises when chances of employment are low. All of these trends have repercussions for secondary school development. Secondary schools must be affordable for families and the skills and the knowledge acquired must be regarded as relevant for future studies or employment.

c. USAID Experience in Basic Education

USAID Progress in Basic Education

131. Education was included as a general topic in the Foreign Assistance Act of 1961. Since then, USAID approaches to what is now considered basic education have gone through several evolutionary stages. In the 1960s, there was often an emphasis on recreating U.S. institutions overseas (e.g. consolidated secondary schools). In the early 1970s, this was replaced with a focus on non-formal education. The emphasis on ‘basic education’ was first introduced in legislation for USAID in 1988 and further strengthened with the first Education for All (EFA) conference in Jomtien in 1990, including the goal of universal primary enrollment (UPE). Since then, USAID’s strategic approach to basic education has varied by country but as an agency it has emphasized access, equity, and quality.

⁸⁸ For exact numbers, see the projections by the Education Policy and Data Center (2009). *Global Educational Trends, 1970-2025. A Brief Review of Data on Ten Issues.* Washington, DC: EPDC (draft version, January 2009).

⁸⁹ EPDC (2009). *Global Education Trends 1970-2025*, p. 13ff.

⁹⁰ International Labor Organization (2006). *Global Employment Trends for Youth.* Geneva: ILO; cited in EPDC (2009), p. 17.

⁹¹ In 66 of 113 countries, examined by the Education Policy and Data Center (EPDC), secondary enrollment exceeded 60%. See EPDC (2009), p. 7ff.

132. USAID programs over the years have contributed to the overall progress in basic education in countries in which USAID has worked. Additional noteworthy areas of progress are noted below.

133. *Global presence of USAID Basic Education Programs.* USAID supports basic education in over 50 countries in four regions, as detailed in Table F.I-1. The global spread of these programs is considered a strength of USAID, along with the Agency’s decentralized organizational structure and presence in the field.⁹²

Table F.I-1. USAID Basic Education Support: Target Regions and Countries

Sub-Saharan Africa	South / Southeast Asia & the Near East	Europe & Central Asia	Latin America and the Caribbean
Benin, Burundi DR Congo, Djibouti Ethiopia, Ghana Guinea, Kenya Madagascar Malawi, Mali Namibia, Niger Nigeria, Rwanda Senegal, Somalia South Africa, Sudan Tanzania, Uganda Zambia	Afghanistan Bangladesh Cambodia Egypt India, Indonesia Iraq, Jordan Lebanon, Morocco Nepal, Pakistan Philippines, Sri Lanka West Bank / Gaza Yemen	Macedonia Tajikistan Uzbekistan Kyrgyz Republic Turkmenistan	Dominican Republic El Salvador Guatemala Haiti Honduras Jamaica Nicaragua Peru
Source: USAID Document (2009)			

134. *Emphasis on teaching quality.* A recent meta-evaluation of USAID basic education projects in 33 countries summarizes the ten most widely targeted areas of intervention supported between 1990-2005. As illustrated in Table F.I-2, on the following page, USAID programs focus on educational quality by targeting teachers as primary beneficiaries and concurrently involving government structures and officials as supporters of these innovations at the school level. Key results sought through these interventions include increasing the input level (provision of teaching and educational material), improving the delivery system (teachers are trained in effective, often student-centered, teaching methods), and revising the curriculum and student assessment system (achievement testing, test development) for greater accountability. At the same time, the capacity of officials to better plan, monitor, and evaluate is strengthened. The emphasis on teaching quality also includes distance learning approaches that have supported teachers in remote areas.

135. *Commitment to Community Participation and Social Accountability.* Most USAID basic education projects tend to work at both the national and local levels to ensure policy and institutional reforms are making an impact at the school level. Most USAID-funded governance reform and quality monitoring projects include community participation and accountability features, for example: the Snapshot of School Management Effectiveness (SSME) pilot projects in Jamaica and Peru; or the School Self-Assessment pilot project in Namibia.⁹³ In addition, USAID supports alternative schools or

⁹² This assessment has been presented in a report written by Jo Ann Intili and Ed Kissam (2009). *What strengths and weaknesses does the Agency have in developing education systems and in relation to other USG agencies and with other donors.* Washington, DC: USAID. The evaluation report by Intili and Kissam relies on interviews with 13 key informants (average years of experience in educational development: 17 years) and a review of 145 relevant documents.

⁹³ EQUIP 2 Policy Brief (n.d.). *Strengthening Accountability and Participation: School Self-Assessment in Namibia.* Washington, DC: USAID; EdData II (2008). *SSME Snapshot of School Management Effectiveness.* Washington, DC: USAID.

complementary models of schooling that are initiated by communities with the goal of ensuring more equitable access to educational opportunities.

Table F1-2. Ten Most Used Strategies in USAID Education Projects, 1990-2005

Focus of projects	Number of projects
Teaching materials	
• Curriculum development	21
• Instructional materials development	19
• Education materials distribution	15
Capacity development	
• Teacher training	20
• Capacity development – MOE	16
Data for decision making	
• Operation/policy research	17
• Achievement testing	16
• Test development	15
• EMIS development	15
• Monitoring and evaluation	14

Table source: EQUIP 2 (2008). *An Analysis of USAID Assistance to Basic Education in the Developing World, 1990-2005*.

136. *Measurement, Monitoring, and Evaluation.* Support for program and project monitoring and evaluation as well as the strengthening of EMIS (Education and Management Information System) has served government officials, school managers, and community representatives as a tool to better plan, monitor, and evaluate school development in collaboration with relevant stakeholders. Great attention has been given to measuring student outcomes at primary and secondary school. For example, EGRA (Early Grade Reading Assessment)—funded by USAID and the World Bank—is currently used in more than twenty countries and is likely to be adopted by additional countries.

137. *Increased Analytical Work and Knowledge Sharing.* Similar to other large donors, USAID has invested in learning from experience, including statistics, trends, and best practices in education and a portfolio of lessons learned in USAID-funded projects.⁹⁴ The analytical capacity within USAID has increased visibly over the past few years with the establishment of EQUIP 1, EQUIP 2, EDDATA I, EDDATA II, and the EPDC (Education Policy and Data Center). The knowledge and learning from these efforts serves staff in USAID-funded projects as well as educational experts in host countries and in other donor agencies. There is open access to these resources and knowledge sharing is actively encouraged and made possible in communication platforms such as the Global Learning Portal.

USAID Challenges in Basic Education

138. *Effectiveness of USAID-funded pilot projects.* USAID education practitioners acknowledge that the national impact from Agency-funded pilot projects can be weak.⁹⁵ Rarely are pilot projects scaled up and implemented nationwide over a sustained period of time. More often, they are used as incubators for change and innovation and only selectively implemented in a few regions, districts, or schools. Whether pilot projects should be dismissed because they are rarely replicated, scaled up, or sustained after USAID funding has ended, is a topic of debate. There is little evidence from USAID discussions to

⁹⁴ See, for example, EQUIP 2, 2008. *An Analysis of USAID Assistance to Basic Education in the Developing World, 1990-2005*. Washington, DC: USAID.

⁹⁵ See Intili and Kissam (2009).

suggest that the concept of pilot projects is likely to be suspended in the future. In fact, some question whether sustainability should be disregarded as a valid success indicator for a project: “It might be useful to broaden the thinking about what sustainability means, and the nature of the contribution of foreign assistance in education development. Rather than an engineering process of replicating “best practices,” perhaps development is about evolution, growth, and continuous improvement. The most significant contribution of development programs may be in initiating and stimulating change, rather than starting activities that must be continued in their initial form.”⁹⁶

139. In line with other large donors, notably the World Bank, USAID Basic Education experts have challenged the assumption that “host governments can or should be responsible for assuming all recurrent costs imposed by donor projects.”⁹⁷ In reality, under-financed systems depend in the long term on innovative projects that are funded by donors. The assumption that a host government should or will cover the cost of full-scale implementation after a pilot project has ended needs to be viewed skeptically.

140. Arguably, there is a need to define success (or aid effectiveness) indicators for donor-funded projects and evaluate them periodically based on such criteria. Some have suggested that “meaningful change” rather than sustainability should be used as a main criterion to judge the merit of a donor-funded project.⁹⁸ The reflections on what effectiveness entails in the new context of country-led development or country-owned reforms have only begun and are likely to be continued with greater intensity. At this point, the most logical basis for assessing effectiveness is the degree of progress achieved against national education plan objectives and milestones through national monitoring and evaluation mechanisms and national sector review processes.

141. *Policy support can be weak.* In some cases, host governments do not solicit technical assistance and policy advice for ongoing reforms from USAID-funded experts; rather, such assistance and advice is initiated by USAID. According to a study on the comparative advantage of USAID-funded education programs,⁹⁹ this may be because some USAID missions have the reputation of hiring generalists that deal exclusively with project management rather than providing policy expertise. Policy support may be provided by short-term international consultants, albeit with little continuity and follow-up, whereas the work of mission staff is often reduced to managerial and administrative functions. This could be addressed by increasing the quality and number of USAID Education staff in Missions; dispatching long-term advisors more frequently; structuring more robust programs to allow for an appropriate policy support component; and tying assistance directly to national education plans and efforts.

USAID Lessons in Basic Education

142. *Investing in the foundation skills of basic literacy and numeracy.* Several studies, conducted over the last few years, have demonstrated that enrollment is not a valid predictor of student learning (see earlier discussion of “Peru learning pyramids” [Figure F.1-1]).¹⁰⁰ Rather, literacy is the single most critical skill in education because it is required for virtually all future learning. If literacy is mastered in the early grades, then students have the possibility of learning additional content in the future. Conversely, students who do not master basic skills at an early age are on a lifetime trajectory of reduced educational attainment. It is much more expensive to provide basic skills later – whether it be at the upper primary or junior secondary levels or via ‘second chance’ schools or special programs for out of school youth. For these

⁹⁶ EQUIP 2, 2009. *The Power of Patience: Education system reform and aid effectiveness. Case studies in education reform.* Washington, DC: USAID.

⁹⁷ EQUIP 2, 2009. *Ibid.*, Also see World Bank, 2002, for the reference on the World Bank.

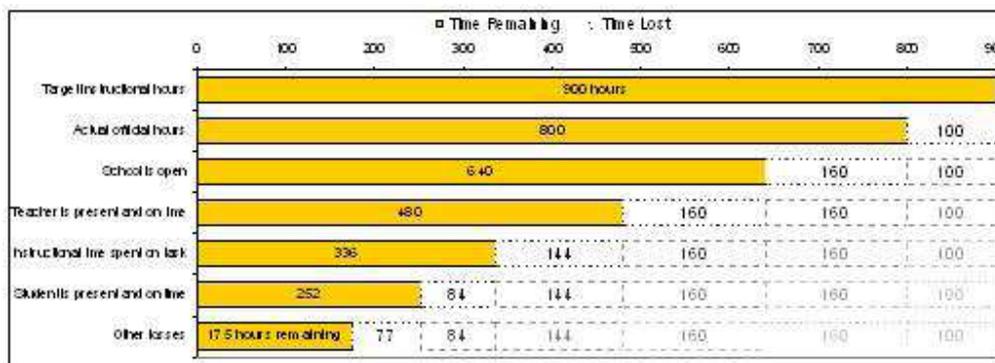
⁹⁸ EQUIP 2, 2009. *Ibid.*

⁹⁹ Initli and Kissam, 2009.

¹⁰⁰ EQUIP 2 (2008). *Opportunity to Learn: A high impact strategy for improving educational outcomes in developing countries.* Washington, DC: USAID (authors: J. Gillies and J. J. Quijada).

reasons, early mastery of basic skills is critical for countries and donors to efficiently use limited resources.

143. *Time on Task and providing an opportunity to learn.* Teacher absenteeism, frequent closure of schools or shorter annual instructional hours, lack of instructional material, ineffective teaching methods, and a host of other factors also account for the lack of student learning despite enrollment and regular attendance of students. A USAID-funded Opportunities to Learn study distills eight features that capture the effectiveness of schools and their ability to use allocated resources for the benefit of students. The results are shocking and show that in some cases, students have only 15-20 percent of the desired instructional time (see figure below). Thus, sadly, far too many students in developing countries are actually falling farther behind their peers in more developed countries.



144. *Improving equitable access.* There is a long-standing concern among aid agencies on how to reach vulnerable groups. In developing countries, poverty is the main cause for vulnerability. Additional factors vary, depending on the country context. In general, they include gender, location (remote rural areas), ethnicity, and ability. For example, a large group of vulnerable children and youth -- especially in Sub-Saharan Africa, are affected by the HIV/AIDS pandemic either as orphans or as HIV victims themselves. In addition, the Inter-Agency Network for Education in Emergency (INEE) has convincingly demonstrated that the social injustices that emerge from unequal access to quality basic education may in the medium and long term, contribute to fragility and political instability. Overall, USAID has learned and is committed to the importance of improving equitable access to quality education for 'vulnerable' and under-served groups, including the importance of conducting targeted assessments and interventions.

145. *Increasing efficiency and reducing wastage.* The last decade has witnessed the proliferation of a new generation of studies as well as projects in developing countries that address financial leakages (e.g., Public Expenditure Tracking Surveys) as well as corruption at teacher, school, and system levels. Demands for greater transparency, better management of resources, and more accountability have been made world-wide. First generation projects included, for example, EMIS (Education Management and Information Systems) and Per Capita Financing schemes to enable school-based management. A new generation of projects targets public and social accountability in the form of standards-based educational reform. Teachers and schools are held accountable, both by government officials and by civil society, for the achievement of standards and benchmarks. These standards and benchmarks are formulated at the student level (learning outcomes), at the school level (Opportunity to Learn), and at the community level (School Development Plans). The explosive growth of low-fee private schools and alternative schools in developing countries demonstrate the urgent need to improve the quality of public basic education.

d. Looking Forward: Proposed Objective and Priorities

Objective

146. The role of basic education in the broader education system is to help students develop foundational skills for learning, citizenship, and work. The objective of USAID basic education programs is to promote equitable access to a quality basic education. The emphasis on equitable access recognizes that there are still millions of children around the world who cannot enter a basic education setting. Addressing access issues includes reaching out to populations who -- because of poverty or their gender, location, ethnicity or abilities -- are not enrolled in school, drop out, or are at-risk of dropping out. In turn, the emphasis on quality basic education focuses on the major challenge of ensuring that children actually learn once they are in school. Quality issues put an emphasis on effective teaching methods and conditions for learning, as well as relevant learning outcomes. The successful implementation of these two objectives—equitable access and quality basic education—requires a coherent and transparent educational system that establishes clearly defined standards and benchmarks and is able to continuously measure, monitor and evaluate progress. These evidence-based tools of policy planning become the basis for any corrective measures required to achieve universal access to quality basic education. USAID acts in partnership with a range of institutions in the recipient countries—governments, civil society and other donors—in support of country-owned national education strategies.

Priorities

147. Improving access and equity. Experience has shown that education progress can still mask inequities in access to quality basic education. For example, in addition to the millions of children out of school --- girls, ethnic minorities, HIV/AIDS orphans, rural students, or other populations may be particularly under-served. In some cases there may be ongoing ‘patterns of exclusion’ that threaten national efforts at poverty alleviation and economic growth as well as the stability of the country. Addressing this typically requires solid data, targeted interventions, and ongoing monitoring to track progress.

148. This priority relates to the role of basic education vis-à-vis the educational system overall. For example, the Education for All and Fast Track Initiative movement has generally focused on the goal of universal primary education, and while this is important as a Millennium Development Goal, this has resulted in less attention to the other five EFA goals. One unintended consequence has been to neglect education services for youth who have dropped out of school or are at risk of dropping out. An undereducated youth population can undermine that country’s prospects for economic development. And, low rates of secondary school enrollment are significantly correlated with an increased risk of country instability. Based on country contexts, USAID will work with countries to ensure that basic education objectives and interventions are appropriately aligned with larger country assistance strategies.

149. Education quality and relevance, with an emphasis on early mastery of basic skills. While access to education is important, the ultimate goal of the system is learning. Without learning, students and parents pin their hopes for a better future on a cruel facsimile of education that is basically warehousing. Studies have shown that the return on investment to education is zero if learning does not take place.¹⁰¹ And, while quality is important at all levels, the key to efficient learning is early mastery of basic skills – i.e. literacy and numeracy -- as this directly affects the life-long learning trajectory of students. Problems are exacerbated at the secondary and vocational levels when out-of-school youth have not mastered these basic skills in the early grades. In conflict-affected countries, a large segment of the population (including learners) suffers from post-traumatic stress disorder, which in turn affects cognitive

¹⁰¹ E. Hanushek and L. Woessmann, 2007. *op cit.*

development and performance. This results in high repetition rates in the early grades leading to children becoming over-age students who are more prone to early drop out. Typically, the per pupil costs of providing basic skills increase dramatically as students age. In other words, the most efficient use of education resources – for donors and host countries – is to ensure that basic skills are mastered early. Otherwise, more expensive programs will be needed later to address this basic flaw in education systems. For this reason, the greatest priority for the use of basic education funding will be ensuring the early mastery of literacy and numeracy.

150. That said, countries need education systems that provide more than the most basic skills. In some cases, there may be a compelling rationale for USAID to support education beyond early mastery of basic literacy and numeracy skills. At higher levels of education (e.g. secondary education), quality is equally important and includes more advanced subject matter knowledge as well as life skills such as critical thinking and problem solving skills. In developing new projects, USAID staff should always provide a solid justification for the cost effectiveness of interventions being supported.

151. Coordination and Systemic Reform. In accordance with the Paris Declaration, USAID recognizes that basic education is a host country responsibility. USAID works in coordination with host countries, including governments and civil society, as well as other donors and USG agencies, in support of nationally-owned education plans. USAID is committed to vetting proposed new activities with in-country stakeholders, and actively participating in education coordination efforts on an ongoing basis. USAID will further support this priority by seeking to: a) work in countries that have solid national education plans; b) work in countries with supportive policy environments and donor coordination processes; c) provide reasonably predictable basic education budgets of sufficient size to be able to achieve sustainable, national level impact; and, d) a critical mass of professional USAID education staff sufficient to allow for sound management and in-country coordination. At the same time, USAID recognizes the need to support children and youth in fragile and conflict-affected countries where sound education plans may not yet exist.

152. Accountability, Transparency, and Measuring Results. The United States will work transparently and in a participatory manner to improve partner country capacity to establish baselines and targets, set learning standards, measure learning outcomes, and use a range of performance data to track the progress of national education efforts and allocate resources. USAID will work in harmony with national monitoring and evaluation systems and actively participate in joint sector reviews. It will ensure that all USAID-funded programs begin with sound, empirically-based assessments; collect project baseline data; and include resources for monitoring and evaluation. All USAID evaluation reports will be public.

153. The objectives and priorities of USAID basic education, discussed above, will guide country-specific activities and should be used as a framework to determine effective aid strategies at an operational level.

e. Basic Education Linkages to Other Subsectors and Programs

154. The access, quality, and relevance of basic education is vital to laying the foundation among all learners for work and higher level study. Education and training problems are significantly compounded (and more costly to resolve) if learners have not gained numeracy, literacy, and other skills such as critical thinking, problem-solving, teamwork, and knowledge generation at an early stage. The basic education priority of keeping youth in school can be met in part by paying closer attention to what workforce development approaches offer to at-risk youth, such as more flexible and relevant opportunities that support ‘learning and earning’. Mentoring, tutoring, and counseling services can motivate disadvantaged students to aspire for higher levels of education. And, higher education institutions are vital to upgrading and reforming the basic education system.

Ties with Higher Education

155. There are several reform areas that require close cooperation between basic education and higher education programs: teacher education, educational governance, student assessment, and research and curriculum development.

156. *Pre-service teacher education reform.* There has been a global trend in developing countries to move teacher education from upper secondary school to tertiary education. Starting in the mid-1990s, donors have been reluctant to channel funds into higher education, which in turn has had repercussions on the preparation of teachers and other educational practitioners.¹⁰² Even though teacher education programs are typically among the largest higher education programs, they have low entrance requirements and do not produce sufficient graduates that are willing to work as teachers or educational practitioners. In many developing countries, teacher education programs are regarded as easy-to-obtain, often substituting for a more specialized degree. Particularly in fragile states, remnant higher education capacities may be too weak to generate the teachers or civil servants needed to provide and manage education services. Greater donor support to reform the curriculum and improve the infrastructure in pre-service teacher education programs could have a lasting impact on basic education.

157. *Educational governance reform.* Another trend of the past two decades has been the shift of decision-making authority and financial management to the school level. Yet, principals and educational administrators at all levels are ill-prepared for developing school improvement plans, preparing budgets, managing finance, or involving the community in decision-making and educational systems have been slow to professionalize their work. Higher education systems have tended to confine the study of education to an undergraduate degree and pre-service teacher training. In fragile states particularly, the capacity of higher education is too weak to generate the high- or mid-level staff or civil servants that are needed to manage the education system. Specializations in educational studies – either as certificate programs or degree programs at the Masters level – are needed, not only to build capacity at all levels of the system, thereby reducing dependence on international specialists.

158. *University entrance or secondary school exit exams.* The selection criteria used for admission to a higher education degree has been a concern. Tests are seen as important instruments to monitor and, in most countries, to raise educational standards. In addition, many developing countries have introduced standardized secondary exit exams or standardized university entry exams to ensure equity and at the same time to curb corruption.

159. *Research and curriculum reform.* The role of higher education institutions in educational research and curriculum reform has yet to be realized in many developing countries. In addition to training (and re-training) teachers, school principals and system managers, University professors play a major role in curriculum development and evaluation for primary and secondary education. University researchers analyze education performance, identify problems and best practices, and provide policy advice.

Ties with Workforce Development

160. There are three reform areas in basic education that intersect with workforce development initiatives: second chance education, the rapid expansion of secondary education, and incorporation of 'soft skills' into basic education curriculum.

¹⁰² The report *Priorities and Strategies for Education* (World Bank, 1995) is considered the landmark document in which the World Bank presented the rationale for divesting in higher education and focusing on primary and secondary education reform. Other donors have, in concert with Education for All (1990), also concentrated their funding on basic and primary education. See also Stephen P. Heyneman (2003). The history and problems in the making of education policy at the World Bank, 1960-2000. *International Journal of Educational Development*, 23, 315-337 (see citation on p. 327).

