Sector Work and Project Performance in Education: A Review of Bank Experience

Antoine Schwartz
Richard Sack

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Poverty and Social Policy Department
Human Capital Development and Operations Policy
The World Bank
This Booklet of Abstracts contains short summaries of recent PSP Discussion Papers; copies of specific papers may be requested from Patricia G. Sanchez via All-in-One. The views expressed in the papers are those of the authors and do not necessarily represent the official policy of the Bank. Rather, the papers reflect work in progress. They are intended to make lessons emerging from the current work program available to operational staff quickly and easily, as well as to stimulate discussion and comment. They also serve as the building blocks for subsequent policy and best practice papers.
The Wapenhans report, and subsequent "Next Steps" Action Program, emphasize the need for lending operations to be rooted in sound diagnostic Economic and Sector Work (ESW) if they are to have a developmental impact. Sound ESW ought to be undertaken with the full participation of borrowers and targeted at identifying constraints that can be relaxed through public policies and/or investments.

This paper examines the contribution of Sector Work to project quality in the education sector, using the concepts provided by the Wapenhans and Next Steps reports and focusing on the processes by which sector knowledge is acquired and applied in sector policy formulation and project development. The analysis relies on: (a) an assessment of the sources of sector knowledge driving the identification/design of two samples of projects (FY81-83 and FY91-93); (b) an assessment of the operational follow-up of selected SW reports; (c) a comparative analysis of patterns and trends of Sector Work and sector lending since FY89; (d) a review of performance indicators for selected projects; and, most importantly, (e) a series of structured interviews with sector Task Managers with extensive operational experience.

The findings confirm that good prior sector work, in the broadest sense, is an essential condition for achieving satisfactory project outcomes, even though it does not guarantee such outcomes. Adequate upstream investment in sector knowledge acquisition yields very high returns.
# NEXT STEPS ESW REVIEW — EDUCATION SECTOR

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<table>
<thead>
<tr>
<th>Abbreviation</th>
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<tr>
<td>AOR</td>
<td>Annual Operations Review for Education and Training</td>
</tr>
<tr>
<td>CAS</td>
<td>Country Assistance Strategy</td>
</tr>
<tr>
<td>CESW</td>
<td>Country Economic and Sector Work</td>
</tr>
<tr>
<td>CVPU</td>
<td>Central Vice Presidency Units</td>
</tr>
<tr>
<td>EdSW</td>
<td>Education Sector Work</td>
</tr>
<tr>
<td>ESW</td>
<td>Economic and Sector Work</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>ID</td>
<td>Institution Development</td>
</tr>
<tr>
<td>IM</td>
<td>Initiating Memorandum</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>NS</td>
<td>Next Steps</td>
</tr>
<tr>
<td>OD</td>
<td>Operational Directives</td>
</tr>
<tr>
<td>OPR</td>
<td>Operations Policy Department</td>
</tr>
<tr>
<td>PIU</td>
<td>Project Implementation Unit</td>
</tr>
<tr>
<td>SandT</td>
<td>Science and Technology</td>
</tr>
<tr>
<td>SAR</td>
<td>Staff Appraisal Report</td>
</tr>
<tr>
<td>SecAL</td>
<td>Sector Adjustment Loan</td>
</tr>
<tr>
<td>SecIL</td>
<td>Sector Investment Loan</td>
</tr>
<tr>
<td>SpIL</td>
<td>Specific Investment Loan</td>
</tr>
<tr>
<td>SW</td>
<td>Sector Work</td>
</tr>
<tr>
<td>TM</td>
<td>Task Manager</td>
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I. INTRODUCTION

1. The Wapenhans report, and subsequent "Next Steps" Action Program, emphasize the need for lending operations to be rooted in sound diagnostic Economic and Sector Work (ESW) if they are to have a developmental impact. Sound ESW ought to be undertaken with the full participation of borrowers and targeted at identifying constraints that can be relaxed through public policies and/or investments.

2. Bank concern for the quality of education sector work (EdSW) is longstanding. Two in-depth reviews and analyses of EdSW have been produced since 1986.1 The Annual Operational Reviews for Education and Training (AOR), which, until FY92, provided an overview of each year's crop of EdSW along with analysis of strengths and weaknesses.2 Focusing on quality, however, these reviews tend to treat EdSW as free-standing products with few concrete references to project result on the ground.

3. Project quality is the ultimate objective of sound sector work (SW). Rather than replicating and updating previous reviews of EdSW, this review focuses on the contribution of EdSW to project quality using concepts provided by the Wapenhans and NS reports, emphasizing the processes by which sector knowledge is acquired and applied in sector policy formulation and project development. This view looks at SW as part of the larger process of Bank/client relations.

4. The premise underlying the analysis holds that "sound Economic Sector Work" (ESW) is composed of the following five dimensions, identified in para. 28 of the "Next Steps" report:

(a) **Ownership/appropriation** - ESW is "undertaken with the full participation of borrowers";

(b) **Policy orientation** - ESW is "targeted at identifying constraints that can be relaxed through public policies and/or investments."

(c) **Technical competence, or quality** - ESW is judged by "how well it diagnoses development problems."

(d) **Implementable orientations** - ESW is valued to the extent it "takes account of implementation constraints in its policy and investment prescriptions."