161. *Second chance education.* A key change in basic education reform is a growing appreciation of the need for remedial mechanisms to compensate for ongoing systemic failure. Such mechanisms provide “second chances” to those who were unable to avail themselves of first-chance opportunities to secure basic primary and lower secondary schooling. In the developed world, second chance opportunities—such as high school graduate equivalency or adult literacy programs—have become commonplace features. In fragile and developing countries, student drop outs – often with low literacy and numeracy skills -- end up in non-formal vocational training programs. As a result, non-formal education is in many instances carrying the weight of the failures of the formal education system, but they are ill-equipped to do so in terms of funding and capacity. Public system funds and attention need to provide partnership and resources for literacy and basic skills development that is certified by the formal system.

162. *Rapid expansion of secondary education.* Experts agree that the emergence of a youth bulge is leading to intensifying demands on a country’s governance systems, social institutions, and economic and natural resources,^{103 104} In the education sector, this is leading to increased pressure to expand and reform secondary education (see discussion under paragraph 130). This expansion is likely to have, temporarily, a similar negative effect on the quality of education that primary education endured when school fees were abolished. A bigger and better qualified teaching force, improved infrastructure, more up-to-date teaching and learning resources, and more professional management combined with a clear qualifications framework and an attractive curriculum in academic and vocational-technical education is urgently needed. As students move up into the secondary system, curriculum and pedagogies must address the transition from school to work, including more attention to the skills required by the labor market and future employers, career education, and exposure to the world of work through such activities as internships and apprenticeships.

163. *Incorporation of soft skills into basic education curriculum.* Basic education and should increase emphasis on soft skills, life skills, and employability skills--including youth leadership development--in order to better prepare youth for the workforce. Experience suggests these are the skills that employers are asking for, but they are the types of skills that formal education systems have had trouble delivering.

Linkages with Other Development Sectors

164. Besides the interplay across education sub-sectors, there are basic education linkages to health and social protection. Early childhood programs and school-readiness programs are more successful in applying an integrative approach to education, health, and social protection than the upper levels of schooling. In many developing countries HIV/AIDS education and other health education programs, but also environmental education and civic education have not been mainstreamed into the general curriculum of basic education.

¹⁰³ Much of the attention to youth bulges has arisen in connection with studies of historical and contemporary episodes of civil conflict. Among the contributions to this increasingly voluminous literature are H. Urdal, 2004. “The devil in the demographics: Youth bulges and armed conflict, 1950-2000.” *Social Development Papers: Conflict Prevention and Reconstruction* 14, Washington DC: World Bank; J. Goldstone (2002), Population and Security: How Demographic Change Can Lead to Violent Conflict, *Journal of International Affairs*, 56 (1), 3-22; R. Cincotta (2005), Youth bulge, underemployment of raise risks of civil conflict. *State of the World Global Security Brief* (2). Worldwatch Institute.

¹⁰⁴ Education Policy and Data Center, 2009. *op. cit*; citation from p. iii.

F.2 WORKFORCE DEVELOPMENT

a. Definition and Scope

165. Workforce development refers to the policies and programs that help young people and adults gain the specific skills they need to be productively employed in the private sector.¹⁰⁵ Through workforce development education and training, students acquire knowledge, skills, attitudes, and workplace practices. This subsector cuts across the education spectrum in three distinct areas: formal education, non-formal education and training, and informal education and training.¹⁰⁶ *Formal education* offers accredited, structured and chronologically sequenced education. Technical and vocational education and career education at secondary and higher education are examples of workforce development in formal education. *Non-formal education and training* provides skills development, remediation, career guidance and job counseling services outside of the formal education system. *Informal education and training* includes a wide range of lifelong learning, such as non-accredited industry training and apprenticeships.¹⁰⁷ Since 2005, USAID has placed a priority on workforce development programs that address at-risk youth and female populations, post-conflict situations, and skills training for competitive and jobs-creation programs.

b. General Progress, Challenges, and Lessons

Progress and Trends in Workforce Development

166. While globalization stimulates a greater demand for higher level skills, a growing number of young people in developing countries are without basic workplace or livelihood skills. Countries and donors are now confronting this dual challenge: the global demand for higher level skills and the social demand by youth for greater access to skills development through workforce development programs. Six main trends frame the global dynamic in workforce development in developing countries.

167. *Large “youth bulge” population.* The last two decades have witnessed a significant demographic shift in youth populations. Of the 1.5 billion young people between the ages of 12-24 worldwide, approximately 1.3 billion of them live in developing countries.¹⁰⁸ In many cases -- most notably many of the South Asian and Middle Eastern countries, the proportion of young people within their population structure will peak in the next ten years. It is expected that this “youth bulge” will continue for the next twenty years for all countries in Sub-Saharan Africa as well as Afghanistan, Iraq, West Bank and Gaza, and the Republic of Yemen. These youth populations can be a main driver for economic growth in their countries. For example, research has shown that East Asia’s human capital investment in its youth

¹⁰⁵ USAID, 2005. *Education Strategy Improving Lives Through Learning*, United States Agency for International Development, PC-ACD-232, Washington D.C.

¹⁰⁶ Definitions are from Coombs, P. H. with Prosser, C. and Ahmed, M., 1973. *New Paths to Learning for Rural Children and Youth*, New York: International Council for Educational Development: **Formal education** is the hierarchically structured, chronologically graded 'education system', running from primary school through the university and including, in addition to general academic studies, a variety of specialized programs and institutions for full-time technical and professional training. **Informal education and training** is a lifelong process whereby every individual acquires attitudes, values, skills and knowledge from daily experience and the educative influences and resources in his or her environment - from family and neighbors, from work and play, from the market place, the library and the mass media. **Non-formal education** is any organized educational activity outside the established formal system - whether operating separately or as an important feature of some broader activity - that is intended to serve identifiable learning clienteles and learning objectives.

¹⁰⁷ Jay W. Rojewski (editor) *International Perspective on Workforce Education and Development*, Greenwich Connecticut: Information Age Publishing.

¹⁰⁸ World Bank, 2006. *World Development Report 2007 The Next Generation*, Washington D.C.: The World Bank, page 4.

populations was a significant factor in its high economic growth rates. Yet the ‘window of opportunity’ to make this investment closes as these large cohorts age.¹⁰⁹

168. *Economic policy reforms and demand-driven workforce development strategies.* The introduction of new technologies has transformed economic production processes worldwide. Global supply chains and inventory control combined with global quality standards and credentialing are major workforce trends.¹¹⁰ For developing countries, these production patterns require long-term economic reforms, supported by workforce development strategies. Demand-driven training systems for both the current workforce and youth must offer a wide range of education, training and information for skills development as well as a new mindset for work.¹¹¹

169. *The increased demand for a well-trained, skilled workforce.* To respond effectively, workforce development programs need to emphasize higher levels of knowledge, skills, and management through lifelong learning and continuous education. These programs integrate school and work through apprenticeships, internships, enterprise-based training, as well as accelerate training in skills that are relevant to local and regional employers.¹¹² Research and on-the-ground experience suggest there is an urgent demand for the “soft skills” of teamwork, communication, business fundamentals, problem solving, and applied technology as well as personal effectiveness skills, such as dependability, reliability, and motivation. Global competitiveness also calls for a new group of business managers and entrepreneurs who are connected to continuous education opportunities.¹¹³

170. *Second generation models of workforce development policy and programs.* National workforce training and education systems in developing countries are often criticized for being too expensive, narrow in scope, and unfocused in trying to address multiple -- and often contradictory -- objectives.¹¹⁴ The critics cite the need for more general skills and less occupation-specific preparation as well as the value in separating workforce programs from the formal education system. This transition requires a series of governance and management policy reforms, often called “second generation” reforms, which seek to decentralize and privatize training efforts and build relationships between public education, private training providers, and industry.

171. After a decade of experience in second generation projects worldwide, their success is evident - particularly in mid-developed countries (e.g. Indonesia, South Africa, Chile, Jamaica, and Mexico). In these cases, there is an emphasis on the teaching of broader occupational clusters of skills and “core skills” for workforce entry. Public-private partnerships have promoted greater linkages between public education, private training providers, and industry. Decentralization and privatization of large parts of the workforce development system have encouraged leadership and financing by the local community and private sector. These second generation reforms suggest the positive effects of increasing the quality of workforce development systems and making them more relevant. However, challenges remain, particularly in key USAID countries. Bulgaria, Croatia, Czech Republic, Egypt, Guatemala, Panama, Romania, Rwanda, Serbia, Slovenia, and Slovakia are countries where vocational education represents 30

¹⁰⁹ Ibid, page 22.

¹¹⁰ Phil Harkins, et al., 2005. *Leading the Global Workforce: Best Practices*, Hoboken New Jersey: Wiley and Sons.

¹¹¹ World Bank, 1997. *World Development Report 1997 The State in a Changing World*, New York: Oxford University Press for the World Bank.

¹¹² P. Stanley, 2008. “Lessons From a 2-Year-College ‘Master Class’” *The Chronicle of Higher Education*, Washington D.C.: The Chronicle of Higher Education.

¹¹³ World Bank, 2003. *Lifelong Learning in the Global Knowledge Economy Challenges for Developing Countries*, Washington D.C.: The World Bank.

¹¹⁴ This discussion is highlighted in Jay W. Rojewski (editor) 2004. *International Perspective on Workforce Education and Development*, page 9. Also, see G. Psacharopoulos, 1997. “Vocational education and training today: Challenges and responses” *Journal of Vocational Education and Training*, 49, 385-393.

percent or greater of secondary enrollments.¹¹⁵ Many of these systems have been seriously underfunded for decades and are in urgent need of reform.

172. *The ICT revolution and workforce.* People in the 21st century live in a technology and media-suffused environment, marked by access to an abundance of information and rapid changes in technology tools. To be effective in the 21st century, citizens and workers must be able to show a wider range of skills. In that role, ICT has emerged as an important learning tool, as well as a critical content area of instruction. Recent global data report significant productivity contributions of ICT. Similar findings have been corroborated in a study of six Gulf States. The trend points to the power of technology, specifically when it is accompanied by a skilled workforce and maintenance of ICT systems.¹¹⁶

173. *Good governance and public-private partnerships.* Good governance, access to services, and efficient administration provide a foundation for workforce development. The system is comprised of governance policies from several separate government ministries -- Labor, Education, and in some cases, Youth. This multiple and overlapping authorization creates confusion over roles and responsibilities and most often lacks coordination. In short, there is not a single champion for workforce development in the public sector and it often falls through the bureaucratic cracks of the system. Over the past decade, some developing countries have made progress in this area, where more integrated governance structures (such as combining relevant government agencies into a single ministry) are resulting in more coherent policy-making and allocation of public funds.¹¹⁷ Public-private partnerships at the local, regional, and national levels often accompany these governance reforms. These partnerships galvanize the coordinated action between public and private sectors, as well as support the decentralization of decision-making and financing of local community workforce programs. Experience is showing that private providers of workforce training will emerge when they perceive a workforce development need that is accompanied by incentives to independently respond to that need.

Challenges in Workforce Development

174. *Youth: Out-of-school and out of work.* Youth in developing countries face enormous challenges in making the transition from school to work. The unfortunate context facing many youth in developing countries includes high rates of youth unemployment or under-employment, few educational opportunities at the secondary and tertiary levels of education, and abject poverty. The duration of youth's transition from school to work is long, in some cases lasting up to a decade. Most important, children quickly drop out of school after age 12. Recent estimates show that approximately 85 percent of all children aged 12 years are in school. Yet by 18 years, almost half of youth are out of school. By 24 years, few youth are enrolled in school.¹¹⁸

175. Table F.2-1 presents estimates of out-of-school populations for different age cohorts by regions of the world.¹¹⁹ These estimates present a startling picture of contrasts. Drop-out rates are most serious for Sub-Saharan Africa, and by age 15-19, every three out of four youths is out of school with little education. The older youths (ages 20-24) have few educational opportunities, with only 5 percent enrolled in tertiary education. South and West Asia face similar challenges, although not to the degree found in Sub-Saharan Africa. These trends are also high in the Arab States, with a drop-out rate of 8 percent and percentage of out-of-school youth populations (ages 15-19) at 40 percent. In most regions, youth programming means targeting out-of-school youth populations.

¹¹⁵ UNESCO, 2009. "Secondary technical vocational enrollments by country", Paris: UNESCO.

¹¹⁶ The Conference Board, 2008. *Productivity in the Gulf States*, New York: The Conference Board.

¹¹⁷ Singh, Indermit, Fluitman, Fred and Dar, Amit (2000) *Vocational Education and Training Reform: Matching Skills to Markets and Budgets*. Oxford: Oxford University Press.

¹¹⁸ World Bank (2006) *World Development Report 2007 The Next Generation*, Washington D.C.: The World Bank

¹¹⁹ This estimation methodology most likely underestimates the out-of-school population, as has been substantiated in previous research. See Cardoso, Ana Rute & Verner, Dorte, 2007. "[School drop-out and push-out factors in Brazil : the role of early parenthood, child labor, and poverty](#)," [Policy Research Working Paper Series 4178](#), Washington: The World Bank.

Table F.2-1: Out-of-school youth estimation by age cohorts
(% of youth population)

Region/Year	Drop-Out Youth 10-14 (%)	Out-of-school Youth 15-19 (%)	Out –of-School Youth 20-24 (%)
Arab States	8.0	40.0	77.0
Commonwealth of Independent States	4.0	19.0	71.0
Central Asia	1.0	17.0	
Eastern Asia and the Pacific	9.0	31.0	80.0
Latin America and the Caribbean	7.0	30.0	71.0
South and West Asia	13.0	56.0	90.0
Sub-Saharan Africa	38.0	75.0	95.0

Source: UNESCO Institute for Statistics, Data Centre, June 2007. Drop out youth (10-14 years) rates are calculated using I- (Transition rate from primary to secondary); Out of school youth populations (ages 15-19) are calculated using I- net enrollment rates) for relevant age-cohort group for 15-19. Youth ages 20-24 were calculated using I- (Gross enrollment rates). All data is reported for year 2006, with the exception of Youth 15-19 –Arab States (2005) and South and West Asia (2004).

176. Equally significant are the high rates of youth unemployment and underemployment.¹²⁰ The Middle East and North Africa region has the highest rates of youth unemployment, estimated at around 34 and 31 percent, respectively in 2006. Latin America and South East Asia and the Pacific have witnessed the largest increase in youth unemployment in the last decade, and also have the highest ratio of youth to adult unemployment. The remaining regions have youth unemployment rates at less than 20 percent. Most notably, Sub-Saharan Africa has youth unemployment rates of 18 percent, reflecting the large percentage of youth that are underemployed in the agricultural sector. Young women continue to experience a gender gap in terms of employment. The highest rates of female youth unemployment are in North Africa (33.6 percent for 2006); Latin America and the Caribbean and the Middle East regions continue to experience a gender gap where female youth employment is higher than their male counterpart.

177. *Quality and relevance of workforce development.* The main challenge is to teach the skills aligned to the needs of the workplace and society. Often countries experience a “skills mismatch”, a situation where the skills learned in education and training programs are not those demanded for the workplace and society. Skills mismatch leads to a surplus of graduates without critical workplace competencies, accompanied by skill shortages in critical occupations and industries required for economic development.¹²¹ Current thinking is that the quality and relevance of workforce development programs can be improved through private sector and civil society involvement. Recent approaches include the development of simple tools for identification of the core skills for entry into the labor market.¹²² Quality reflects institutional factors related to service delivery of the sector: developing new curriculum, training of faculty and administrators, and establishing skills standards and competency-based teaching. Unfortunately, these activities are often financed as stand-alone projects, and not part of a larger reform

¹²⁰ International Labor Organization, 2007. *Key Labor Market Indicators*, Geneva: ILO.

¹²¹ Zeufack, Albert, 2006. *Skills Inadequacy and Thailand Competitiveness*, Powerpoint presentation to Seminar on Sustainable Growth, Thailand, October 26, 2006.

¹²² While labor market programs in “developed” countries have yielded less than positive results for any unemployed person, evidence suggests there have been positive results in developing countries for programs that focus on youth. See ACT, 2008. *Work Keys: A Jobs Skills Assessment System*. Iowa City, Iowa: ACT.

program. Experience shows that such stand-alone initiatives rarely achieve their objectives, and that comprehensive reform is required to transform of the system.¹²³

178. *Access and equity of workforce development programs.* A main challenge is improving access to workforce development programs for lower income and marginalized groups. At-risk youth, women, ethnic groups, rural poor and migrants have few prospects for acquiring workforce practical skills training. Many of the incentives and opportunities of workforce development programs are skewed against unskilled workers.¹²⁴ Workers with higher skill categories have higher expected returns, more opportunities to choose from, and the personal skills to enroll in these programs. That is not the case at the other end of the skill spectrum where it is expensive to transform an unskilled worker into a skilled worker. Government education and labor market policies strive to balance these competing needs and to ensure access to workforce development. While some progress has been achieved, there continues to be an urgent need for offering “a fair chance” to at-risk populations.¹²⁵

179. *Educational reforms and labor market outcomes.* Reform of the formal primary education sector has been a main thrust of international education policy in the last two decades, promoting equitable access and quality of formal education. Yet for the most part, these reforms have not focused on the relevance of educational content in terms of labor market demands. A recent study has shown the importance of linking educational policy, including workforce development, to labor market outcomes.¹²⁶ There is no dispute that the academic skills of reading, writing and arithmetic are the foundation for individual skill development and that primary education and literacy are prerequisites to more specialized and advanced learning. Yet primary education is not sufficient in today’s global economy. While in the past primary education had the higher rates of return to education, now secondary and tertiary education have the highest rates of returns in developing countries. Moreover, education reform for all sub-sectors—basic, tertiary and workforce development-- must reflect the new and changing priorities of the private sector.¹²⁷

180. *Global economic downturn.* The recent economic downturn will have profound effects on the economic production and employment in developing countries. It is estimated that global economic gross domestic product (GDP) will decline for the first time since World War II. Sharp declines in global investment and trade are predicted for 2009. Eastern Europe, Central Asia and Eastern Asia have already been hard hit by the crisis.¹²⁸ The economic crisis is expected to increase the number of unemployed women by up to 22 million in 2009.¹²⁹ Economists predict a global jobs crisis with the deepening of the recession in 2009. The economic decline places a heavy burden on the most vulnerable: the poor, low-income women, the workers in the informal sector, and unskilled labor. Of particular concern are low-wage jobs hiring women associated with specific industry sectors, such as the textile and light manufacturing sector. Counter-cyclical social safety net programs, including workforce development, address the jobs crisis by supporting incomes during the short-term period. The

¹²³ ETF/World Bank, 2007. “Reforming Technical Vocational Education and Training in the Middle East and North Africa: Experiences and Challenges” DRAFT Washington: The World Bank.

¹²⁴ International Labor Organization (2004) *Global Employment Trends for Youth*, Geneva: ILO.

¹²⁵ Impact evaluations of youth workforce programs have shown robust and significant returns, particularly for women participants in specific countries; however these results are mixed worldwide. See Betcherman, Gordon; Olivas, Karina; Dar, (2004) “Impacts of Active Labor Market Programs: New Evidence from Evaluations with Particular Attention to Developing and Transition Countries”, Washington, D.C.: The World Bank.

¹²⁶ Tazeen Fasih, 2008. “Linking Education Policy to Labor Market Outcomes”, Washington D.C.: The World Bank.

¹²⁷ Ibid.

¹²⁸ World Bank, 2008. *Swimming against the Tide: How Developing Countries are Coping with the Global Crisis*. Washington, D.C.: The World Bank.

¹²⁹ International Labor Organization (2009) *Global Employment Trends*, Geneva: ILO.

experience of the 1990s provides ample evidence of the need to incorporate workforce skills development linked to jobs creation and assistance programs.¹³⁰

Lessons in Workforce Development

181. *Labor market assessment information.* Largely in response to the design and planning of “demand-driven” workforce development policies and programs, governments have been improving their labor market information systems. Supported by the ministries of Labor and Census, these systems have established an information platform on the demand for skills by national, regional and local labor markets. Rural income surveys provide greater information on informal economies and household production.¹³¹

182. *National-local partnerships.* Reform programs have moved away from a single public provider of training to training provision at the local level. Building national-local community partnerships that decentralize management and decision-making are the main elements of this approach. Included in these reforms is the decentralization of management, the removal of entry barriers for new providers, the creation and enforcement of demand-driven skills standards, and changed rules for allocating public funds based on efficiency and impact at the individual training center. These incentive-based systems incorporate the principles of performance management into the budget and financing of the projects.¹³²

183. *Local community partnerships,* comprised of local government, business, training providers and non-profit organizations, are becoming the main drivers of workforce development programs. Local centers provide training services, design “demand-driven” curriculum, form local partnerships, and build trust with the youth and workers in the programs. Private sector firms and industry organizations offer support through on-the-job learning and mentoring, as well as financial resources. Local governments offer coordination and technical assistance to comply with national accreditation and certification.¹³³

184. *Lifelong learning offers a flexible program.* Main elements of a flexible learning program are short course duration, open entry and exit points, and various locations. The emphasis is on providing various pathways to learning workforce skills and competencies, including models where students study and work simultaneously. One of the most important lessons from the Eastern European experience has been: “Do not try to re-create the old model. If it is broke’, fix it.”¹³⁴ For that reason, simply equipping or training teachers without program flexibility has proven less effective to addressing the more systemic problem associated with flexible learning needs.

185. *Diversified financial sources and cost-sharing.* Cost-share and diversification of financing are important parts of partnership programs in workforce development. There are a host of new financing mechanisms, such as trainee fees for partial cost recovery, grant funds from donors and private sector foundations, enterprise-based training, and volunteer contribution of private sector employees to teach and mentor trainees and students. In so doing, financial support for workforce development has moved away from full state funding through direct budget shares or payroll tax levies.¹³⁵

¹³⁰ Fretwell, D., J. Benus, and C. J. O’Leary (1999): *Evaluating the Impact of Active Labor Programs: Results of Cross Country Studies in Europe and Central Asia*. Social Protection Discussion Paper Series 9915. Washington, D.C.: World Bank.

¹³¹ Indermit Gill, Fred Fluitman and Amit Dar, 2000. *Vocational Education and Training Reform: Matching Skills to Markets and Budgets*. Oxford: Oxford University Press.

¹³² CINTERFOR, 2004 *Training participation in Chile* Montevideo: CINTERFOR

¹³³ Richard Johanson (2004) “TVET Strategies in the Asian Region”, Seminar presentation to the Asian Development Bank.

¹³⁴ Canning, Godfrey, Holzer-Zelazewska (2009) “Vocational Education in the New EU Member States: Enhancing Labor Market Outcomes and Fiscal Efficiency” The World Bank.

¹³⁵ Dar, Amit, Canagarajah, Sudharshan, and Murphy, Paud (2003) “Training Levies: Rationale and Evidence From Evaluations” World Bank.

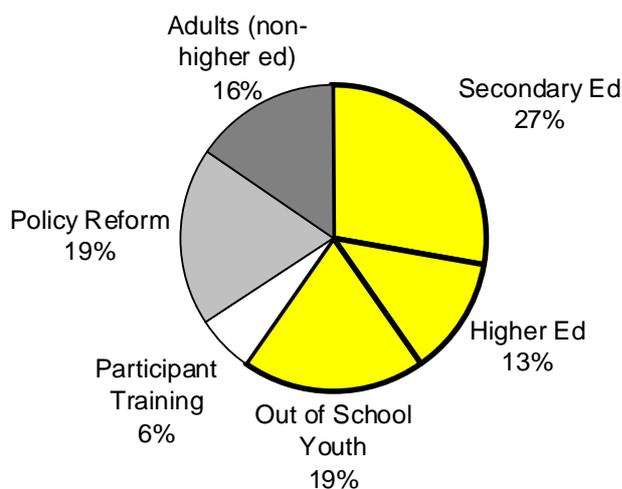
c. The USAID Experience in Workforce Development

USAID Progress in Workforce Development

186. *Improved workforce and labor market research, assessment and tools.* Much of the initial effort at the USAID mission level has been to conduct workforce and labor market research and assessments. USAID has designed and developed new tools oriented to analyzing the “demand-driven” skills and attitudes of stakeholders of the process. Sponsored by USAID’s Office of Education, the Global Workforce in Transition (GWIT) IQC (2002-2007) was framed around competitiveness principles with technical input from the Office of Economic Growth. It aimed “to prepare the workforce for economic growth, trade and competitiveness.” Over the course of the project, eighteen country workforce assessments were conducted in Eastern Europe, Asia, Africa and Latin America.¹³⁶ New directions in these assessments include the development of tools to analyze local labor markets and microfinance.

187. *Integrating workforce development through cross-cutting programs.* Workforce development programming is managed in Missions under education and economic growth teams. Some 59 percent of these programs target youth, including secondary and tertiary students and out-of-school youth. The figure below shows percentages of beneficiaries served by workforce development projects.

Figure 1: Selected Workforce Development Initiatives by Target Beneficiary (FY06-08)



188. While the total dollar amount committed for this subsector has more than doubled (from \$27 million to \$63 million) since 2006, workforce development is also a component in other sectors of USAID programming. Some 29 percent of Basic Education programs incorporate some elements of workforce development, such as life skills employability training, or integration of livelihoods development with basic literacy.¹³⁷ New initiatives in democracy and governance in Yemen, Somalia and Kenya have been developed to counter radicalism of youth in specific regions of these countries.

189. *Building workforce development partnerships led to USAID success stories.* A main program model employed by USAID is the *workforce competitiveness model*, which links workforce development to key trade and jobs creation economic clusters. A second area of investment has been through the Educational Quality Improvement Program 3 (EQUIP3), which is designed to improve earning, learning,

¹³⁶ Those assessments and their respective analytical tools specifically focused on the competitiveness of the workforce in conjunction with economic growth. Assessments are available under “Products” on www.gwit.us.

¹³⁷ USAID workforce development briefers.

and skill development opportunities for out-of-school youth in developing countries. EQUIP3 provides technical assistance to USAID and other organizations in order to build the capacity of youth and youth-serving organizations, including youth workforce development. These youth workforce programs have largely used the *community partnership model* emphasizing youth development, workforce readiness and self-employment.¹³⁸

190. *Workforce competitiveness model.* Since 2006, there has been a significant increase in USAID workforce development investment (from approximately \$27 million in 2006 to approximately \$63 million in 2008 globally).¹³⁹ USAID workforce development activities within competitiveness projects typically focus on industry associations which are organized around clusters (e.g. tourism, ITC, garment manufacturing). Programmatic areas include: a) Promoting awareness in industry clusters of the importance investing in skills development for the incumbent and emergent workforce; b) Conducting skills gaps analyses; c) Developing shared training platforms; d) Developing shared standards and certification for skills training quality, and e) Improving human resources management processes in firms to ensure equity and transparency.

191. *Community Partnership Model.* The EQUIP3 program supports a community partnership model, bringing together key community stakeholders to implement youth workforce programs. These projects have largely been in post-conflict countries or regions. In early 2005, USAID reformulated their post-conflict programming and widened the projects to include at-risk youth. To support these efforts, EQUIP3 provides funding for assessments and implementation of projects to at-risk youth. Geographical targeting identifies the needs of specific at-risk youth populations by province or region. Countries quickly moved to adopt this new framework, and a new round of projects was born. Often referred to as “second chance” programs, the workforce programs give trainees a second chance at acquiring some basic academic skills through remedial education, some occupational skills through vocational education, and other life skills. These activities support general youth development principles. In addition, psychosocial support, community-based leader training, and a small community grants fund are included in the program. To a large extent, the local labor market, and particularly the livelihood service sector, were and continue to be the main entry points for youth in post-conflict regions and fragile states.

USAID Challenges in Workforce Development

192. *Fragile and post-conflict states pose special challenges in terms of workforce development programs.* Workforce development programs are an integral part of humanitarian assistance and conflict recovery programs, typically introducing emergency employment and skills development for at-risk populations within post-conflict and fragile communities. The broad objectives of the programs are stabilization and community reactivation. Short-term employment programs, often referred to as “cash for work” programs provide income support to youth and workers in exchange for work on infrastructure projects, usually in post-conflict countries or regions. While these programs have little long-term impact or sustainability, they introduce a sense of normalcy and lay the groundwork for more typical development programs. Workforce training in post-conflict situations is not just – or even primarily – about job placement and productive self-employment. It involves social re-engagement for many youth and ex-combatants, initial capacity building of local community partners, and establishing a demonstration effect for future programs. Integrating workforce development into these broader governance programs requires careful attention to the sequencing, the targeting, and the overall impact in terms of expectations and outcomes. There is continued need to examine the effectiveness of these projects in terms of their micro-based objectives of skills development linked to employment, as well as the broad macro political and economic stabilization goals.¹⁴⁰

¹³⁸ USAID “Performance Review WfD: 2008-2009.” Washington D.C: USAID.

¹³⁹ This does *not* include funding in Iraq and Afghanistan.

¹⁴⁰ USAID 2009 “Education and Fragility: A New Framework” DRAFT. Washington, D.C.: USAID.

193. *Access and participation of marginalized youth and women through local community partnerships.* One urgent need is to provide greater access to and active participation of youth and women to workforce development programs.¹⁴¹ This finding supports previous research on youth conducted by Brookings's Middle East Youth Initiative and the World Bank World Development report.¹⁴² Other than non-formal education, the poor and female students have limited access to skills training. Non-governmental organizations provide a large percentage of these services. Community partnerships that promote active youth involvement and neighborhood involvement are first steps in building such a local workforce development network.

194. *Stand-alone projects often do not leverage policies for sustainable long-term solutions.* Many USAID projects in this area are stand-alone projects at the local community level. They elicit local partnership with key stakeholders: business and industries, youth groups, and non-governmental and for-profit service providers. While in some cases they form a part of a larger network of programs, workforce development projects are not integrated into a larger context of policy reform. A challenge for USAID is to promote policy dialogue and institutional reforms linking policy change to activities at the local level. Through demonstration projects, such as Centers of Excellence, and policy dialogue with public and private sector partners, USAID can link the results of their projects into the wider discussion of policy reform in workforce development. Working with other donors in a coordinated fashion, USAID can promote the needed policy reforms and long-term solutions for more relevant and sustainable workforce development programming.

195. *More attention to the “demand-side” and the linkages between education and labor market outcomes.* A consistent message throughout the virtual discussions and the regional consultations was the need for “demand-side” linkages between education, employment and other labor market outcomes. Participants asked for greater debate, discussion and analysis of demand-side strategies. From the global value chain to the local labor market network, the discussants placed priority on the demand-side of workforce development. There is also the realization that youth have few pathways into formal employment in developing countries. The small number of workers affected by competitiveness projects illustrates that many youth need to be trained in skills for the local market and local livelihoods, the main entry point of young in their economies.

196. *The need for flexibility and guidance in overlapping areas.* Workforce development programming is cross-sectoral by definition, cutting across education, economic growth, and governance.¹⁴³ This cross-sectoral approach builds programmatic synergies, and provides integrated solutions for communities. Yet at the level of the Mission, there are challenges in terms of budget allocation, particularly when tied to ear-marked funding. Greater clarity and examples are needed to demonstrate how and when funding can be used, particularly as it relates to workforce development and basic education. Cross-sector programs between economic growth and education require broader partnerships between industries, firms, associations, educational and training institutions. Often institutionally complex, these projects require significant operational guidance and support. Missions stated their need for flexibility with the education strategy as well as required guidance, staff training and support to design and develop these new integrated approaches.

USAID Lessons in Workforce Development

197. This discussion has identified many successful elements of USAID program experience: labor market assessments, partnerships, local autonomy and provision of training, “learning and earning”

¹⁴¹ USAID (2009) “Key Findings of Workforce Development Sub-Sector” as part of the preparation of the USAID Education Strategy.” USAID/JBS International.

¹⁴² Brookings (2009) “Stalled Youth Transitions in the Middle East: A Framework for Policy Reform” Washington D.C.: Brookings Institution. World Bank (2006) *World Development Report 2007 The Next Generation*, Washington D.C.: The World Bank

¹⁴³ Ibid.

approaches, diversification of funding, and wider access to educational/training opportunities. The following highlights some additional lessons that have become a trademark of youth workforce development projects supported by USAID.¹⁴⁴

198. *Listen to youth—their needs, aspirations, and perceived and real impediments—before attempting to design a youth-oriented workforce development program.* Many workforce programs have floundered because they have not adequately considered youth’s preferences for the type of employment they would be willing to do. Program modalities such as location and hours of training sites can determine success or failure of a program. These and other factors should be discerned early in the design process through consultations and focus groups with the youth target populations.

199. *Address gender inequities in education, training, and workforce participation.* As young women acquire higher levels of education, they have higher expectations for participation in the labor market. However, they face specific barriers to career choice, access to work sites, access to capital for training and small-business investment, etc. that should be considered during the design stage of any workforce development program.

200. *Incorporate life skills and leadership training in workforce development programming for youth.* An integrated approach to workforce development for youth includes a focus on life skills and leadership training. Employers increasingly place life skills, or “employability” skills, such as critical thinking, time management, and interviewing at the top of qualifications lists. Life skills are infrequently incorporated into formal education curricula but are critical for competitiveness.

201. *Support enterprise development among youth.* Many out-of-school youth are also unemployed or working in the informal economy for minimal income. Out-of-school youth require training that provides them with the skills they need to achieve sustainable livelihoods. Training programs designed to prepare youth to engage in enterprise and business development need to address the knowledge gaps created by incomplete schooling, the lack of social connections, and the lack of business-related skills.

202. *Community workforce partnerships: The USAID comparative advantage.* Throughout the virtual and regional discussion, many cited the special niche of USAID in local community partnership programs linking education, training, and the economy. This community model brings together the main partners -- the private enterprise sector (linked to the value chain), the non-profit and training sector (NGO and private providers), the education community, and local governance. This model lays the foundation for public-private and private-private partnerships, cost-share, and community buy-in for future and larger scaled up workforce development projects. These partnerships take time and effort, and require space, support, and funding at the local level. Necessary planning, research, assessment and institutional capacity building are important elements of these projects. However, they have proven to be the key element in moving projects from short-term to long-term sustainable outcomes in workforce development.

d. Looking Forward: Proposed Objectives and Priorities

Objective

203. The role of workforce development in the broader education system is to develop technical and employability skills for the labor market. The objective of the USAID workforce development program is to promote the acquisition of competencies needed by youth and adults to be productively employed – i.e., to find legitimate jobs, establish viable self-employment ventures, and remain usefully employed in a changing economy. The main outcomes of a well-functioning workforce development system are to transmit the knowledge, skills, and attitudes that enhance the career or employment prospects of the

¹⁴⁴ USAID (2009) “Lessons Learned: USAID Workforce Development Experience: DRAFT.” Washington, D.C.: USAID.

individual, increase employment and/or income of workers, or promote productivity and innovation for industry and firms.

Priorities

204. Program priorities in support of this objective are organized under four rubrics: access and equity; quality and relevance; systemic reform; and accountability, transparency, and measuring results.¹⁴⁵

205. Access and Equity. Under this rubric, USAID is concerned with reaching out-of-school youth and supporting gender transitions in the workforce.

206. Out-of-school youth. In many USAID countries, there are large concentrations of youth who are out-of-school and unemployed. They reflect a loss in terms of human capital investment and economic growth as well as a concern in terms of security and governance. Three areas of action are recommended. First, community partnerships, formal drop-out recovery programs, and alternative certification of skills development. The main model to address these youth is the community workforce partnership which brings together community leaders, workforce and economic institutions and youth to address youth workforce issues. This model has proven effective in supporting the tenets of community reintegration in post-conflict and fragile states. It also offers flexibility in learning through its continuous education strategy of “learning and earning”. Second, is targeting drop outs of primary and secondary education to re-enter the education and training system. These drop out recovery programs emphasize the need for workforce skills development, and help youth to re-enter formal or non-formal education programs. Third, providing modularized certification through an open entrance/exit program fosters lifetime learning and skills development and promotes access and transparency of the skills development system.

207. Gender focus. Males and females face distinct challenges in education and employment in developing countries. In spite of increasing rates of education, women face enormous challenges in joining the workforce. They experience the highest rates of unemployment, and extremely limited occupational opportunities in most developing countries. Providing assistance to women’s transition into the workplace remains a large need, given the significant gender gap. This priority also supports the well established link between households and education, where the women’s income of the household largely pays for education costs, and thus leads to higher levels of education for the children in the household. For the large proportion of unemployed male youth in countries with a “youth bulge”, there are large concerns related to security and stability. Programming appropriate and effective services to this population requires careful targeting to local neighborhood and economic realities.

208. Quality and relevance. Many countries are now facing an urgent need to strengthen the responsiveness of the formal secondary and tertiary education systems to the demands of communities and enterprises. Non-formal education and national training systems also are moving toward “demand-driven” systems that combine workforce readiness, “core skills” for employment, and practical learning in the private sector. Specific quality enhancement activities are curriculum reform, teacher training, linkages to private sector, and career education through partnerships and networks of private sector and non-governmental institutions. Often these quality enhancement activities act as the building blocks for broader and more comprehensive reforms. Strengthening these formal and non-formal systems of education linked to labor market outcome is an important priority for workforce development policies and programs.

209. Systemic policy reforms. National policy reforms strengthen systemic capacity to provide quality, demand-driven workforce development opportunities. Decentralization, national-local partnerships, lifetime learning approaches, financial incentives and sustainability are important elements

¹⁴⁵ These priorities are consistent with the four elements are explained in the F Framework of Development Assistance in 2006.

of the policy reforms of these systems. For that reason, systematic policy reforms are an important priority for workforce development, particularly for countries that have institutional capacity to undertake such a reform agenda.

210. Accountability, Transparency, and Measuring Results. Under this rubric, USAID seeks to promote policies and approaches that regulate certification and accreditation standards of providers; monitor and evaluate institutional effectiveness; and measure learning outcomes.

e. Workforce Development Linkages to Other Subsectors and Programs

211. Identifying and supporting the linkages between workforce development and the other two subsectors, both at the policy level and programming level, can improve the efficiency and impact of USAID investments in education. The following highlights some of the most important linkages.¹⁴⁶

Ties with Basic Education

212. *Basic Education Reform is Predicated on both Quality and Relevance*. High quality education is a vital foundation for private sector productivity and economic growth. Basic Education provides 21st Century skills for the rising workforce and is a “make-or-break” factor in whether a country achieves long-term economic development. USAID works in countries that are reforming/ modernizing their education systems, often from older colonial models that were not oriented to the modern labor force. A critical element of that reform is ensuring that primary and secondary formal education systems are educating youth in the foundational skills that their future employers need, including “soft skills” (e.g., critical thinking, problem-solving, teamwork, knowledge generation, etc.).¹⁴⁷

213. *Basic Education Reform Involves the Private Sector*. Education reform includes developing accountability systems for education results in which the broader community plays a larger role. Families and private sector companies are two sets of stakeholders that are deeply concerned with students’ preparedness to get jobs and to be productive in jobs. Private sector businesses will “inherit” the products of the education system—i.e. job-ready young people; therefore they are key interlocutors with education systems. Dialogue and partnership between educational institutions and the private sector is not often easy in part because of the bureaucratic nature of many education systems. Other challenges are the informal nature of employment and the small size of firms where there is little investment in human capital. Workforce development advocates and intermediaries often speak both languages—those of supply and demand sides—and are able to broker improved learning opportunities that prepare youth for the world of work.

214. *School-to-Work Transition and Career Education*. Part of what secondary schools do is to prepare students to transition from the classroom to the world of work. Career education is a creative, multi-pronged process that may involve modalities such as internships, job-shadowing, career exploration through academic course work (e.g., career relevant content, etc.), etc. The goal of preparing secondary-level students for life outside of school is especially important for developing countries which have high rates of unemployment and low levels of job creation.

215. *Working with Drop-Outs: Compensatory Education*. USAID works in countries and with specific population groups who have high rates of primary and secondary drop-out. Few education systems in developing countries have good drop-out recovery systems. For those youth who drop-out and seek additional education and training, non-formal education providers (e.g., community-based NGOs) are often the most accessible source. Unfortunately these programs are underfunded and uncoordinated at the national level, so offerings are of mixed quality. Overall, with employability and gainful livelihoods a

¹⁴⁶ See “Linkages among Basic Education, Higher Education and Workforce Development” prepared as an Issues Paper under the USAID Education Sector Strategy. February, 2009

¹⁴⁷ USAID/EDC. 2007. “Jobs for the 21st Century: Cambodia”, Washington D.C.: USAID/EDC

top priority among youth, a large proportion of these non-formal programs offer some kind of vocational training.

216. The implications of the drop-out dynamic is that Basic Education priorities—to keep youth in school and learning—can be met by paying closer attention to what workforce development approaches offer to at-risk youth, such as learning that is relevant to their lives, more flexible, allows for earning to take place while learning, etc. In the U.S. a new generation of Charter Schools run by community-based organizations use work-based and accelerated approaches to help at-risk youth complete high school. These lessons could be applied in developing countries.

Ties with Higher Education

217. *Workforce Development includes tertiary education.* A competitive workforce must have access to relevant, high-quality tertiary education, especially one- and two-year programs that meet specific industry skills needs, such as in allied health services, mechanical engineering, agricultural extension, etc. In most developing countries higher education is not geared as much as it could be to employer needs. As a result there has been a great deal of interest in reform that includes a more flexible, demand-driven model such as the U.S. community college model. Arguably, the bulk of American workforce training occurs in community colleges. The principles of flexibility and labor-market relevance that make up this model are especially important to developing countries as they seek to significantly increase their rates of tertiary education.

218. *Career exploration and job placement in universities.* Parallel to the school-to-work transition described in Basic Education above, university students need as much or even more assistance than secondary school students with exploring the world of work, selecting the best concentration/degree for them, and finding a job after graduation. Some research shows that university students, many of whom may be unemployed or exploring issues of identity, are more vulnerable to participation in networks involving extremist ideologies than less educated, rural youth. Universities should meet the developmental needs of young adults as well as their academic needs; career and work are essential aspects of this developmental process.¹⁴⁸

219. *Regional Workforce Development Plans Include Higher Education.* Multi-stakeholder groups (often run out of local governance offices) create workforce development initiatives as part of economic development plans. The location, quality, and responsiveness of higher education institutions to emerging industries are critical elements of these plans. Universities not only provide a pipeline of ready, qualified workers, they also provide intellectual capital for the development of new technologies, manufacturing processes, products and services in a region. Workforce development assessments should include institutions of higher education as key stakeholders.

220. *Linkages with other development sectors.* There are important cross-cutting issues between education, health, agriculture, urban renewal, community development, macroeconomic policy and other development activities. Yet the institutional challenges of these cross-cutting programs must be noted. Getting cooperation and coordination across sectors can be difficult, given the distinct leadership and separate funding of programs and policies in different development sectors. Cross-cutting youth programs have witnessed the complexity and ownership issues of multi-agency projects.¹⁴⁹

¹⁴⁸ World Bank (2003) *Closing the Gap in Education and Technology*. Washington, D.C: World Bank

¹⁴⁹ The experience of Colombia is illustrative, whereby large youth projects have been disbursed under the Office of the Presidency to ensure disbursement and program cohesion. IADB, 1998.

F.3 HIGHER EDUCATION

a. Definition and Scope

221. Higher education refers to education, training, research and community outreach services provided at the post-secondary level of education.¹⁵⁰ However, because the term has traditionally been applied only to university education, the OECD and the World Bank have adopted “tertiary education” to emphasize the inclusion within a diversified post-secondary education system of a range of non-university institutions such as teacher training colleges, community colleges, technical institutes, polytechnics, distance learning programs, and academically linked research centers.¹⁵¹ In the following discussion, both terms will be used interchangeably with the understanding that “higher education” always includes all the various types of post-secondary educational institutions.

b. General Progress, Challenges and Lessons

Progress and Trends in Higher Education

222. Many global higher education developments are encapsulated within four global trends: growing enrollments; the rise of a globally-competitive, knowledge driven economy; the ICT revolution; and trends in governance and accountability.

223. *Massification of Enrollments.* Total higher education enrollments on the planet in 1990 – the result of university development over several centuries – promptly doubled between 1990 and 2005. They continue to grow at a rate of 6 - 7 percent a year. Notably, East Asia (8.7 percent) and Sub-Saharan Africa (7.1 percent) had the fastest rates of expansion. Accordingly, observers note that higher education ‘massification’, i.e., gross enrollment ratios of 15 percent or more, has become a defining characteristic of higher education in the 21st century.¹⁵² The expansion of private higher education has been an important contributing factor to this rapid growth in many countries. Today the regions of East Asia, parts of Eurasia, Latin America and the Middle East have all advanced well beyond the massification point (see Table F.3-1). Only in South Asia and Sub-Saharan Africa is higher education still an opportunity restricted to very few. Yet these considerable achievements also have their down-side. First, broadening access has often come at the cost of educational quality, in part because student numbers have grown more quickly than the capacity to produce qualified teaching staff and maintain levels of financial support. Second, expansion ultimately triggers higher public expenditures, whether directly or indirectly. Third, well-to-do segments of national populations have benefited disproportionately from rising enrollments. Mitigating efforts have sought to introduce student cost-sharing and accompany this with means-tested scholarship and student loan programs, but the results to date have been mixed.¹⁵³

¹⁵⁰ USAID ADS Chapter 216.

¹⁵¹ Organization for Economic Cooperation and Development. 1998. *Redefining Tertiary Education*. Paris: OECD; World Bank. 2002. *Constructing Knowledge Societies: New Challenges for Tertiary Education*. Washington, DC: World Bank.

¹⁵² Trow, M. 1974. *Problems in the Transition from Elite to Mass Higher Education*. Paris: Organization for Economic Co-operation and Development; Altbach, Philip G. 2005. “The Anatomy of Private Higher Education.” In P. Altbach and D. Levy (eds.), *Private Higher Education: A Global Revolution*. Rotterdam: Sense Publishers, p. 3; Kearney, Mary-Louise, and Jeroen Huisman. 2007. “Main Transformation, Challenges and Emerging Patterns in Higher Education Systems, *Higher Education Policy*, 20 (4): pp. 361-63; Salmi, Jamil, 2007. “Autonomy from the State versus Responsiveness to Markets.” *Higher Education Policy* 20(4): 223-242.

¹⁵³ Jonstone, D. Bruce, 2006, *Financing Higher Education: Cost-Sharing in International Perspective*, Chestnut Hill, MA: Center for International Higher Education, Boston College.

Table F.3-1. Gross Enrollment Ratio Trends in Tertiary Education

	1980	1997	2004
High Income countries	36%	52%	67%
Least Developed Countries	2%	3%	9%
Sub-Saharan Africa	2%	4%	5%
South Asia	4%	7%	10%
East Asia and Oceania	4%	11%	20%
Arab States	10%	15%	23%
Latin America and the Caribbean	14%	19%	29%
Europe and Eurasia	18%*	19%	29%

Source: UNESCO Institute of Statistics.

* As of 1989, the collapse of communist rule in Eastern Europe.

224. *The Rise of a Globally Competitive, Knowledge-driven Economy.* With the fall of the Berlin Wall, the end of the Cold War, and the discrediting of economic socialism, the mutually reinforcing combination of free-trade market capitalism and representative democracy has become (at least until the current global economic crisis) the dominant political/economic ideology in the world. When linked with the ICT revolution, these factors have meshed to produce an integrated, highly competitive, knowledge-driven economic system often referred to as ‘globalization.’ On this playing field, national and corporate capacity for knowledge-based innovation that increases productivity and thereby enhances economic competitiveness becomes the goal that all governments pursue. These dynamics have steadily ratcheted up the premium paid to highly skilled labor and created a new market for ‘knowledge applications.’¹⁵⁴ As the demand for skilled human resources and new knowledge accelerates, higher education institutions rapidly take on an expanded importance as strategic instruments for national development. Investments in human capital development, particularly when complemented by systemic reforms, have been shown to generate multiple benefits for developing countries.¹⁵⁵ Notably, as the level of country development increases, so do the benefits derived from investments in higher education.¹⁵⁶

225. *The ICT Revolution.* The explosion of the Internet following its introduction in 1989 has irrevocably changed our world. Access to information has become global and triggered subsequent innovations that generate new technologies, increase transparency in all types of decision-making, enable almost instant social mobilization, and place information/knowledge at the center of economic competitiveness and social development.¹⁵⁷ The ICT revolution is fueling a growing demand for higher education as labor market requirements for highly skilled workers are rising around the world.¹⁵⁸ But perhaps the greatest impact of ICT on higher education has been the way it has helped to manage rising student demand by offering cost-effective alternatives to traditional campus-based study. Riding their

¹⁵⁴ Kapur, Devesh and Megan Crowley. 2008. *Beyond the ABCs: Higher Education and Developing Countries.* Working Paper No. 139. Washington, D.C.: Center for Global Development, p. 11.

¹⁵⁵ See Michael Cain, Kathryn Anderson and Christine Allison. 2006. *The Importance of Social Investments for Economic Growth and Governance in Transitioning States: Survey of Recent Evidence.* USAID Contract No. FAO-I-00-99-00010-00; also David Bloom, David Canning and Kevin Chan, 2006, *Higher Education and Economic Development, Africa Region Human Development Working Paper 102,* World Bank, Washington, DC.

¹⁵⁶ *Ibid,* p. 7.

¹⁵⁷ World Bank. 1999. *World Development Report 1998/1999: Knowledge for Development.* New York: Oxford University Press.

¹⁵⁸ Autor, David H., Frank Levey and Richard J. Murnane. 2001. “The Skill Content of Recent Technological Change: An Empirical Exploration.” NBER Working Paper 8337, Cambridge, MA: National Bureau of Economic Research. In fact, a global labor market for university graduates has formed as nations compete for intellectually talented individuals.

ICT capacities, some countries extend ‘borderless higher education’ to students in foreign markets.¹⁵⁹ The result is a rise in franchised universities, international satellite campuses, virtual universities, corporate universities, and educational brokers.¹⁶⁰ These new structures are just one response to the growing international trade in higher education that now generates estimated annual revenues of \$28 billion for the five major exporter countries – which include the United States.¹⁶¹ In these ways the ICT revolution fuels the demand for higher education by enabling an international market for higher education to take shape, even as it transforms the way in which higher education is provided.¹⁶²

226. *Governance and accountability trends.* Even as higher education was attracting the interest of some government policymakers for its potential as a strategic instrument for national development within a global economy, it was drawing the attention of other policymakers by its growing claim on public and private resources stemming from the surge in enrollments. Both matters have prompted efforts to ensure that higher education institutions are accountable to governments in their use of public funds to contribute to economic growth and social progress, and to families and students for the quality and relevance of the education they receive. Notable outcomes of this accountability concern include national quality assurance initiatives, international rankings of universities, inclusion of external stakeholders within institutional governance, and performance-based funding formulas for competitively allocating budget resources to institutions. In response, higher education communities have argued successfully for greater autonomy in governing their own affairs so as to have the flexibility necessary to seize new opportunities and adapt efficiently to the gusty winds of change.¹⁶³ Over the course of the past decade or so, higher education institutions in many countries have therefore become more autonomous as well as more accountable in the conduct of their affairs.

Challenges in Higher Education

227. *Rising Costs.* As populations grow and educational enrollments expand at all levels, government costs in providing publicly funded aspects of education rise correspondingly and governmental revenues are hard pressed to keep up. Consequently, education expenditures have accounted for rising portions of government budgets in many parts of the world. Average public expenditure on education, as a percent of government spending, increased from 15.1 percent to 19.5 percent within the Middle East and North Africa between 1990 and 2003, from 15 to 18 percent in East Asia over 1990-2000, and from 8 to 13 percent in South Asia during the same period.¹⁶⁴ This trend was not universal, however, as Latin America and the Caribbean experienced a decline in percentage of government spending on higher education from 15 percent in 1999 to 13 percent in 2005. Eastern and Central Europe mirrored this performance, with most countries showing an absolute decline in public expenditure on higher

¹⁵⁹ Kapur and Crowley 2008, 21-26.

¹⁶⁰ World Bank 2002, 33-34.

¹⁶¹ Bashir, Sajitha. 2007. *Trends in International Trade in Higher Education: Implications and Options for Developing Countries.* Education Working Paper No. 6. Washington, D.C.: World Bank, p. 19. Global online learning will become a widespread phenomenon and a lucrative business, further expanding access and boosting quality even as it runs the risk of becoming a 21st century mechanism for cultural and educational ‘imperialism.’

¹⁶² The ICT revolution also has a downside for higher education. Its substantial capital costs, need for continuous upgrading as technologies evolve, and requirements for specialized technicians vulnerable to ‘poaching’ by employers at home and abroad combine to create an international ‘digital divide’ between ICT have and have-not countries. Within nations, similar technological chasms open between have and have-not tertiary institutions.

¹⁶³ In various ways, these governance trends at the institutional level reflect larger democratization trends at the societal level.

¹⁶⁴ World Bank. 2008. *The Road Not Traveled: Education Reform in the Middle East and North Africa.* Washington, DC: World Bank, p.313; World Bank *EdStats*.

education during the post-communist period since 1989¹⁶⁵ – to the point where prevailing levels of expenditure are now considered to be low.¹⁶⁶

228. This trend has been particularly true in higher education because it is the most expensive to provide. Financial constraints in all countries, rich and poor, have prompted a wide-ranging quest for solutions. Among the more notable outcomes have been a rapid spread of private higher education—called “the fastest growing segment of higher education worldwide,”¹⁶⁷ contentious discussions of appropriate levels for student fees (and associated safety nets for disadvantaged students), public debates regarding the best use of higher education revenues, explorations of lower cost modalities of higher education provision (e.g., distance education, short cycle programs, online learning), university efforts at income generation, increasing interest in public-private partnerships, and various efforts to achieve efficiencies in resource use, including but not limited to a growing emphasis on the use of competition for funds via performance-based formulae and performance contracts.

229. *Access Issues.* In many countries of the world, the process of gaining admission to a publicly supported institution of higher education is not based on equal opportunities. Corrupt practices surrounding the admissions process may enable a student to purchase university entrance although his or her academic achievement may not warrant it. Even where admissions are based on competitive academic merit, inequities often remain. Most commonly, students whose parents can afford private secondary school and/or private tutors in order to prepare them academically tend to perform well and obtain the lion’s share of public admission places. Students of lesser means – the poor, the rural, and the ethnic minorities – are frequently left with the payment of tuition fees at a private institution as their only option for continuing their education. This creates a highly inequitable situation where those who can most afford to pay are educated through public subsidies, and those who are less able to pay are obliged to cover their full costs of education while also contributing as citizens to the government revenues that underwrite the studies of the privileged.

230. In Asia, for example, over two-thirds of higher education places are taken by students from the top quintile of income (see Table F.3- 2). Such inequities, especially when they systematically exclude particular social groups over time, can foster resentment and raise the potential for political instability.¹⁶⁸ To the degree that the quality of primary and secondary education provided in rural areas is less than that provided in urban areas, the access of rural populations to quality higher education is further constrained. Finally, higher education institutions and programs tend to be concentrated in areas of high population, further limiting access for rural populations.

¹⁶⁵ Scott, Peter. 2000. “Higher Education in Central and Eastern Europe: An Analytical Report,” pp. 335 – 400. In Leland Conley Barrows (ed.), *Ten Years After and Looking Ahead: A Review of the Transformations of Higher Education in Central and Eastern Europe*. Bucharest, Romania: Metropole Publishing, p. 366.

¹⁶⁶ Linden, Toby and Nina Arnhold. 2008. *From Fragmentation to Cooperation: Tertiary Education, Research and Development in South Eastern Europe*. Education Working Paper Series No. 13. Washington, D.C.: World Bank, p. 16.

¹⁶⁷ Altbach, 2005.

¹⁶⁸ INEE Working Group on Education and Fragility, 2008, *Education and Fragility: A Synthesis of the Emerging Research*, Amherst MA: Center for International Education, University of Massachusetts Amherst, p. 11.

Table F.3-2. Benefit Incidence of Public Spending on Education by Level in the 1990s

Region	Primary		Secondary		Tertiary	
	Poorest	Richest	Poorest	Richest	Poorest	Richest
Sub-Saharan Africa	18%	18%	7%	39%	5%	54%
Asia and Pacific	20%	17%	8%	37%	3%	69%
Western Hemisphere	30%	9%	15%	18%	5%	42%
Middle East and North Africa	25%	12%	11%	24%	4%	47%
Transition Economies *	19%	20%	13%	25%	9%	33%
World	23%	15%	11%	28%	5%	46%

"Poorest" = bottom quintile; "Richest" = top quintile.

* Transition economies referenced here include Albania, Armenia, Bulgaria, Kazakhstan, Kyrgyz Republic, Macedonia, and Romania.

Source: H. Davoodi, E. Tiongson, and S. Asawanuchit. 2003. "How Useful are Benefit Incidence Analysis of Public Education and Health Spending?" IMF Working Paper 227. November.

231. *Educational Quality and Relevance.* Educational quality has a stronger influence on economic growth than the volume of skills produced by an education system, especially after countries have reached a certain threshold level of basic literacy.¹⁶⁹ Developing an appropriate mix of human capital is critical. In a competitive global economy, this means that the development and assurance of educational quality becomes vital to a country's ability to compete and prosper in that economy. Strengthening the quality and relevance of higher education, according to international standards of excellence and consistent with the needs of domestic social and economic development, becomes a vital strategic priority.

232. The competitiveness factor lies at the heart of discussions concerning the quality and relevance of higher education. Within the framework of a national innovation system¹⁷⁰ – a key concept in the study of how societies generate, exchange, and use knowledge and information – universities play an instrumental role as the producers of both skilled human resources and knowledge applications. What's less clear is how to foster capacity to effectively play that role. Current approaches include but are not limited to: policies supportive of autonomy and accountability, policies aimed at fostering competition within the domestic higher education sub-sector, policies and institutional arrangements supportive of collaboration with the private sector and other external stakeholders, improved faculty development programs, and innovative quality assurance mechanisms.

233. *Harnessing Higher Education for Development.* As technology and knowledge applications increasingly underpin the economic competitiveness of nations, economic and educational policies seek to increase the extent to which university outreach activities contribute to economic development. Improving the cooperative links between the university and business sectors is one means to this end. These links may be expressed in the form of university spin-off firms, tripartite collaboration in knowledge based development, and strategic alliances among firms, government research institutes, and

¹⁶⁹ Hanushek and Woessmann 2007, 76. This suggests that there may be a 'tipping point' at which public policy might consciously transition from expanding basic education access and literacy (i.e., Education For All) to fostering quality at all educational levels.

¹⁷⁰ Lundvall, Bengt-Ake. 2007. "Higher Education, Innovation and Economic Development." Paper presented at the World Bank Regional Conference on Development Economics, Beijing, China, January 16; Nelson, R. 1993. *National Innovation Systems: A Comparative Analysis*. New York, NY: Oxford University Press; Gibbons, Michael. 1998. *Higher Education Relevance in the 21st Century*. Human Development Network, World Bank, Washington, DC.

academic research groups.¹⁷¹ Such university-industry collaboration has been explicitly fostered by government policies in China, India, Japan, Korea, and Singapore. The mix of pertinent policies generally includes how higher education funding is carried out, what disciplines are prioritized, the degree of competition that is encouraged, tax incentives for private funding of research, intellectual property rights protection for researchers, the establishment of science parks near universities, and venture capital regulations, among other policies.¹⁷² These are but some examples of national responses to the larger challenge of how higher education capacities can be employed to enhance a country's competitive position in the global economy.

234. *Fragile States.* Frail higher education institutions are a frequent characteristic of fragile states. In periods of political turmoil, activist academics and students may become targets for intimidation or assassination, and campuses may even turn into battlegrounds among competing forces. Where this occurs, capable professionals may be driven out of their countries (e.g., Iraq, Liberia), consequently depleting the state and its educational systems of the human resources necessary for restoring educational services and reconstructing public infrastructure. As an asset for reconstruction, higher education may constitute an appropriate target for development assistance. Another valuable benefit of investing in post-conflict development of higher education is that it can absorb youth and unemployed in educational activities that could keep them from less useful pursuits.

235. The priorities and sequencing of such assistance, however, are not at all clear. Available literature and information has almost nothing to say on this topic. Nevertheless, logic suggests the following as approaches that should merit testing: (1) scholarships for third country training and education (perhaps targeting students and faculty in disciplinary areas expected to be vital for post-conflict reconstruction); (2) rebuilding higher education institutions and programs so that people can pursue particularly important areas of study such as teacher training, nursing, engineering, etc.; (3) involving higher education students and staff as participants in reconstruction efforts; and (4) awards to researchers that enable them to carry on their work or conduct new work in alternative third country institutional environments that addresses problems likely to follow the cessation of conflict. In post-conflict situations, scholarships to enable youth to obtain locally provided post-secondary education and training would help to accelerate the human capital development that will be needed to restore the delivery of public services and other functions of government.

Lessons in Developing Higher Education

236. *Shape strategies to local conditions.* Today's world is far too diverse to lend itself to problem-solving by general prescription. As a result, the priorities outlined above will need to be refined to fit local circumstances. Flexibility in the application of sector strategies within specific countries will therefore be necessary for effective programming to take place at the local level.¹⁷³

237. *Recognize and address the challenges created by enrollment expansion.* The uncontrolled expansion of higher education enrollments generated by strong social demand can undermine policy efforts to strengthen capacities and boost quality.¹⁷⁴ Consequently, it is essential for USAID (or any donor agency) to work with host-country governments to determine the particular relationships between expanding enrollment on the one hand and improving quality and capacity on the other. This determination will be critical to developing a mix of higher education interventions appropriate to the political, social, economic and educational situation.¹⁷⁵

¹⁷¹ Etzkowitz, Henry, and Loet Leydesdorff. 2000. The Dynamics of Innovation: From National systems and 'Mode 2' to a Triple Helix of University-Industry-Government Relations." *Research Policy* 29 (2), p. 112.

¹⁷² Yusuf, Shahid, and Kaoru Nabeshima (eds.) 2007. *How Universities Promote Economic Growth*. Washington, DC: World Bank.

¹⁷³ As recommended by the World Bank in 2002, *op. cit.*, p. 117, and again in 2008; see *Accelerating Catch-Up*, p. 110.

¹⁷⁴ World Bank 2008, *ibid.*, p. 43.

¹⁷⁵ Rapid growth in student numbers can over-crowd classrooms; occupy lecturers full time in grading quizzes, papers, and examinations; multiply the time required to comply with student records requirements; and make student advisory meetings

238. *Understand the political risks.* The political risks of project involvement with higher education systems must be identified at the outset and addressed through risk mitigation actions. For example, a technically sound project might be undermined by issues arising from academic staff interests or student privileges. In many countries these groups are capable of mobilizing considerable political opposition to interventions that are perceived to threaten their interests, with the possibility that protests could become politically de-stabilizing. Recognizing such risks, conscious social communication strategies and consensus-building processes undertaken prior to project initiation by governments (with USAID support if necessary) can increase the possibilities of success.¹⁷⁶

239. *Program strategically.* In order to ensure valuable long-term impacts, programming approaches should be developed in a strategic manner. A combination of sustained capacity building and carefully sequenced reforms are normally required in order to foster a solid higher education system.¹⁷⁷ With regard to donor assistance, long-term commitments and investments are particularly valuable, as are comprehensive efforts aimed at broader institutional and/or systemic reforms. More focused and/or shorter term investments should also be pursued, but they should be conducted as part of an approach that nests these more limited efforts within a broader strategy. While the nature of reporting requirements and year-to-year funding allocations may make this challenging at USAID, the demonstrated value of such an approach indicates the need to program as strategically as possible. Fostering a solid higher education system is most apt to occur when governments, USAID and donors are able to make and maintain long-term commitments to these efforts.

240. *Use positive incentives.* Institutions and individuals tend to respond more favorably to positive incentives than to negative ones. Thus, efforts to change institutional culture or behavior are more likely to be effective if tied to tangible rewards rather than negative consequences. Among the mechanisms often used to introduce positive incentives into higher education systems are formula-based funding, performance contracts, competitive funds, accreditation reviews, and institutional rankings.¹⁷⁸

241. *Encourage competition and collaboration.* As in other spheres of activity, competition among tertiary institutions, whether public or private, tends to hone their skills and encourage innovation while reducing inefficiencies. A long academic experience with competitive funding for research illustrates this point. Numerous governments have employed competitively accessed funding for capacity building with good results, e.g., Argentina, Chile, Egypt, and Indonesia among others.¹⁷⁹

242. Experience suggests that competitive funds work best when they promote institutional quality, capacity building, or experimentation rather than system-wide reform; when both public and private tertiary institutions are included in order to enhance competition; when their evaluation procedures are based on publicly announced criteria and transparent procedures; and when funding decisions are made

impossible. From an institutional perspective, it can absorb a lion's share of the budget in staff salaries and benefits. Under such circumstances, higher education interventions with capacity building goals for universities may be hard pressed to make lasting contributions.

¹⁷⁶ World Bank 2002, pp. 103,176.

¹⁷⁷ In recent years, the term 'capacity building' has become almost synonymous with 'development.' For purposes of this discussion, capacity building is defined as the process of developing and strengthening the skills, organization, competence, processes, and resources that organizations need to adapt and thrive in the a changing world. The term derives from 'institution building' which was employed by the development community in the 1970s and 1980s. In 1991 the UNDP defined capacity building as "the long-term process of creating an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation (of women in particular), human resources development, and strengthening of managerial systems." For an organization, capacity building may relate to almost any aspect of its work: improved governance, leadership, mission and strategy, administration (including human resources, financial management, and legal matters), program development and implementation, fundraising and income generation, diversity, partnerships and collaboration, evaluation, advocacy and policy change, marketing, planning, etc.

¹⁷⁸ World Bank 2002, *ibid.* pp.104-106.

¹⁷⁹ World Bank, 2002, *ibid.* pp. 93-94.

by an independent body of experts.¹⁸⁰ Quality and efficiency can also be advanced through collaboration.¹⁸¹ Collaboration can be especially productive among highly specialized institutions or programs where graduates are needed but labor market demand is limited (e.g., petroleum engineering) or where expensive equipment is necessary for research or graduate training.

243. *Encourage diversity over homogeneity.* Counteract the tendency in many developing countries to reproduce their traditional university models by encouraging non-traditional approaches such as non-residential universities, specialized higher education (e.g., institutes of applied technology), open universities, and private colleges.

244. *Foster and promote institutional autonomy and accountability.* A long tradition of autonomy and independent governance is associated with the best higher education systems. In some countries, this tradition has been eroded by politically motivated government interference in university affairs or attempts (through the legislation that stipulates institutional governance structures) to control its decision-making. USAID interventions in higher education might usefully seek to affirm (and possibly expand) the legal limits of institutional autonomy and ensure that membership on institutional governing boards is broadly representative and not dominated by any one interest group.¹⁸² Apart from educational benefits, such a stance would also help to promote democratization objectives. At the same time, USAID interventions should work to ensure institutional accountability, particularly with regard to public universities and public funding.

245. These lessons can also be treated as a set of guiding principles in developing higher education programs.

c. The USAID Experience with Higher Education

USAID Progress in Higher Education

246. Over the past ten years, USAID assistance for the development of higher education has consisted primarily of scholarship programs, capacity building partnerships between U.S. and foreign universities, and select technical assistance activities.

247. *Scholarship Programs.* From 1960 to 2006, USAID funded nearly 68,000 students to undertake university studies in the United States (see Table 3). One-third of these awardees came from the Asia and Near East region. In many cases, the awardees were public sector employees judged to possess a potential for national leadership. Scholarship support reached a peak in 1989, when USAID supported doctoral and masters degree training for nearly 3,500 students worldwide.¹⁸³ Over the subsequent 15 years, USAID support for long-term degree training declined steadily. However, in recent years, the Agency has begun providing additional support for long-term degree training via a variety of programs, including the Training Future Leaders Program; the Peace Scholarships Program; the Training,

¹⁸⁰ William Saint, 2006. *Innovation Funds for Higher Education: A User's Guide for World Bank Funded Projects.* Education Working Paper Series No. 1. Washington, DC: World Bank. Also, Kristian Thorn, Lauritz Holm-Nielsen, and Jette Samuel Jeppesen, 2004. "Approaches to Results-Based Funding in Tertiary Education." World Bank Policy Research Working Paper 3436. Washington, D.C.: World Bank.

¹⁸¹ On the relation between competition and quality, see Aghion, Philippe, Mathias Dewatripont, Caroline M. Hoxby, Andreu Mas-Colell and André Sapir, 2009, "The Governance and Performance of Research Universities: Evidence from Europe and the United States," Working Paper 14851, Cambridge, MA: National Bureau of Economic Research, p. 27. On the relation between collaboration and efficiency, see Michael Gibbons, 1998, *Higher Education Relevance in the 21st Century*, Human Development Network, World Bank, Washington, DC.

¹⁸² Fielden 2007.

¹⁸³ Latest available figures indicate 420 total scholarships in 2006. One reason that long-term education in the U.S. has had a reduced role in USAID training programs has been the cost of educating students for undergraduate and graduate degrees. It is estimated that a two-year program of study for a foreign student now ranges from \$74,000 to \$97,000. Development Alternatives, 2007, *op. cit.*, p. 63.

Internships, Exchanges and Scholarships Program; and the Cooperative Association for State Scholarships. There is little comprehensive evaluation of this long term investment, with the exception of the assessment of the investments under the Africa Graduate Fellowship (AFGRAD) program and its successor, the Advanced Training for Leadership and Skills (ATLAS). While attribution questions remain a challenge, evaluations of selected country specific programs provide some insight into their perceived effectiveness. In most cases, return rates for awardees at the completion of their studies were reportedly good.¹⁸⁴ Many of them re-entered public service and earned subsequent promotions. Nevertheless, feedback suggests that greater emphasis should be given to the development of leadership skills, the linking of training and education to well-defined needs in the candidate's country (and host organization), more follow-on support provided when awardees return to their countries of origin, and a better system devised for tracking awardees following the completion of their studies.¹⁸⁵

Table F 3-3. USAID-funded Long-term Students Entering Training in the U.S. by Region and Year

Years	Africa	Asia & Near East	Eastern Europe	Latin America
1961 – 65	1,949	2,919	532	1,410
1966 – 70	2,770	4,425	472	2,694
1971 – 75	1,832	3,524	380	2,429
1976 – 80	2,851	2,143	23	1,141
1981 – 85	3,754	2,609	428	1,268
1986 – 90	3,756	4,015	484	6,259
1991 – 95	1,881	1,234	431	3,012
1996 – 2000	760	1,106	262	1,054
2001 – 2005	1,104	389	168	1,396
Total	20,657	22,364	3,180	20,663

Source: Development Alternatives, 2006, *op cit.*, pp. 9-10.

248. *Capacity Building.* Over the past ten years, USAID has supported a variety of capacity building higher education partnerships under a range of programs managed by USAID Washington and/or USAID Missions.¹⁸⁶ Taken as whole, these programs have supported nearly 400 partnerships in more than 60 countries. Partnerships are typically designed to last for three years. Funding has varied from just over \$90,000 to nearly \$4,000,000 per partnership. The partnerships have been implemented around the world, with approximately one-third being implemented in Sub-Saharan Africa. Program areas have included Information and Communications Technology, Health, Democracy and Governance, Economic Growth, Workforce Development, Education (including teacher training), and Agriculture. Capacity building achievements under the partnerships appear to vary a great deal. For example, if one compares

¹⁸⁴ USAID/Bureau for Economic Growth, Agriculture and Trade (EGAT) reports that, over the past 5 - 7 years, more than 95 percent of USAID participants have returned home after completing their training in the U.S. (Brooks, 2007).

¹⁸⁵ USAID. 2007. *Training Future Leaders: Development Leadership for the ANE Region.* A program evaluation by Development Associates. Washington, DC: United States Agency for International Development.

¹⁸⁶ In recent years, the term 'capacity building' has become almost synonymous with 'development.' For purposes of this discussion, capacity building is defined as the process of developing and strengthening the skills, organization, competence, processes, and resources that organizations need to adapt and thrive in the a changing world. The term derives from 'institution building' which was employed by the development community in the 1970s and 1980s. In 1991 the UNDP defined capacity building as "the long-term process of creating an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation (of women in particular), human resources development, and strengthening of managerial systems." For an organization, capacity building may relate to almost any aspect of its work: improved governance, leadership, mission and strategy, administration (including human resources, financial management, and legal matters), program development and implementation, fundraising and income generation, diversity, partnerships and collaboration, evaluation, advocacy and policy change, marketing, planning, etc.

a range of partnerships funded between \$250,000 and \$300,000, the results can vary significantly. In addition, in some cases, partnerships with very limited funding achieved results and sustainability beyond that achieved by partnerships with higher levels of funding. There is a need for further analysis of what fosters capacity building success via higher education partnerships, in part to help the USG better leverage what many believe is a key foreign assistance asset: the quality and reputation of U.S. institutions of higher education.

249. *Technical Assistance.* USAID also provides a range of technical assistance to higher education institutions and government ministries working in the higher education sector. Such assistance is frequently but not always a component of a broader effort to address needs in a technical sector (i.e. agriculture or health). At times, the assistance is provided through or in conjunction with a capacity building partnership. Examples of technical assistance include the strengthening of institutional governance, the improvement of financial planning and management, the training of faculty in quality instructional methods, the creation of student loan programs, and the development of policies that support improved higher education.¹⁸⁷

250. One of the challenges in understanding USAID's work in higher education is the fact that various USAID technical sector programs both engage partner country higher education institutions as implementing partners and provide assistance to such institutions. However, procurement and reporting systems were not designed to readily capture such work under the rubric of "higher education." As the Agency expands its assistance to and collaboration with higher education, improved knowledge management regarding USAID programs will be vital.

USAID Challenges in Higher Education

251. In seeking to progressively expand its involvement in higher education aspects of education sector assistance, USAID is conscious of three shortcomings that it will need to rectify in order to create a strong portfolio of projects in this area.

252. *Insufficient Staff Expertise.* The majority of USAID education officers are primarily trained and expert in matters related to basic, primary and secondary education. In order to effectively expand its support for higher education programming, USAID will likely need to increase training and staff development for the education officers, as well as for staff from other sectors who use higher education to achieve their objectives.

253. *Insufficient Presence in Key Higher Education Networks.* Given the variety of relatively disconnected higher education programs supported by USAID, and given the historical focus on basic education, the Agency has not committed extensive resources and LOE to maintaining a strong presence in key higher education networks, particularly at the international level. Changing this situation will help USAID develop its technical expertise and support donor coordination.

254. *Intra- and Inter- Sector Coordination.* Higher education investments are pursued by a variety of technical offices and financed by a wide range of funding sources, including higher education funding, basic education funding (teacher training), agriculture funding, health funding, etc. Increased intra- and inter- sector coordination – regarding such matters as problem assessment and program development -- will likely be critical to improving returns on these investments.

USAID Lessons in Higher Education

255. *Programming.* As the dynamics of the global knowledge economy re-define views on the role and function of a nation's education system, awareness is building that education systems must be viewed holistically and developmental interventions must therefore be applied in a balanced way across the full continuum of the various educational levels. This is certainly the opinion of numerous persons who

¹⁸⁷ Data limitations precluded a more detailed profile of the past decade of USAID programming in higher education.

participated in the USAID on-line and teleconference consultations. Within the higher education sub-sector, feedback from project evaluations and education sector staff suggests that USAID has created a useful and identifiable role for itself in its efforts to strengthen the overall quality of higher education. Specifically, project interventions in support of curriculum reform, faculty development, new or improved degree programs, new course design, improved management and administration, private sector collaboration, extension and community service, client-driven training programs, applied research, increased access to higher education among underserved or disadvantaged populations, and the assessment of learning progress are highlighted as essential elements of this approach. A number of staff have suggested that future programming should evolve from this base of experience into the promotion of broader systemic reforms.

256. *Constraints.* Staff assessments of USAID experience in its assistance program for higher education development also suggest that a broader range of higher education assistance assets and modalities could help Missions enjoy greater flexibility in adapting to in-country conditions and responding to the diverse needs of governments around the world. In addition, the Agency is still determining the most effective ways to employ strategic, and perhaps long-term approaches, in the context of results reporting and annual funding practices that can sometimes constrain the nature or reliability of USAID investments.

257. *Scholarship programs.* Various scholarship programs have been a primary vehicle for implementing USAID's higher education funding in recent years.¹⁸⁸ These programs have served multiple objectives, some educational and others political. The political dimension makes it very difficult to evaluate the cost-effectiveness of these efforts. If out of ten scholarships provided, one recipient drops out, five are lost to brain drain, three return to teach/work at their home institutions, and one goes on to become head of state with a favorable impression of the United States, is this program a failure or a success? Politically it could well be seen as a success, although educationally it would appear to be a failure. The difficulty of addressing such questions, together with the need to better understand the 'accuracy' with which the future potential of scholarship recipients is gauged, suggests that a rigorous, inclusive, multi-dimensional evaluation of USAID's various scholarship programs might be a timely undertaking. A more objective understanding of what works and what doesn't would provide valuable guidance in USAID efforts to build institutional capacities while helping to win the 'hearts and minds' of future opinion leaders under diverse political conditions.

258. *Partnerships.* University partnerships have been a significant mechanism for USAID program implementation. However, the diversity of results and impacts, as well as the range of opinions regarding the effectiveness of such investments, indicates that a systematic analysis of accumulated experience might help to delineate the matters for which partnerships are best-suited, the factors that are critical to fostering the success of such partnerships, the types of institutions that should be involved and under what circumstances, and the way in which they can be assets to broader systemic changes.

259. *USAID Comparative Advantage.* Several matters may provide USAID with a comparative advantage as regards assistance to higher education. While the determination of USAID's comparative advantage will often need to be country-specific, potential areas of comparative advantage include:

- Local presence in many countries, combined with responsive technical assistance mechanisms;
- Good experience in promoting institutional capacity development and educational quality;
- Good experience and expertise in building M&E capacities that could be applied to higher education;

¹⁸⁸ Educating mainly public-sector individuals for national leadership roles in socio-economic development is perceived to be USAID's area of comparative advantage. Development Alternatives, 2007, op. cit., p. 19.

- Strong and growing experience in facilitating public private partnerships and private sector collaboration (i.e. Global Development Alliances);
- Valuable working relationships with the private ICT sector in the United States that have been and could be leveraged on behalf of higher education programming;
- U.S. higher education community's interest in working in developing countries; and
- U.S. paradigm of higher education is attractive model to other countries and U.S. graduate degrees are highly valued.

260. *Impediments.* As USAID considers the possibility of expanding its involvement with higher education, it needs to overcome several liabilities. These include: (a) the challenges presented by annual funding allocations and the current models of results reporting with their emphasis on short-term results, both of which hamper strategic or longer-term approaches to higher education assistance; (b) the recent addition of new staff, when combined with USAID's strong commitment to basic education in recent years, suggests that its current staff may be short on the technical understanding and institutional proficiency needed to provide the desired level of expertise; (c) limited participation by USAID staff in donor consortia and in higher education activities could be a constraint on future approaches; and (d) presently poor understanding of USAID's overall accomplishments and shortcomings in higher education, what it has learned through this programming experience, and how in-house knowledge-sharing might be improved.

d. Looking Forward: Proposed Objective and Priorities

Objective

261. In an effort to help countries develop the knowledge, technology, best practices and human capital that are vital to local and national development, the proposed objective of USAID development assistance for higher education would be to strengthen higher education capacity to provide quality education and training, design and conduct critical research, and extend valuable learning opportunities to underserved or disadvantaged populations.

Priorities

262. To this end, future USAID programming in higher education would concentrate on four priority areas of activity.

263. Access and Equity: USAID assistance will increase access for underserved and disadvantaged groups. While individual country circumstances will be critical to determining the most appropriate way to achieve this priority, possible USAID approaches include but are not limited to: policy reforms, diversified higher education opportunities and tuition arrangements, scholarships, loans, expanded and diversified instructional delivery (including satellite campuses, distance education and online learning), housing assistance, and support services (academic and other).¹⁸⁹

264. For example, in the effort to reduce social inequities among ethnic and socio-economic groups and recognize the disadvantaged position of women within them, scholarship programs for in-country and regional university study can form part of the future higher education program.¹⁹⁰ The use of

¹⁸⁹ Inequalities in access to public services such as education by particular ethnic or regional groups have been identified as a contributing factor to political instability, particularly in weaker states. See INEE Working Group on Education and Fragility, 2008, *op. cit.*

¹⁹⁰ One example of this approach is the *Leadership for Education and Development (LEAD)* scholarship program run by the American University in Cairo, which proved highly successful in recruiting equal numbers of male and female public school graduates, two from each of the 27 governorates, including those in the most remote regions of Egypt. See Patricia K. Tibbetts and Magdy Amen, 2008, *Evaluation of the American University in Cairo Leadership for Education and Development Scholarship Program*,

computer-based and internet-linked complements to teaching can help to manage the demand pressures generated by rising higher education enrollments. Where these technologies are used to expand distance education programs and initiate on-line learning, they enable future enrollment expansion without the need for costly campuses or substantially larger numbers of full-time academic staff.¹⁹¹

USAID has had some favorable pilot experience with ICT applications to learning and to educational administration. At the same time, American firms continue to break new ground in the use of computer applications for learning. Future USAID programming in higher education would seek to replicate these pilot experiences, harness the know-how of the U.S. educational software industry in support of these efforts, and provide the ICT infrastructure that, in some cases, may be needed to reduce the 'digital divide' in this area between developing and developed countries. Public-private partnerships should be explored as a possible mechanism for implementing these activities.

265. **Quality and Relevance:** USAID assistance will enhance the quality and relevance of education and research through: faculty, administrator and staff development; improved instruction; curriculum reform; improved institutional management and administration; more rigorous quality assurance approaches (at both the institutional and system level); strengthened capacity for applied research in critical fields; robust collaboration with the private sector¹⁹²; and increased articulation within the broader education system.¹⁹³ As appropriate, training in methods for monitoring and interpreting labor market requirements would be provided, e.g., employer surveys, graduate tracer studies. A specific sub-set of quality enhancement activities might focus on forging a stronger link between university faculties of education and basic education, seeking to use university resources to provide short term training to teachers and administrators, action research to improve teaching and learning, and educational leadership development. Another sub-set of activities might focus on building capabilities for applied research. Knowledge generated and adapted through R&D activities in higher education – in graduate programs, academic research, or publicly supported research institutes – is critical for participation in the knowledge economy.¹⁹⁴ USAID would help to build these critical national capacities through support for graduate program development in areas of strategic importance to partner countries, the

Contract No. EDH-I-00-05-00029-00, USAID, Washington, DC. A second example is the USAID funded Cooperative Association of States for Scholarships (CASS) program seeks to improve the human capacities for sustainable development in eight countries of Central America and the Caribbean by educating socio-economically disadvantaged people. CASS pursues this goal by providing technical and leadership skills to low-income students, as well as primary-school teachers, nurses, and persons with disabilities in approximately 15 different fields of studies, largely determined by the program's assessment of labor force needs in the participating countries. See Aguirre International, 2002, *An Evaluation of the Cooperative Association of States for Scholarships Program (1994-2001)*, Washington, DC.

¹⁹¹ Distance education currently enrolls more than 15 percent of the world's higher education students. Rapid obsolescence in skills and changing labor market dynamics have increased demand for "life-long learning" around the globe, drawing in students outside the traditional 18-24 year old age bracket. Because many of these students are also employed, on-line education has become a preferred means of access. See Kapur and Crowley, *op. cit.*, p. 7, 33.

¹⁹² Experience suggests that generating a highly qualified labor force able to adapt to rapidly changing circumstances will be best achieved through (a) public-private partnerships; (b) mixed-mode teaching; and (c) more open policies toward societal and private sector participation in university affairs. See World Bank, 2007, *Building Knowledge Economies: Advanced Strategies for Development*. World Bank Institute Development Studies. Washington, DC: World Bank, p. 126.

¹⁹³ A strong association has been demonstrated between educational quality at the higher levels of the education system and economic growth. Teacher quality, in particular, exercises a major influence on student learning. See Hanushek and Woessmann, *ibid.*, and Hanushek, Eric and Dennis Kimko. 2000. "Schooling, Labor Force Quality, and the Growth of Nations." *American Economic Review*, 90(5): 1184-1208.

¹⁹⁴ Adequate information infrastructure is considered to be one of the four essential conditions for competing in the global knowledge economy. See World Bank, 2007, *Building Knowledge Economies: Advanced Strategies for Development*, World Bank Institute Development Studies, Washington, DC: World Bank, p. 24.

establishment of key institutional infrastructure for applied research (e.g., national science foundations, national research institutes), and competitive research funding on a national or regional basis.^{195 196}

266. **Systemic Reform:** USAID assistance will promote policy reforms that cultivate a diverse system of autonomous and accountable higher education institutions responsive to the needs of economic and social development and capable of effective collaboration with public and private sector stakeholders. Autonomy of management allows institutions to seize emerging opportunities, adjust to shifting markets, and adapt to changing circumstances. Where management is highly centralized or controlling, institutions become rigid, inflexible, inefficient, and gradually lose relevance. But autonomy is most likely to produce the desired results if it is coupled with accountability mechanisms to ensure that institutional initiatives are compatible with national goals, institutional outputs are consistent with market needs, and public funds are used appropriately and well.

267. **Accountability, Transparency & Measuring Results:** USAID assistance will promote approaches to quality assurance, financial oversight, and the monitoring of learning outcomes that actively involve and are transparent to key interested parties, including current and prospective students, faculty and administrators, funders, employers, and the general public through consultative approaches, relevant modifications to mechanisms for institutional governance and management, and other appropriate means.

e. Higher Education Linkages to Other Subsectors and Programs

268. There is a growing recognition and understanding of the ways in which investments in basic education, workforce development or higher education can impact investments in the other areas. For example, increased investments in basic education will likely expand the number of individuals seeking higher education in the future, thus suggesting the need to make anticipatory investments. Investments in applied research by higher education institutions, or investments in teacher training capacity, could complement and support basic education programs. Improvements in basic education learning outcomes could reduce the costs of workforce development programs by enhancing the basic skills individuals already possess when they seek workforce development training. Such linkages are prompting USAID to encourage a sector-wide perspective regarding education assistance. Such a perspective should help the Agency achieve a higher return on its foreign assistance investments. However, incorporating this perspective into strategic planning and program development will necessitate staff development and the evolution of new approaches to education program planning. If this approach is carried out constructively, it would lay the foundation for an eventual educational continuum of lifelong learning as a main theme in future USAID programming for the education sector.

Ties with Basic Education

269. Certain higher education responsibilities are essential for creating and sustaining the capacity and quality of basic education systems, as well as for fostering progress toward Millennium Development Goals for basic education. Higher education institutions train (and re-train) teachers, school principals and system managers. University professors play a major role in curriculum development and evaluation

¹⁹⁵ A cross-country regression analysis showed that the rate of return on research and development investments was an impressive 78 percent. See D. Lederman and W.F. Maloney. 2003. *R&D and Development*. Policy Research Working Paper No. 3024, Washington, DC: World Bank.

¹⁹⁶ Competitive funding has been shown to boost the quality and productivity of research in Europe and the United States. See Aghion, Philippe, Mathias Dewatripont, Caroline M. Hoxby, Andreu Mas-Colell and André Sapir. 2009. "The Governance and Performance of Research Universities: Evidence from Europe and the United States." Working Paper 14851. Cambridge, MA: National Bureau of Economic Research, p. 27. As a result, it has become a widely employed mechanism around the world. See Fielden 2008, *op. cit.*, p. 21; and Bleiklie, Ivar, Philippe Laredo, and Sverker Sorlin. 2007. "Conclusion: Emerging Patterns in Higher Education Systems." *Higher Education Policy*, 20, p. 497.

for primary and secondary education. University researchers also analyze education performance, identify problems and best practices, and provide policy advice. Yet too often higher education capacities to support the development of basic education are not brought to bear in a project context. But exceptions do exist – notably the USAID supported Basic Education activities in Botswana during the 1980s, in Namibia during the 1990s, and currently in Malawi. In all these cases a concentrated effort was made to build capacity at universities to train and support leadership for basic education reform. A particularly good example is the Aga Khan University's Institute for Education Development, which provides graduate level work for mid-career professionals (e.g., school directors, teachers, school supervisors) in Pakistan, Central Asia, and East Africa. The Institute integrates graduate studies with field research based on appreciative inquiry, outreach to schools, and education leadership. Its mission is to reform education using an inquiry-based model of learning.¹⁹⁷

Ties with Workforce Development

270. Higher education capacities can likewise be employed in support of workforce development objectives. Teacher training is an obvious point of connection. In addition, university engineering laboratories can be time-shared with technical training programs to provide training opportunities on a wider range of equipment; university specialists can carry out employer surveys, tracer studies, and labor market trend analysis that provide valuable feedback on the content of training programs; and universities can partner with technical and vocational training programs to provide customized short-term training on demand to the private sector. For example, in the *Focus on Results: Enhancing Capacity across Sectors in Transition Countries* (FORECAST) program, higher education institutions from the host country, the United States, and third countries are used as distinct providers of training programs for local skills strengthening. Another illustration of how such linkages can be leveraged to good effect is the USAID funded partnership involving the U.S. National Association of Manufacturers, Partners of the Americas, Community Colleges of Colorado, and the National Confederation of Industry in Brazil. These groups worked together to upgrade the technical skills of industry workers in Brazil by emphasizing e-commerce and providing access to new technologies. Furthermore, at the higher education system level, constructing multiple pathways for student progression between and within secondary education, workforce education, and higher education would help to match student interests with labor market needs, reduce dropout, and improve overall efficiency of the education system.¹⁹⁸

Linkages with the Private Sector

271. Linkages and collaboration between tertiary institutions and the private sector need to be further developed. This would improve dialogue, concerning course structure, curriculum content, and the competencies required of graduates in the workplace. It would also facilitate closer working relationships between universities and businesses in providing student training attachments, internships, use of business experience in the classroom, applied research, instructional use of business equipment, and student sponsorships. Special attention should be given to small and medium enterprises. A good illustration of how this can be done is found in a USAID sponsored partnership in Namibia. It enabled Community Colleges for International Development and the Polytechnic of Namibia to develop and implement a modularized entrepreneurship certificate program designed to enhance the entrepreneurial skills of Namibian small- and medium-size business owners. U.S. faculty with expertise in curriculum development and entrepreneurship assisted with curriculum design, classroom delivery modes, and assessment tools. Most university partnerships with industry tend to have a research, training or

¹⁹⁷ Ash Hartwell, Richard Sack and Simon Goodchild, 2008, "External Evaluation of the Aga Khan University Institute for Educational Development: 1993 – 2008," Processed.

¹⁹⁸ J. Harris, 1996, *Articulation and Transfer into and within a South African Higher Education System*. National Commission on Higher Education, Pretoria.

innovation focus. However, they could usefully be broadened to include private sector representation on university governing boards or in an advisory role on curriculum evaluation and design.¹⁹⁹

Linkages with other USAID Programs

272. USAID assistance programs in a variety of technical sectors frequently invest in higher education programs and institutions as a means of advancing objectives in those sectors. Greater collaboration between education officers well-versed in higher education issues and officers from other technical sectors might significantly enhance the effectiveness of the technical sector investments. For example, higher education assistance aimed at enhancing collaboration with external stakeholders could be leveraged by agriculture officers seeking to strengthen university agriculture business programs or agriculture extension programs. Likewise, higher education investments in faculty development institutions, or policies that provide incentives for faculty development, could complement a number of technical sector programs aimed at improving the quality of education and training provided in the relevant higher education programs. Education officers can use the development of higher education assistance to foster cross-sectoral collaboration and enhanced returns on USG funding.

G. Realizing the Vision

273. During the course of technical discussions and planning meetings for this strategy effort, a number of ideas emerged as to how USAID could adapt current operational practices to support the evolution in thinking reflected in the proposed strategic framework for education assistance. The following ideas are presented for USAID's consideration as they think through their next steps for approving and implementing their strategic vision for the sector. In providing both technical leadership and support in education assistance, EGAT/ED is well-positioned to embrace and promote many of these ideas in collaboration with the regional bureau education representatives and field Missions.

G.1 Action Agenda for the Education Sector

274. *Formulate and test more holistic approaches to education.* With little additional cost to operations, USAID could take specific steps to support education sector assessments that examine issues and linkages in and across the subsectors and develop integrated mechanisms for program design and implementation. With additional funding, the Agency also could plan, conduct, and evaluate a few country pilots that embody an integrated, sector-wide approach to education assistance.

275. *Explore and develop a regional lens to education strategies and approaches.* While regional approaches are not always the answer to assistance, external trends such as ICT and globalization as well as the nature of education sector suggests that there may be opportunities for cross-border (or "borderless") study, training, research and development, and inter-institutional dialogue and problem-solving. This idea seems best suited for the higher education and workforce development subsectors.

276. *Design systematic approaches to program measurement, analysis, and planning.* Representatives of the ESPC expressed interest in developing a more comprehensive and systematic approach to identifying, analyzing, and using data for cross-country analysis and education programming. This would be similar to what the health sector does or the E&E annual *Monitoring Country Progress* report.

277. *Develop operational guidance and field tool kits.* Educational practitioners in the field made strong and repeated requests during the regional phone calls for clearer operational guidance on programming issues and for "toolkits" to support education program and project advocacy, planning, design,

¹⁹⁹ Organisation for Economic Cooperation and Development. 2008. *Tertiary Education for the Knowledge Society*. OECD Thematic Review of Tertiary Education: Synthesis Report. Paris: OECD.

implementation, monitoring and evaluation. Examples of what might go into a toolkit include the development of user-friendly briefers on how education integrates and supports USG commitments and strategies in the foreign assistance “F” framework; illustrative indicators and PMPs centered around typical program models; and examples of well-written scopes of work.

278. *Develop and implement an annual research agenda for education.* In collaboration with the regional representatives and the field, EGAT/ED could develop a list of meaningful research topics that would assist and inform education programming. Once agreed-to, the education office would oversee the design and implementation of the research effort and disseminate results.

G.2 Management Considerations

279. *Financial Resources.* Conversations suggest that field staff would benefit from information on available funding streams for education as well as annual guidance on available uses under the basic education earmark.

280. *Staffing and Professional Development.* Once a new strategy is approved, USAID may want to ensure that staffing and training are updated to reflect the ideas of the framework. What training gaps will the Agency need to address? What sector competencies will be needed to implement the new strategy?

281. *USAID Washington Structures Supporting Education.* If USAID approves a more integrated approach to education assistance, what are the implications for organizational structures and communications? What can EGAT/ED do to strengthen its role within USAID -- vis-à-vis the other offices in EGAT, other sectors such as health and democracy, and regional bureaus? How can the education sector within USAID capitalize on the organizational communications established during this strategy process? A few small steps might be to conduct an After Action Review with the ESPC and the Education Sector Council to determine what aspects of its operations were helpful and what of those should be continued. Another step may be to collaborate with the regional representatives in instituting quarterly or semi-annual conference calls to the field.

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ANNEXES

1. Summary Description of Task, Participatory Process, and List of Research Papers
2. USAID Education Assistance Framework: One Page Summary
3. Subsector Linkages Graph
4. Education Profiles by Region
5. Role of Education in Development: Korea Case Summary
6. Education Donors and Funding Distribution

Annex I

USAID Education Strategy Process

The USAID Economic Growth, Agriculture and Trade Bureau, Office of Education (EGAT/ED) contracted the Aguirre Division of JBS International (Aguirre/JBS) in October 2008 for technical assistance in developing a new education strategy for USAID. Aguirre/JBS provided an expert researcher in each of the three subsectors (basic education, higher education and workforce development), as well as a lead senior advisor to coordinate with the USAID Education Strategy Planning Committee (ESPC). Over the course of several months, the JBS team developed and presented a series of research papers for USAID discussions with internal and external stakeholders and as the foundation for a new strategy.

The papers discussed research findings and issues within each of the three education subsectors as well as on a series of overarching topics within the education sector such as economic growth, education in conflict contexts, and linkages between the subsectors. A list of the issue papers is attached.

Virtual Discussions

To kick-off discussions, USAID met with D.C.-based external stakeholders to present an overview of the strategy process and to invite them to the virtual discussions platform. The ESPC utilized the Global Learning Portal (GLP) to disseminate the research documents to USAID staff and the international education community for review and discussion. The first two weeks of the discussion centered on the three subsectors, the third week of discussions explored overarching issues and linkages between the subsectors, and the final two weeks provided USAID participants an opportunity to discuss internally a range of issues, including USAID's strengths and weaknesses in service delivery. During the 5-week period, 573 unique visitors from 89 countries visited the site. (See Volume III for a full account of this activity.) At the end, key points were summarized and disseminated to the ESPC to inform the EGAT/ED strategy workshop and development of the technical report.

Missions Phone Calls

Parallel to the online discussions, the ESPC engaged field Missions through a series of regionally-based conference calls to further elaborate staff input. Overall, 33 Missions and Regional Offices were represented in the phone calls, including more than 85 USAID staff members' viewpoints. The regional calls focused on USAID's priorities, target beneficiaries and comparative advantage to other donors. As these questions were also addressed in the virtual discussions, many of the same themes emerged from the phone calls that were present in the online forum. However, Mission feedback was more strongly rooted in the country contexts, urging flexibility in the strategy to adapt programming to local needs and environments.

USAID Education Strategy Planning Committee Meetings

The ESPC met throughout the period to define processes, discuss the findings of each phase, and determine next steps. At the conclusion of the discussions with stakeholders, they held a two-day workshop with representatives of the Regional Bureaus, the Economic Growth/Poverty Reduction Office, the Chief Operating Office and the Aguirre/JBS research team as well as a series of follow-up meetings to finalize overarching objectives, priorities, linkages and other points of consideration to the overall development of the technical report.

Education Research Papers

Basic Education

- The Changing Context of Basic Education
- Resource Allocation in Education
- Access and Quality in Basic Education
- Teacher Absenteeism and Accountability in Basic Education
- Effective Aid Modalities in Basic Education
- Lessons Learned in Basic Education

Workforce Development

- The Context for Workforce Development Programs
- Range of Workforce Development Programming along the Educational Spectrum
- Workforce Development in Private Sector Capacity-building
- Roles of Public and Private Sectors in Workforce Development
- Vocational Training in Post-Conflict Contexts
- Multilateral and Bilateral Donor Investment in Workforce Development Programming
- Lessons Learned in Workforce Development

Higher Education

- The Context for Higher Education: Demands, Constraints and Trends
- Why Invest in the Development of Higher Education?
- Educational Access, Quality and Relevance in the 21st Century
- Assistance Modalities for Developing Higher Education
- System-wide and Institutional Interventions
- Lessons Learned in Higher Education

Overarching Issues

- Conceptual and Programmatic Linkages Between Basic Education, Higher Education, and Workforce Development
- Education's Importance in Reducing Fragility (USAID)
- Economic Growth and Poverty Reduction (USAID)
- USAID's Strengths and Weaknesses in Delivering Education Assistance
- International Agreements on Development and Foreign Aid
- Relevance of Education to Other USG Foreign Assistance Objectives

Proposed USAID Strategic Framework for Education

Annex 2

Overarching Goal		
People gain the knowledge, skills, and attitudes they need to improve their lives and contribute to a peaceful and productive society.		
Assistance Focus		
USAID directs its assistance to improve system access, quality, and capacity in basic education, workforce development, and higher education.		
<u>Basic Education</u>	<u>Workforce Development</u>	<u>Higher Education</u>
<i>Developing foundational skills for learning, citizenship, and work</i>	<i>Developing technical and employability skills for the labor market</i>	<i>Developing the knowledge, technology, best practices, and human capital for local and national development</i>
Objective: Promote equitable access to quality basic education.	Objective: Promote the acquisition of competencies needed by youth and adults to be productively employed.	Objective: Strengthen capacity to provide quality higher education and training, undertake critical research, and expand access.
<p>Priorities:</p> <ul style="list-style-type: none"> -<i>Access & Equity.</i> Improve equal access to quality basic education, including for underserved populations who are not enrolled, have dropped out, or are at risk. -<i>Quality and Relevance.</i> Ensure that students are actually learning basic, relevant knowledge and skills through improved pedagogy, materials, and management in formal and non-formal systems. -<i>Systemic Reform.</i> Coordinate with host countries and international donors to implement nationally-owned education plans and policies. -<i>Accountability, Transparency & Measuring Results.</i> Promote coherent and transparent systems that continuously measure, monitor and evaluate progress with clearly defined standards and benchmarks. 	<p>Priorities:</p> <ul style="list-style-type: none"> -<i>Access and Equity.</i> Reach out-of-school, unemployed youth and support women’s transition into the workplace. -<i>Quality and Relevance.</i> Strengthen providers’ responsiveness to community and private enterprise demands through curriculum reform, professional development, and partnerships. -<i>Systemic Reform.</i> Promote workforce development policies that support economic development and encourage financial sustainability through public-private partnerships at national/regional/local levels. -<i>Accountability, Transparency & Measuring Results.</i> Promote policies and approaches that regulate certification and accreditation standards; monitor and evaluate institutional effectiveness; and measure learning outcomes. 	<p>Priorities:</p> <ul style="list-style-type: none"> -<i>Access and Equity.</i> Reach underserved and disadvantaged groups with diversified financial arrangements; scholarship assistance; expanded instructional delivery; and support services. -<i>Quality and Relevance.</i> Enhance education and research through curriculum reform, faculty and staff training, rigorous quality monitoring, expansion of applied research, private sector collaboration, and greater articulation within the broader education system. -<i>Systemic Reform.</i> Cultivate a diverse system of autonomous and accountable higher education institutions responsive to national development needs and capable of effective collaboration with the public and private sectors. -<i>Accountability, Transparency & Measuring Results.</i> Involve key constituencies (students, faculty and staff, funders, employers, public) in quality assurance, financial management, and monitoring of learning outcomes.
----- Cross-cutting issues for all subsectors: gender, youth, and conflict -----		

Role of Education in Development

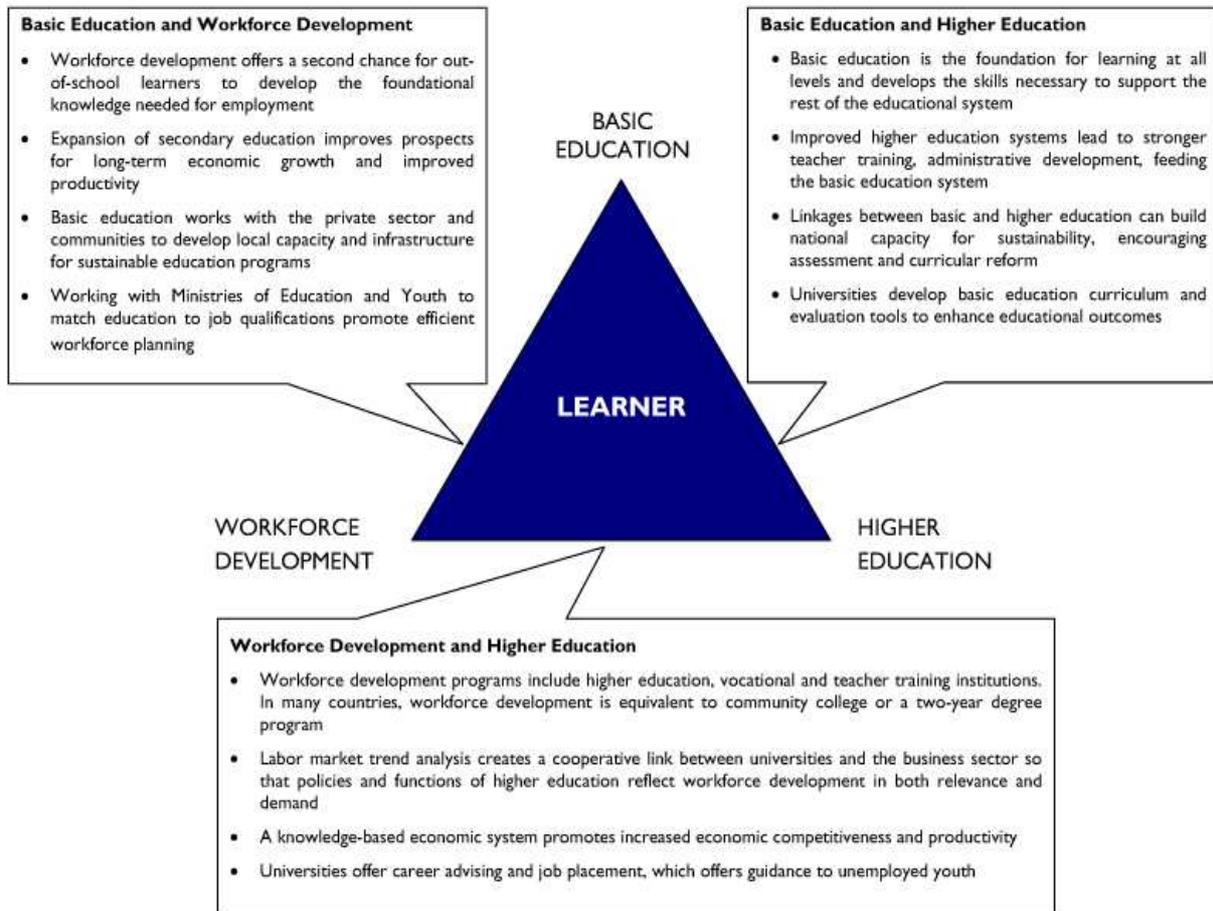
Figure 3-a



Education Sector Linkages

Figure 3-b:

LINKAGES BETWEEN THE SUBSECTORS OF BASIC EDUCATION, WORKFORCE DEVELOPMENT AND HIGHER EDUCATION



Annex 4-a

Regional Educational Profile: Asia¹

While Asia has broad variations in educational achievements between countries and sub-regions, the region as a whole has made marked progress, particularly in increasing access to education at primary, secondary and tertiary levels. Extensive challenges remain, however, as schools attempt not only to keep pace with demand but to provide high quality learning environments. USAID has identified significant challenges such as increased numbers of out-of-school youth, lack of employment readiness, lagging secondary school enrollment, insufficient higher education and training programs, and outdated or irrelevant curriculum.²

Gender parity in education has recently made great strides throughout the region. East and Southeast Asia have made the most dramatic progress with the Philippines and Sri Lanka ranking among the top twenty countries on the 2008 Global Gender Gap Index (GGGI). Results in South Asia have been more varied. Nepal, India, Iran and Pakistan rank among the bottom 10 countries on the GGGI, and Afghanistan leads the region in female illiteracy. Of the 17 million out of school primary school age children in South and West Asia, two-thirds were girls.³ In Bangladesh however, primary enrollment rates among girls have met and surpassed those of boys, providing hope for other countries in which female students have historically been disenfranchised and challenging schools to continue to retain male students.⁴

Asia's youth bulge has presented a demographic challenge for expansion of access to education. Approximately one third of South Asia's population is between the ages of 10 and 24. In Southeast Asia, where primary completion rates are high, limited secondary school capacity remains a challenge. Access to jobs has also received limited attention. 16 percent of youth in South Asia and 17 percent of youth in Southeast Asia are unemployed. A lack of critical information reaching uneducated youth has also been tied to dangerous health and reproductive choices, such as early marriage, early or frequent pregnancy, and transmission of HIV/AIDS.⁵

Basic Education

While most Asian countries have increased primary enrollment and completion rates, secondary enrollment remains a challenge. Education for All's 2008 Global Monitoring Report calculated that as of 2005, East Asia had the highest primary net enrollment rate (NER) in the region at 94 percent, followed by the Pacific with 90 percent, and South and West Asia with 86 percent. Universal primary education (UPE), a total primary NER of 97 percent or greater, has been achieved by 14 countries in the region: 7 in the Pacific (Australia, Fiji, Kiribati, New Zealand, Samoa, Timor-Leste and Tonga); 5 in East Asia (Cambodia, Indonesia, Japan, Rep. of Korea and Brunei Darussalam); and 2 in South Asia (Bangladesh and

¹ Sources vary in their demarcation of regional boundaries. The EPDC report's definition of Asia includes: Afghanistan, American Samoa, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, French Polynesia, Guam, Hong Kong, China, India, Indonesia, Kazakhstan, Kiribati, Korea, Kyrgyzstan, Laos, Macao, Malaysia, Maldives, Marshall Islands, Micronesia, Myanmar, Nepal, New Caledonia, Northern Mariana Islands, Pakistan, Palau, Papua New Guinea, Philippines, Samoa, Singapore, Solomon Islands, Sri Lanka, Taiwan, Tajikistan, Thailand, Timor-Leste, Tonga, Turkmenistan, Uzbekistan, Vanuatu, Vietnam.

EFA data is reported by sub-region: East Asia (Brunei Darussalam, Cambodia, China, DPR Korea, Indonesia, Japan, Lao PDR, Macao, Malaysia, Myanmar, Philippines, Rep. of Korea, Singapore, Thailand, Vietnam); South & West Asia (Afghanistan, Bangladesh, Bhutan, India, Islamic Rep. of Iran, Maldives, Nepal, Pakistan and Sri Lanka), and Pacific (Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga, Tuvalu, Vanuatu).

² USAID/Asia. "Strengthening Education," 2008.

³ UNESCO. 2007. EFA Global Monitoring Report 2008: *Education for All by 2015, Will we make it?* Paris: UNESCO.

⁴ USAID internal briefer, Asia-Diverse and Complex Gender Issues.

⁵ USAID internal briefer, Asia: Youth Bulge.

Sri Lanka).⁶ A 2009 report on ‘Global Education Trends’ by the Education Policy & Data Center projects that through 2015 the number of primary school enrollments throughout the region will remain relatively constant or exhibit modest growth, with the exception of East Asia, where low fertility rates will likely contribute to a 20 percent decline in enrollments. Secondary net enrollment rates across the region range from 25 percent to 65 percent and gross enrollment rates (GER) in 2005 stood at 105 percent in the Pacific, 73 percent in East Asia, and 46 percent in South and West Asia. Enrollment in secondary education is projected to increase both in South and East Asia in the next twenty years, with South Asia representing the largest regional increase in secondary school students globally. This increase will require a massive influx of trained secondary school teachers in the coming years in order to make certain that quality of instruction does not suffer as access improves. The EPDC projects that South Asia will require 2.5 times the current number of secondary school teachers to bridge the gap in qualified professionals and meet the expanded demand for secondary education. East Asia will require an increase of 70 percent.⁷

Workforce Development

Asia’s rapid economic growth has increased demand for skilled labor across the region, and revealed a critical shortage of both technical and “soft” skills.⁸ These shortages can have devastating effects on country and regional labor markets. The youth bulge has exacerbated the problem, as a potentially vital workforce is not acquiring the skills needed to become active participants, either through lack of access to education or technical training at the secondary level. Many governments are undertaking massive expansions and quality programs for secondary education and vocational and technical education and training (TVET).⁹ In the more advanced countries, current policies are upgrading and balancing general and TVET education at the upper secondary level, relocating the core TVET function from upper secondary to junior technical colleges, and increasing opportunities for post-secondary education.

Higher Education

Enrollment in higher education institutions has more than doubled in the past decade, with South Asia exhibiting the most rapid expansion. The region’s gross enrollment rate is 38 percent, but masks GERs of less than ten percent in Cambodia, Lao PDR, and Myanmar. Almost full gender parity exists in higher education however further work is required in the natural sciences. Approximately one third of students are engaged in science and technology disciplines. Education systems vary widely, with private education provision accounting for 53 percent of enrollments, and distance education established and expanding (raising concerns about educational quality). Growing international trade in higher education is occurring, especially in East Asia, and cross-border higher education is growing rapidly, prompting attention to accreditation and quality assurance. Many of these systems are undergoing restructuring against a national, regional and global backdrop of higher education reforms in areas such as funding, resources, governance, and curriculum development, prompting universities to become entrepreneurial as funding becomes scarce. Many countries are placing a strong emphasis on improving their research capacities. Among the less-developed countries in the region, higher education systems are chronically under-funded and face escalating demand, under-qualified academic staff, and poorly planned curricula.¹⁰

⁶ UNESCO, 2007.

⁷ Education Policy and Data Center, *Global Education Trends, 1970-2025: A Brief Review of Data on Ten Issues*. January 2009 Draft. Washington, DC: AED.

⁸ USAID/EDC, 2007.

⁹ Adapted from C. Fawcett, Workforce Development Subsector Report, 2009, USAID.

¹⁰ Adapted from B. Saint, Higher Education Subsector Report, 2009, USAID.

Annex 4-b

Regional Education Profile: Europe & Eurasia¹¹

Although individual country experiences have varied, the Europe and Eurasia (E&E) region by and large has made slow, steady improvements to primary, secondary and tertiary education provision throughout the past decade, particularly in expanding access to basic education. Enrollments in higher education however, have seen perhaps the most dramatic growth, although equitable access at the tertiary level remains a challenge. Quality of education at all levels varies throughout the region and is of particular concern, as are remaining barriers to participation such as wealth, gender, and minority status¹²

As of 2005, 15 out of 20 countries in the E&E region had achieved gender parity at both the primary and secondary levels, including Albania, Belarus, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Republic of Moldova, Romania, the Russian Federation, Slovakia, Slovenia and Macedonia. Some limited gender disparities are still evident at the secondary level where boys have a slightly higher participation rate than girls, however disparities at the tertiary level are far more pronounced, with women outnumbering men in higher education throughout the region.¹³ The E&E region has felt the impact of high rates of youth unemployment, which remain at fifty percent or higher in Albania, Azerbaijan, Kosovo, Macedonia, Montenegro, and Serbia. However, demographic pressures are abating in many Eastern European countries and a rapid decline in fertility in recent decades is leading to a shrinking youth population, unlike the cases of expanding “youth bulge” in the Middle East and North Africa, Sub-Saharan Africa and South Asia.¹⁴

Basic Education

Both primary and secondary enrollment rates (NER) in Europe and Eurasia have experienced a slow but steady increase due to a combination of increased participation and a decreasing school age population. The region is continuing to pursue the twin goals of increased access and student retention, but will most likely see declines in primary enrollment due to the aforementioned demographic factors. Poverty remains one of the foremost barriers to achievement of universal primary education. As of 2006, the region's average primary NER stood at 92 percent, and average secondary gross enrollment rate (GER) rose to 91 percent.¹⁵ Nonetheless, the region had 1.6 million out of school primary age children at that time, 45 percent of whom were in Turkey alone. Turkey has also struggled to keep pace with the region's adult literacy rates. Although adult literacy averaged 97 percent in the E&E region, Turkey was home to 76 percent of the 8.2 million adults unable to read or write.

Workforce Development

E&E countries have by and large undergone a rapid transformation from centrally planned economies into market-driven economies. Many have reduced the education's sector's share of GDP. There is a marked intra-regional difference between the level of education and income in Eastern

¹¹ Sources vary in their demarcation of regional boundaries. EPDC data on Europe and Eurasia includes the following countries: Albania, Andorra, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Channel Islands, Croatia, Cyprus, Estonia, Faeroe Islands, Georgia, Greenland, Isle of Man, Kosovo, Latvia, Liechtenstein, Lithuania, Macedonia, Moldova, Monaco, Mongolia, Poland, Romania, Russian Federation, San Marino, Serbia and Montenegro, Slovakia, Slovenia, Turkey and Ukraine. EFA defines Central and Eastern Europe as Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Montenegro, Poland, Rep. of Moldova, Romania, Russian Federation, Serbia, Slovakia, Slovenia, TFYR Macedonia, Turkey and Ukraine.

¹² UNESCO. 2007. EFA Global Monitoring Report 2008: *Education for All by 2015, Will we make it?* Paris: UNESCO.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ UNESCO. 2008. EFA Global Monitoring Report 2009: *Overcoming Inequality: why governance matters.* Paris: UNESCO.

Europe (Northern and Southern Tiers) on the one hand, and the Eurasian countries on the other. These regional differences can be explained by the uneven transformation of the private sector. Eastern Europe countries with faster economic growth have generated an educational premium, while the less competitive and slower growing economies of Eurasia do not strongly tie employment to education and skills.¹⁶ Largely reflecting post-Soviet institutions, the formal sector continues to be the main provider of workforce education and training. Vocational and technical education enrollments represent over 50 percent of total secondary gross enrollments in Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia. On average however, the growth of general secondary enrollments has outpaced that of vocational education secondary. Vocational education is associated with lower levels of economic development, where manual processing and assembling activities continue to reflect a large proportion of the jobs. Most of the countries in E&E are dependent on European-tied sources of funding, such as GTZ and European Union, institutions that promote the formal vocational education model. Alongside this model, there are a number of competitiveness projects that promote private sector led workforce development, using private sector providers and universities. USAID has supported a number of these initiatives in Kosovo, Macedonia and Georgia, to foster specialized skills development in key employment and trade-related sectors of the economy.¹⁷

Higher Education

The E&E region had a relatively high average GER in higher education of 57 percent as of 2005. This average, however, hides substantial differences in enrollments between countries, which range from over 70 percent in Latvia, Lithuania and the Russian Federation, to below 20 percent in Latvia and Lithuania. This represents a 50 percent increase in tertiary enrollments throughout the region between 1999 and 2005. Following the breakup of the Soviet Union, the region experienced sharp cuts in higher education funding and high rates of out-migration. This has led to substantial 'privatization' of public higher education by establishing 'dual track' systems whereby many students pay fees and a few do not. Consequently, access for poor and disadvantaged students has become a challenge. Many tertiary systems are unbalanced and dominated by one or two large public universities. Substantial growth in private higher education enrollments has taken place where private provision is welcome, but not in other countries where it is not.

The presence of foreign universities has also increased. Weakening supply of highly skilled workers with tertiary qualifications in the face of rising demand is a growing concern. University dropout rates are high and graduation rates are low. Worrisome are the stagnating or even decreasing numbers of MA and PhD graduates. Brain drain to Europe and elsewhere is a problem. Many countries face major hurdles in increasing their numbers of tertiary graduates over the medium term. The quality of higher education is also a problem, caused by old-fashioned teaching methodologies and examinations. Procedures for internal and external quality assurance are largely ineffective and out of line with recent European developments. With regard to governance, university structures are comprised of powerful, legally autonomous faculties. This creates a major political obstacle to institutional reforms and calls for changes in institutional governance mechanisms. In comparison to other European countries, public expenditure on tertiary institutions as a share of GDP is low. Neither public nor private sources of funding give faculties an incentive to improve efficiency and graduation rates. Public institutions have been able to raise resources from tuition fees, but this has merely provided an incentive for institutions to keep students in the system and has hence reduced efficiency. Research capacities need to be oriented towards more applied outputs, and collaboration with the private sector.¹⁸

¹⁶ USAID/E&E, 2008.

¹⁷ Adapted from C. Fawcett, Workforce Development Subsector Report, 2009, USAID.

¹⁸ Adapted from B. Saint, Higher Education Subsector Report, 2009, USAID.

Annex 4-c

Regional Education Profile: Latin America and the Caribbean¹⁹

Latin American & Caribbean (LAC) countries have made impressive progress toward ensuring universal, equitable access to primary education. However, the quality of teaching environments and learning outcomes remains variable. As a result, quality of education at all levels and expansion of secondary and tertiary education has become the focus of the region's interventions. Insufficient teacher training and school equipment as well as unequal distribution of funding between schools remain notable constraints on the quality of education.²⁰ Additionally, the region is working to break down remaining barriers to participation, by addressing contributing factors such as socioeconomic status, language barriers for indigenous or non-official language speakers, student location, gender, and health issues.²¹

Gender disparities in the LAC region are more prevalent in secondary and higher education than at the primary level, and in contrast to other regions, girls are rarely found to be at a disadvantage in the classroom. Instead, decreasing participation of boys in secondary and tertiary education has been a particularly troublesome trend. Poverty appears to be a contributing factor, as many of the boys pulled out of the educational system to work come from economically unstable backgrounds.²² At-risk youth prone to violence and gang-related activity as a result of economic disempowerment are a growing concern to governments. LAC has experienced a jump in youth population similar to other regions, and although the youth bubble is projected to abate in the long term, approximately 10.5 million youth reach working age each year in a region where youth unemployment is twice the total unemployment.²³

Basic Education

The LAC region is in the enviable position of being very close to achieving universal primary education with a net enrollment rate (NER) of 94 percent and gross enrollment rate (GER) of 118 percent. Most countries in the region (the exceptions being Columbia, Haiti and Jamaica) guarantee free education by law, a factor which undoubtedly has broadened access. In 2006 the region accounted for only 3.5 percent of the world's out of school children. However quality of education has not always kept pace with increasing access, and commitments to ensuring increased teacher training, more equitable school funding mechanisms, and well-equipped classrooms have not yet been met. Transition between and primary and secondary school remains relatively fluid in LAC, although high dropout rates between lower and upper secondary are raising concerns about student retention. Completion of secondary school is greatly skewed toward students from wealthier households. Secondary education enrollments have increased from 80 to 89 percent since 1999.²⁴ This growth, undoubtedly fed by the "youth bulge" will require that the region produce 45 percent more secondary school teachers by 2015 to meet the growing demand.²⁵ Adult literacy is a regional strength. Approximately 91 percent of LAC adults are literate and that number is projected to increase to 93 percent by 2015.

¹⁹ Sources vary in their demarcation of regional boundaries. The cited EPDC report's definition of Latin America and the Caribbean includes Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bolivia, Brazil, Cayman Islands, Chile, Columbia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, St. Kitts & Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, Venezuela, Virgin Islands (US).

EFA data is drawn from the above countries as well as Anguilla and Turks and Caicos Islands, and excludes Puerto Rico.

²⁰ UNESCO. 2008. EFA Global Monitoring Report 2009: *Overcoming Inequality: why governance matters*. Paris: UNESCO.

²¹ USAID internal briefer, *LAC Region: Education and Human Resource Development*.

²² UNESCO, 2008.

²³ USAID internal briefer on LAC statistics.

²⁴ UNESCO, 2008.

²⁵ Education Policy and Data Center, *Global Education Trends, 1970-2025: A Brief Review of Data on Ten Issues*. January 2009 Draft. Washington, DC: AED.

Workforce Development

Workforce development policies in Latin America largely reflect two decades of public sector commitment to expand education, and improve quality and relevance of training to labor market needs. Unfortunately, LAC students still enter the labor force with less education than their counterparts in countries with similar incomes. Public-private partnerships have become the main mechanism to support skills development both in and out of the classroom. Workforce development policies and programs throughout the region create a series of incentives to enlist private sector participation, support and financing for skills development at the local community level. Substantial reforms to decentralize public sector training systems provide excellent cases of “demand-driven” and decentralized strategies for workforce development.²⁶ Even with these reforms, much work remains to be done. The majority of LAC educational institutions are weak and under-funded. Access to workforce development programs in particular is extremely limited, and quality remains the largest single challenge, largely paralleling concerns in secondary education, where drop-out rates are high, and reflect the poor quality and irrelevance of training. Within the region, three countries--Haiti, Nicaragua and Guatemala--face the largest challenges in this arena. USAID workforce programs have been targeted at assisting with improvements to quality and relevance, and meeting the needs of at-risk youth and disenfranchised populations.²⁷

Higher Education

Over the last two decades, the growth of higher education in Latin American has averaged 2-3 percent, roughly the rate of demographic increase. The regional GER for higher education is 37 percent. Equitable access remains problematic, as the majority of university students come from the wealthiest segment of society. Private higher education accounts for nearly 50 percent of enrollments, but great variations exist among countries. With the growth of private education has come a concern with quality assurance. Initially quality assurance initiatives were heavily focused on inputs and process aspects of education, but over time they have evolved to place increased emphasis on learning outcomes and acquired competencies. Still, progress in moving away from lecture approaches to more participatory learning methods has been slow. Graduate programs are narrowly developed and MA and PhD graduate output is limited. As a result, a crisis in staffing is emerging and there is a limited stock of researchers, many of whom are not involved in R&D activities. Longstanding traditions of state control in higher education are gradually giving way to greater decentralization and institutional autonomy. However, university governance reforms are in their infancy, and governing councils rarely include external stakeholder representatives. But at the same time, there has been a growing government emphasis on accountability through the use of performance contracts and performance incentive funding. Spending per student is lower than any other region with the exception of Africa. Student cost-sharing has been politically contentious and has proceeded slowly, with the exception of Chile and Colombia. Upwards of three-fourths of the higher education budget is spent on academic staff salaries and benefits. Recent years have seen an increase in regional networking and university partnerships.²⁸

²⁶ CINTERFOR, 2006.

²⁷ Adapted from C. Fawcett, Workforce Development Subsector Report, 2009, USAID.

²⁸ Adapted from B. Saint, Higher Education Subsector Report, 2009, USAID.

Annex 4-d

Regional Education Profile: Middle East & North Africa²⁹

The Middle East and North Africa group (MENA) clearly exhibits variations in education access and quality on a country by country basis. However, progress toward meeting the basic education needs of the population has been slow across the board. While primary enrollments have risen, quality of education is questionable, needs of a burgeoning youth population remain unmet, and widespread adult illiteracy continues to be unresolved. USAID has been engaged in addressing these regional concerns at the primary, secondary and tertiary levels through programs in Egypt, Jordan, Lebanon, Morocco, West/Bank/Gaza and Yemen.

MENA countries still face significant hurdles in closing the gap between men and women in economic participation, education, political empowerment, and health and survival. All Middle East countries, with the exception of Israel, ranked in the bottom 25 percent of the 2008 Global Gender Gap Index (GGGI). Egypt, Morocco and Yemen rank among the bottom six countries on the GGGI, with Yemen placing last place of countries worldwide.³⁰ Of the 5.7 million out of school children in the region in 2006, 61 percent were girls. Efforts to achieve gender parity in education have, however, made significant steps forward. Jordan, Qatar and the United Arab Emirates have achieved gender parity in both primary and secondary education.³¹ Unfortunately gender equity in school enrollments has not always translated into similarly equitable labor force participation.

With over 60 percent of the population under the age of 25, the “youth bulge” in MENA countries offer both an opportunity given the large supply of human capital, and a challenge to absorb and train the ballooning young workforce. This demographic trend has placed strains on education and health services within the region, and poorly prepared youth face unemployment rates of 20-40 percent, nearly twice the world average. These young people are at greater risk of engaging in dangerous health and reproductive activities (i.e. early marriage, early and frequent childbirth, and HIV/AIDS transmission), and exclusion from the workforce may make them susceptible to extremist elements within their communities. With time, many countries are projected to “grow out” of the youth bulge phenomenon (e.g. Egypt, Iran, Lebanon); and by 2025, only Iraq, Palestine, and Yemen will continue to have high “youth bulge” population concentrations. In the interim however, investment in health counseling and job skills training is designed to offset potential safety hazards and encourage active participation in local economies.³²

Basic Education

Basic education faces broad challenges in MENA countries. While progress has clearly been made in providing access, equitable participation in primary education, retention of students through secondary school, quality of teaching and learning, and adult illiteracy remain concerns.

Since 1999 the region has seen an 11.6 percent increase in children entering primary schools, and a 2008 report on global educational trends forecasts a continued moderate rate of primary enrollment growth in the Middle East throughout the coming decade, similar to that seen in Latin America, Eastern Europe and South Asia. The average primary net enrollment rate (NER) for the region

²⁹ Sources vary in their demarcation of regional boundaries. The cited EPDC report’s definition of the Middle East and North Africa includes: Algeria, Bahrain, Djibouti Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Malta, Morocco, Oman, Palestinian Autonomous Territories, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, and Yemen.

The EFA report provides regional data for the Arab States, including all of the countries above as well as Mauritania and Sudan, and with the exception of Iran.

³⁰ USAID internal briefer, *Middle East-Disempowered Women*

³¹ UNESCO. 2008. *EFA Global Monitoring Report 2009: Overcoming Inequality: why governance matters*. Paris: UNESCO.

³² USAID internal briefer, *Middle East-Disenfranchised and Growing Youth Boom*.

continued to expand to 84 percent by 2006. Since 1999, Djibouti, Mauritania, Morocco and Yemen made the greatest strides forward, raising their NERs by over 20 percent, while Oman and The Palestinian Autonomous Territories registered unfortunate enrollment declines. Regional averages, however, conceal wide variations at which progress has been made. Six countries in the region have achieved universal primary education; Algeria, Bahrain, Egypt, Qatar, Syria and Tunisia, while Djibouti remains the region's worst performer in primary education with an NER of only 33 percent³³ As an increasing number of pupils complete primary school the demand for secondary schools and well-trained teachers is growing throughout the region. Participation varies widely here as well, from gross enrollment rates (GER) of 21 percent in Mauritania to 100 percent in Qatar.

Workforce Development

This area of the world has been known for its long-term commitment to human capital development. High rates of primary education completion and gross enrollments in secondary have been offered as evidence of this long-term achievement. Regionally, secondary net enrollments stand at 67 percent, however the quality of this education and its relevance to meeting labor market demands is questionable. The public sector remains the main driver of workforce policies and programs. Secondary vocational education systems represent over 50 percent of total secondary enrollments in many countries, such as Egypt and Morocco. Reform of these secondary vocational systems is now underway in Morocco and Algeria, using a decentralized public-private sector partnership model. Yet these reforms are arriving late in a region where there is an urgent need to address youth populations. USAID has financed several new youth initiatives in the West Bank and Gaza, Lebanon, Jordan, Morocco, and Yemen. Egypt and Morocco have participated in the YEEI Network on employment and education. Additionally, the particular vulnerability of women at this level is being addressed through USAID support of microfinance, basic education and women's rights initiatives.³⁴

Higher Education

The MENA countries' 26 percent GER in higher education is well ahead of Africa, but lags behind Asia, Latin America and Eastern Europe. The pace of expansion has been strong at almost 5 percent annually, and as a result student/teacher ratios are beginning to deteriorate. Enrollments in science, technology and engineering disciplines are low in comparison to other regions. Graduate unemployment is a serious problem due to a limited private sector and a mismatch between graduate skills and labor market needs. Private higher education accounts for 25 percent of enrollments, as in Africa, and women are roughly 40 percent of all students. In general, access to higher education is more egalitarian than in other regions. Twelve out of seventeen countries in the region compiling data on tertiary enrollment rates reported a higher enrollment of women than men in higher education, in stark contrast to secondary enrollments where girls are at a disadvantage.³⁵ MENA countries spend a higher share of GDP on education than any other region, and spending per higher education student is almost twice the level prevailing in Asia and Latin America. Research outputs in scientific and technology trail all other regions.³⁶

³³ Universal primary education is defined as a total primary net enrollment rate of 97% or higher.

³⁴ Adapted from C. Fawcett, *Workforce Development Subsector Report*, 2009, USAID

³⁵ UNESCO. 2007. EFA Global Monitoring Report 2008: *Education for All by 2015, Will we make it?* Paris: UNESCO.

³⁶ Adapted from B. Saint, *Higher Education Subsector Report*, 2009, USAID.

Regional Education Profile: Sub-Saharan Africa³⁷

Sub-Saharan Africa, while making great strides forward in education, faces some of the most difficult challenges of any region in ensuring access and quality at the primary, secondary and tertiary levels. The region has steadily increased enrollment at all levels over the course of the past decade, yet lags along with the Middle East and North Africa and South and West Asia in its ability to achieve education for all. Following current trends it is predicted that primary education will become universal in 2025 in all regions excepting Sub-Saharan Africa.³⁸ Barriers to achieving this goal are broad and varied, but include widespread poverty, high child mortality rates, malnutrition and health concerns, economic inequality, ethnic strife and lack of gender equality.³⁹

Gender inequality has endured in Sub-Saharan Africa's education system, and continues to be a challenge. As of 2005 only two countries in the region, Mauritius and Seychelles had achieved parity in both primary and secondary education. Exclusion from education often translates into exclusion from labor markets, although to a considerable extent, women in the region work in the informal sector, balancing work and household production. Demographic trends present the region with challenges as well as youth unemployment continues to rise. Sub-Saharan Africa ranks second only to that of the Middle East and North Africa in youth unemployment worldwide, and recorded rates do not capture the large rural youth populations throughout Africa, largely underemployed and not counted in official statistics. The "youth bulge" is projected to persist beyond 2025 in Sub-Saharan Africa, given that fertility rates are decreasing at a much slower rate than other regions. In addition to low participation in education, weak economic growth and inadequate job creation further stunt future youth employment prospects.

Basic Education

Sub-Saharan Africa accounted for the largest regional increase in primary enrollment worldwide, a total increase of 42 percent between 1999 and 2006. That said, the average net enrollment rate for primary school currently stands at only 70 percent and the gross enrollment rate (GER) in secondary school remains a paltry 32 percent. The region contains 19 percent of the world's primary-school age population, yet accounted for 47 percent of out of school children worldwide as of 2006. Progress has been made in reducing the number of out of school children by 10 million since 1999 but many countries have a long way to go, as 35 million children, almost one-third of the school age population were not enrolled as of 2006. Given present trends the greatest growth in primary school and secondary school pupils worldwide will occur in this region: between 2005-2015 the number of primary school students will increase from 116 to 166 million and secondary school students from 507 to 583 million.⁴⁰ As a result there exists an acute need for more and better trained school teachers. The number of primary school teachers has grown by 29 percent since 1999. The EPDC predicts that by 2015, the number of teachers will have to continue to expand from 2.8 million to 4.4 million in order to

³⁷ Sources vary in their demarcation of regional boundaries. The EPDC report defines Sub-Saharan Africa as the following: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Democratic Rep. of Congo, Cote D'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Zambia and Zimbabwe. EFA excludes Mauritania, Mayotte, & Sudan from their definition of the region.

³⁸ Education Policy and Data Center, *Global Education Trends, 1970-2025: A Brief Review of Data on Ten Issues*. January 2009 Draft. Washington, DC: AED.

³⁹ UNESCO. 2008. EFA Global Monitoring Report 2009: *Overcoming Inequality: why governance matters*. Paris: UNESCO.

⁴⁰ EPDC, 2009.

meet demand, and 2.5 times the number of secondary school teachers are needed.⁴¹ To this end, teacher training programs, as well as support for school materials and classroom infrastructure will remain priorities in the region. Adult literacy also remains problematic, as 38 percent of the region's adult population currently cannot read or write, two-thirds of them women.

Workforce Development

Sub-Saharan Africa has the largest percentage of youth living with HIV; nearly two-thirds of these youth live in this region. This health epidemic has contributed to staggering losses in terms of a healthy workforce, and continues to be a priority for countries. Low enrollment and completion rates of primary education indicate that children and youth are not receiving the basic foundational skills for the workforce. And while many African countries have witness substantial increases in enrollment in the past ten years, net enrollment and completion rates continue to be lower than the other regions.⁴² Workforce development thus has many hurdles to overcome, particularly in addressing the needs of students entering the labor market without the rudimentary skills provided by primary education.

Higher Education

Gross enrollment rates for higher education in Sub-Saharan Africa are the lowest in the world at 5 percent, but the continent is running hard to catch up. Higher education enrollments have surged at annual growth rates of nearly 9 percent over the past decade, but this increase in access has largely benefited the wealthier portion of the population. Although gains have been steady, women still comprise just 30 percent of enrollments. Universities have grown both in size and in number. Private provision of higher education is relatively new but rapidly expanding, and now teaches one out of every four students. Because enrollments have grown at a much faster pace than budgets, expenditures per student have dropped, quality has declined, and many higher education systems are close to financial unsustainability. The response to financial constraints has been a mix of larger class sizes, student fee increases, staff salary freezes, and institutional cut-backs in research, maintenance, and instructional inputs. Not surprisingly, one consequence has been professorial brain drain and a broader crisis in academic staffing.

Comparatively strong demographic growth indicates that the challenge of accommodating social demand for access will remain in the years ahead. Numerous African governments have sought to gain check this deteriorating dynamic before it spins further out of control by introducing piece-meal or holistic reforms. These have focused mainly on quality assurance, improved governance and accountability, student cost-sharing, and closing the substantial 'digital divide' with regard to ICT infrastructure and access. In general, French-speaking countries lag behind Anglophone countries in pursuing a reform agenda, due to politically charged traditions of unfettered access to higher education by secondary graduates, an absence of student cost-sharing, and the fragmented nature of sub-sector management, which places much of the decision-making for higher education beyond the authority of university leaders.⁴³

⁴¹ Ibid.

⁴² Adapted from C. Fawcett, *Workforce Development Subsector Report*, 2009, USAID

⁴³ Adapted from B. Saint, *Higher Education Subsector Report*, 2009, USAID

The Role of Education in Development: The Case of Korea

It is well documented that East Asian economies expanded more rapidly than those in other developing regions during the latter half of the 20th century. The USAID economic growth strategy cites the Korea case, where per capita incomes rose dramatically from \$770 in 1950 to over \$14,340 in the 1990s.¹ During the same period the Korean Government restructured its education system in order to mobilize a more skilled workforce required by changing industrial demands.² Learning systems in Korea continue to evolve into the present as it continues to transform toward a knowledge-based economy.³

Table X. Comparison of Economic and Educational Phases in Korea, 1945-Present

Time Period	Economic Development Phases	Educational Development Phases
1945-1960	Economic disruption and recovery	Democratization of education
1960-1980	Export-oriented, high growth strategy	Rising demand and expansion of educational opportunities
1980-2000	Structural adjustment and stabilized growth	Quality Improvement in education
2000-Present	Transition into knowledge-based society	Restructuring of system in response to changing workforce demand

Understanding the phases of Korea's educational development offer insights into how these advancements corresponded to evolving manpower needs.⁴ Of particular interest is Korea's investment in education at all levels, including basic education, workforce development, and higher education.

1945- 1960: Democratization of Education. With nearly half the population illiterate in 1950, the government mandated an autonomous educational structure for primary and secondary school, made elementary school compulsory, introduced adult literacy programs, and created several colleges for training qualified teachers. This thrust on basic education corresponded with the human resource needs for labor-intensive light manufacturing.

1960-1980: Expansion. As the growing number of students outstripped the provision of facilities and teachers, competition for admission to higher levels of schooling became intensive and excessive. In response, the government took a series of steps to open the doors to secondary and higher education. It abolished the middle school admission test; expanded provincial universities; established air and correspondence high schools, junior colleges, and the Korea Air & Correspondence University. Vocational, technical, and science curricula were introduced at secondary and tertiary levels. All of these changes corresponded to growth in capital intensive, heavy chemical industries.

¹ USAID, 2008. *Securing the Future: A Strategy for Economic Growth*. Washington, D.C.: USAID.

² Young-Hyun Lee, 1999. *Workforce Development in the Republic of Korea: Policies and Practices*. Asian Development Bank Institute.

³ See Joonghae Suh and Derek H. C. Chen (ed.), 2007. *Korea as a Knowledge Economy: Evolutionary Process and Lessons Learned*. Washington, D.C.: World Bank; World Bank, 2009. *Korea's Transition Toward Knowledge Economy*, a K4D Case Study, with lessons learned, focusing on the role of media and international cooperation. Web: worldbank.org; World Bank Report No. 20346-KO, 2000. *Republic of Korea: Transition to a Knowledge-Based Economy*. Report prepared by the World Bank and OECD at the request of the Ministry of Finance and Economy of the Government of Korea, as an input to its strategy for becoming an advanced knowledge-based economy. Washington, D.C.

⁴ Chong Jae Lee, Seoul National University, 2006. *The Korean Experience with Technical and Vocational Education: Does It Offer Any Lessons?* A PowerPoint Presentation delivered to the Norwegian Post Primary Education Fund for Africa at a Seminar organized by the Norwegian Ministry of Foreign Affairs and the World Bank; Oslo, Norway; September 13-14, 2006 and Website: LifeinKorea/information/history1.com.

In addition, the Ministry of Education initiated the practice of developing five-year plans that paralleled the government's plans for industrial development and supported manufacturing knowledge transfer into the so-called "development triangle" of collaborating government agencies, domestic and foreign industries, and educational institutions (including universities, R&D centers, and high-tech training).⁵

1980-2000: Quality Improvement. The government instituted the "Non-Formal Education Act" and "Preschool Education Support Act" to promote life-long education. Among other reforms, it began educational broadcasting, introduced a graduation quota system for colleges and universities, and introduced an education tax for elementary and secondary education. Priority was given to education gaps in rural areas, low attainment at the secondary level, and students at risk. Technical and vocational education and training (TVET) infrastructure along with higher education was expanded to respond to the explosive growth in electronics and the high-tech knowledge industry.

2000-Present: Continued Improvement and Restructuring. Workforce demands have continued to evolve from simple, low-level, technical competence to higher-level, multi-tasking competencies. Current policies are stressing quality at all levels, extending compulsory education through lower secondary grades, upgrading and balancing general and TVET education at the upper secondary level, relocating the core TVET function from upper secondary to junior technical colleges, and increasing opportunities for post-secondary education.

The Korea case sheds light on the interplay of the subsectors in educational development and supports recent arguments that a more holistic approach to the sector is needed. While no country has reached sustained economic growth without attaining near universal basic education, higher education is proving to be a powerful engine for prosperity in the global knowledge economy, and workforce development programs are building the skills needed for employment.⁶ In today's world, complex national environments combined with the rapid pace of change require governments to simultaneously address issues at all levels of education. The importance of all three subsectors in developing knowledge and skills for a competitive, knowledge-based economy is illustrated in Figure 5-a, below.

⁵ Mark Hanson, as discussed in the EGAT/ED online, January 28, 2009. Also see Mark Hanson, *Transnational Corporations as Educational Institutions for National Development: The Contrasting Cases of Mexico and South Korea*. *Comparative Education Review*, vol. 50, no. 4, (2006): pp. 625-650; and

Mark Hanson, 2008. *Economic Development, Education and Transnational Corporations*. New York: Routledge Press.

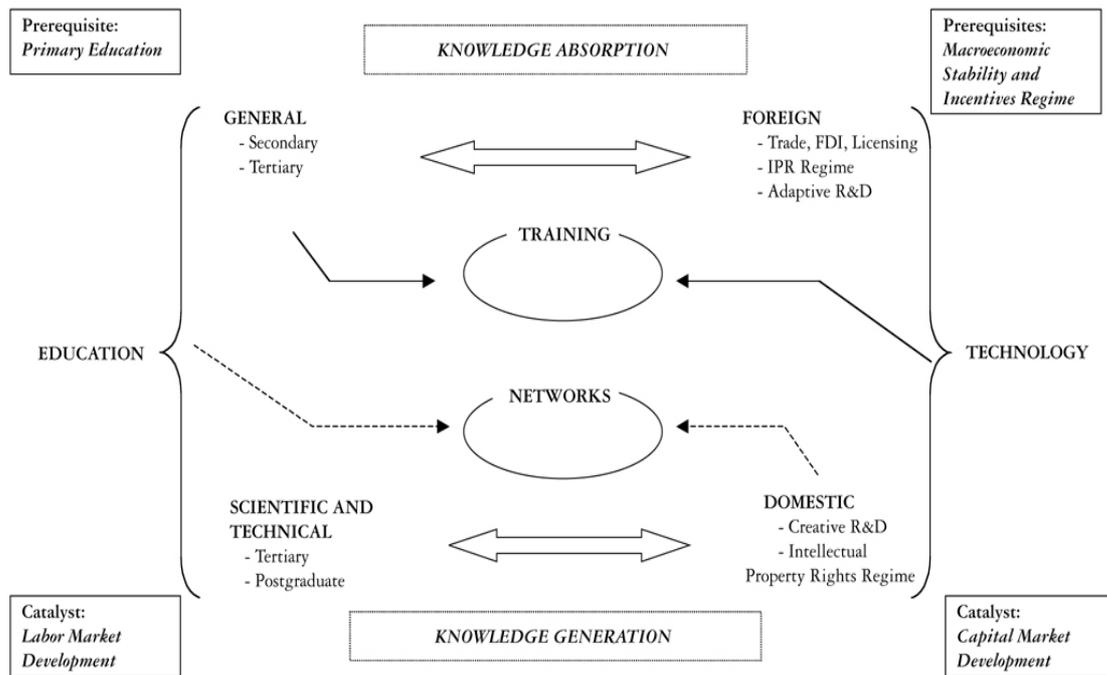
⁶ Basic Education Coalition, 2004. *Teach a Child: Transform a Nation*. Washington, D.C.; D. Kapur and M. Crowley, 2008. *Beyond the ABCs: Higher Education and Developing Countries*. Working Paper No. 139. Washington, D.C.: Center for Global Development; and D. Bloom, et al., 2006.

The Interplay of Education and Technology⁷

Figure 5-a

FIGURE 1.1

The Knowledge Economy Simplified



Source: Gill (2002).

⁷ As illustrated in David de Ferranti, et al., 2003. *Closing the Gap in Education and Technology*. Washington, D.C.: World Bank.

Education Donors and Funding Distribution

(reference year: 2007)

During 2007, multilateral and bilateral donors contributed an estimated USD 12.2 billion for expanding and improving education in developing countries. Regionally, Sub-Saharan Africa was by far the largest beneficiary, receiving 37 percent of this amount. The Middle East followed with a 14 percent share. Worldwide, the three main funders were the World Bank, France, and Germany (Table 6-1). However, other donors often played principal roles within particular geographical regions (Table 6-2).

Table 6-1. Main Education Donors in 2007.

Donor	Amount (USD m.)
World Bank	2,000
France	2,000
Germany	1,500
European Community	1,000
United States	900
Japan	800
Netherlands	700

Source: EFA Global Monitoring Report 2009

Table 6-2. Primary Education Donors by Region in 2007

Region	Primary Donor	Amount (USD m.)
Arab States	France	420
East/Central Europe	Germany	75
Central Asia	Asia Dev. Bank	67
East Asia	Japan	360
Latin America & Caribbean	Inter-Amer. Dev. Bank	342
South Asia	World Bank	440
Sub-Saharan Africa	World Bank	1,040

Source: EFA Global Monitoring Report 2009

Within the sub-sectors of education worldwide, basic education received roughly 41 percent of funding, secondary education got 19 percent, and higher education was given 38 percent.¹ Here it is important to note that current systems for the reporting of donor funding activities do not separately register funding for workforce development or technical/vocation education.² Thus, funding trends in this

¹ Estimates are only approximate, as they do not include funds unallocated by sub-sector reported by some donors.

² The most complete data set on funding for workforce development and workforce development-type activities is assembled by the UNESCO Institute of Statistics (UIS). Its data come from reports submitted by the donors to the Development Assistance Committee (DAC) of the OECD. Since 2006, these data have been reported in the annual EFA Global Monitoring

subsector cannot be charted. However, donor agency education strategy documents and annual reports suggest that financial support for workforce development has been rising in recent years, mainly as the result of growing attention to the critical role of skills development for enhancing productivity and competitiveness in the global economy.

Using the UNESCO data and individual donor agency reports, it is possible to estimate the principal donors by sub-sector within each of USAID's geographical regions (see Table 3).³ Additionally, the largest donor in each instance is indicated by highlighting. The table shows considerable variation across sub-sectors and regions, and points up potential candidates for working partnerships with USAID in various parts of the world. The World Bank plays a prominent role in funding basic and secondary education in virtually all regions. However, Germany is a key global player in workforce education and France is a major worldwide contributor to Post-Secondary Education. Regionally, Japan is a significant actor across all education sub-sectors in Asia (as is Australia), and to a lesser extent in Eurasia and Africa. In Eurasia, Latin America, and the Middle East, the European Commission is a ubiquitous presence in the education sector. In Sub-Saharan Africa, the World Bank is a major player in all sub-sectors.

Report. There are two problems with these data. The first is that the donors use different definitions of what is included under workforce development—and some donors do not use the term at all. The second is that the International Standard Classification of Education (ISCED) codes under which donors report their assistance for education jumbles categories of workforce development expenditure. In principle, the bulk of funding for workforce development should be relatively easy to track through ISCED levels 4 and 5B (post secondary non-tertiary and programs which are “more practical, technical and /or occupationally specific”). But this task is complicated by the DAC definition of “basic education” to include early childhood, primary education, and basic life skills for youth and adults. The first two are ISCED levels 0 and 1. However, the third is often treated as part of workforce development. Thus, there is no consistent way of determining for each donor how much of its funding for basic education and post-secondary education (or secondary education in the case of work-readiness programs) was earmarked for workforce development.

³ A listing of the countries that are included in each of USAID's five geographical regions, taken from the USAID website, is provided in Attachment I.

Table 6-3. Indicative Principal Donors by Education Sub-sector and Region in 2007.
(largest donor is highlighted)

Region	Basic Education	Secondary Education	Workforce Education	Post-Secondary Education
Asia	Australia Asia Dev. Bank Japan World Bank	Australia Japan World Bank European Com.	Asia Dev. Bank Canada Germany Japan World Bank	Australia European Com. Germany Japan
Eurasia	European Com. Spain United States World Bank	European Com. Germany World Bank	Germany Japan United States World Bank	European Com. Germany Japan
Latin America	European Com. IADB Spain United States	European Com. France Spain World Bank	France Canada IADB	Austria France Germany European Com.
Middle East	European Com. France United States World Bank	European Com. France Germany World Bank	France Germany United States World Bank	European Com. France Germany
Sub-Saharan Africa	Netherlands United Kingdom United States World Bank	France Germany World Bank	Canada Germany Japan United States World Bank	France Germany Japan World Bank

IADB = Inter-American Development Bank.

Source: EFA Global Monitoring Report 2009; donor agency annual reports, and author's calculations using these data sources.

Although it is not possible to neatly categorize donor programs by their sub-sector or regional strategies, some generalizations are possible. These can be used as reference points for a preliminary mapping of gaps and duplications in the collective funding activities of the education donor community. The following overview seeks to illustrate this point.

Educational Sub-Sectors. Overall donor funding favors basic and higher education, allocating barely a fifth of the total to secondary education. This may be a point of imbalance that would benefit from some adjustment, especially as larger cohorts of basic education graduates – the product of EFA successes – seek a transition to secondary education. Within basic education, substantial investments have been made in expanding enrollments (e.g., school construction), but comparatively less attention has been given to fostering educational quality – although this is beginning to change. Recent interventions in secondary education seek to restructure curricula and promote new teaching methods. However, consensus on curriculum is limited and the question of how much vocational or 'life skills'

content should be included remains open. At the post-secondary level, funding strongly favors universities over other types of tertiary institutions (e.g., community colleges, polytechnics) and is concentrated heavily on the provision of training to university staff through partnership programs with donor country universities. As a result, financial and technical support for information technology systems development and for research is in short supply. In line with the Paris Declaration, a number of donors have adopted the practice of pooling their funds in support of national education strategies, an approach that allows developing country governments (and their technical advisers) to determine sub-sector distributions and interventions.

Geographical Regions. Increased emphasis on strategy-guided programs, together with increased competition for resources, has in recent years obliged numerous donors to narrow the geographic selectivity of their development assistance programs. The Netherlands, for example, now limits its collaboration to just 15 partner countries, although regional programs may benefit others. Likewise, Sweden targets only 16 countries. In making these choices, countries often employ political criteria in addition to needs-based considerations. One of the consequences of these processes is that smaller countries may be neglected. Another is that a few select nations may be favored by numerous donors, thus prompting questions of fairness and equity (see Table 4).⁴ For example, within similar levels of per capita income, education aid per person can vary considerably, sometimes more than thirty-fold (e.g., Uzbekistan vs. Zambia). Nor does aid to education seem to be proportionate to levels of poverty, as countries in the lowest income group (per capita GNI of \$350 to \$500) received only half as much per person as countries in the highest income group (per capita GNI of \$650 to \$800).

[Table 6-4 follows]

⁴ Supporting data for this table can be found in Attachment 2.

Table 6-4. Per capita Gross National Income and Per capita Development Assistance in Selected Countries, 2005/06.

Country	Per capita Gross National Income (USD)	Per capita Education Sector Aid (USD)
<i>Per capita GNI \$350 - 500</i>		
Tanzania	350	2
Togo	350	3
Tajikistan	390	2
Guinea	410	5
Mali	440	5
Bangladesh	480	2
Cambodia	480	4
Haiti	480	7
<i>Per capita GNI: \$500 - 650</i>		
Ghana	520	4
Kenya	580	2
Uzbekistan	610	0.4
Zambia	630	16
Nigeria	640	0.1
<i>Per capita GNI: \$650 - 800</i>		
Vietnam	690	3
Mauritania	740	13
Senegal	750	20
Yemen	760	2
Pakistan	770	2
Papua New Guinea	770	11

Sources: World Bank World Development Report 2008; EFA Global Monitoring Report 2009.

Annex 6- Attachment I

Country Lists for USAID Regions

Asia	Eurasia	Latin America	Middle East	Sub-Saharan Africa
Afghanistan	Albania	Bolivia	Egypt	Angola
Bangladesh	Armenia	Brazil	Iraq	Benin
Burma	Azerbaijan	Colombia	Jordan	Burundi
Cambodia	Belarus	Dominican Rep.	Lebanon	Djibouti
China	Bosnia-Herzegovina	Ecuador	Morocco	DR Congo
India	Bulgaria	El Salvador	West Bank/Gaza	Eritrea
Indonesia	Croatia	Guatemala	Yemen	Ethiopia
Laos	Cyprus	Guyana		Ghana
Mongolia	Czech Republic	Haiti		Guinea
Nepal	Estonia	Honduras		Kenya
Pakistan	Georgia	Jamaica		Liberia
Papua New Guinea	Hungary	Mexico		Madagascar
Philippines	Ireland	Nicaragua		Malawi
Sri Lanka	Kazakhstan	Panama		Mali
Thailand	Kosovo	Paraguay		Mozambique
Timor-Leste	Kyrgyzstan	Peru		Namibia
Vietnam	Latvia	Caribbean		Nigeria
	Lithuania			Rwanda
	Macedonia			Senegal
	Montenegro			Sierra Leone
	Poland			Somalia
	Romania			South Africa
	Russia			Sudan
	Serbia			Tanzania
	Slovakia			Uganda
	Slovenia			Zambia
	Tajikistan			Zimbabwe
	Turkey			
	Turkmenistan			
	Ukraine			
	Uzbekistan			

Annex 6-Attachment 2

Education Aid Per Capita by Level of Per Capita Gross National Income

Country	Per Capita GNI 2006	Total Aid to Education (USD m.) 2005	Population (millions) 2006	Education Sector Aid Per capita (USD) 2005/06
	(1)	(2)	(3)	(4)
<i>Per capita GNI \$350 - 500</i>				
Tanzania	350	95	39	2
Togo	350	17	6	3
Tajikistan	390	15	7	2
Guinea	410	45	9	5
Mali	440	74	14	5
Bangladesh	480	308	144	2
Cambodia	480	55	14	4
Haiti	480	65	9	7
<i>Per capita GNI: \$500 - 650</i>				
Ghana	520	103	23	4
Kenya	580	64	35	2
Uzbekistan	610	12	27	0.4
Zambia	630	194	12	16
Nigeria	640	13	145	0.1
<i>Per capita GNI: \$650 - 800</i>				
Vietnam	690	282	84	3
Mauritania	740	38	3	13
Senegal	750	242	12	20
Yemen	760	43	22	2
Pakistan	770	295	159	2
Papua New Guinea	770	67	6	11

Sources: Columns 1 and 3, World Bank World Development Report 2008, Table I.
Column 2, EFA Global Monitoring Report 2009, Table 4.
Column 4, author's calculation