(e) **Downstream utility** - ESW is useful to the extent it "provides a basis for project/program identification within the agreed CAS framework."

5. To analyze the relationships between SW project quality, this report relies on (a) an assessment of the sources of sector knowledge driving the identification/design of two samples of projects (FY81-83 and FY91-93); (b) an assessment of the operational follow-up of selected EdSW reports; (c) a

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2 Two of the AORs went into greater depth: the Fiscal 1988 AOR looked at the contribution of SW to policy-based lending; the Fiscal 1990 AOR had a special section on the impact of education policy papers on project objectives and sector work.
comparative analysis of patterns and trends of EdSW and sector lending since FY89; (d) a review of performance indicators for selected projects; and, most importantly, (e) a series of 21 interviews with education sector task managers with extensive operational experience.  

6. Country Economic and Sector Work is defined in the Bank's Operational Manual, OD 2.00, dated March 1989, which says that SW provides the framework for the Bank's lending program and for policy advice in the sector. Specifically, SW "seeks to ensure that investments are identified and selected based on a careful review of sector priorities...". What, however, actually constitutes SW? There is formal Bank SW, going through the gamut of color-coded report covers, at times, all the way to the Board. There is less formal Bank SW that never goes beyond white cover. There is the sector knowledge acquired through non-SW Bank activities, such as project preparation and supervision. And there is SW done outside of the Bank's project cycles by academic researchers and other agencies. The question of definition persists. The Bank reviews of EdSW (see footnotes 1 and 2) included all Bank-produced EdSW; they vary from white to gray covers and include, at times, sector or subsector strategy notes. In principle, this review opt for a broad definition of what constitutes EdSW.

II. OVERVIEW OF EdSW

7. What is the nature and extent of Bank-produced EdSW in its broader definition? What is the resource allocation to EdSW relative to project preparation and supervision and other sectors? How closely is EdSW related to lending operations in the sector? This section addresses such questions.  

Quantitative imbalance between EdSW and Education Lending

8. Staff-time charged to EdSW averaged 772 staff-weeks per year Bankwide in FY89-94. The bulk of this time was spent in the Africa region (45 percent), followed by East Asia (21 percent). About 13 percent of this total allocation was charged against tasks subsequently dropped (6 percent) or considered inactive (7 percent). Overall, about 16 staff-years were used annually for EdSW reports completed in that period. On a year-by-year basis, however, there is a clear downward trend both in staff-time used in EdSW and in the number of EdSW reports produced. Time charged to completed reports fell from 961 staff-weeks in FY89 to 505 in FY94, while the number of reports declined from 23 to 12. In the same period, Bank lending for education more than doubled, from $891 million to $2.2 billion. The number of operations increased steadily from 19 in FY89 to 33 in FY93.

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3 These interviews were structured around the five dimensions of sound ESW listed in para. 4.
4 This section is based on a review of the information available in the Bank's MIS, covering the period FY89-94.
5 An inactive task is an uncompleted report with no staff-time budgeted for the current fiscal year. Inactive tasks were a particularly relevant phenomenon in South Asia; they accounted for one-third of staff-time charged to EdSW in that period. Dropped tasks were most notable in Africa (10 percent of total staff-time charged to EdSW).
9. The picture in the education sector is one of SW being crowded out by the immediate demands of rapidly expanding project-related activities. Compared to the decline in staff-time allocated to EdSW, time charged to preparation of lending in the education sector increased more than 40 percent in the FY89-94 period, and time charged to project supervision more than doubled. Whereas EdSW in FY89 accounted for 24 percent of total staff-time spent on sector and project work combined, this proportion had dropped to a modest 8 percent by FY94 (see Table 2.1). Following the Wapenhans Report’s call for more intensive project supervision, staff-weeks allocated for this activity in the education sector were drastically increased in FY92 (25 percent) and FY93 (31 percent). Under the simultaneous pressure for more lending for human resource development, however, the increased attention for project supervision materialized at the expense of EdSW.

Table 2.1: Staff-weeks Charged to Education Sector and Project Work (% distribution)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sector Work</th>
<th>Lending Preparation</th>
<th>Project Supervision</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>24</td>
<td>46</td>
<td>30</td>
<td>100</td>
</tr>
<tr>
<td>1994</td>
<td>8</td>
<td>45</td>
<td>47</td>
<td>100</td>
</tr>
<tr>
<td>(1994, s/w)</td>
<td>(505)</td>
<td>(2,575)</td>
<td>(2,696)</td>
<td>(5,776)</td>
</tr>
</tbody>
</table>

*Completed reports only.

10. Growing demands on Bank staff time emanating from the preparation and supervision of operations, as well as from the unabated pursuit of greater cost-effectiveness is a Bankwide phenomenon. Education lending, however, has increased much more rapidly than overall Bank lending in recent years (see Figure 2.1). To what extent has this growth affected EdSW relative to ESW in the rest of the Bank?

Table 2.2: ESW Reports and Lending Operations, Bankwide versus Education Sector

<table>
<thead>
<tr>
<th>Period</th>
<th>Bankwide</th>
<th>Education Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY80-84</td>
<td>.7</td>
<td>.7</td>
</tr>
<tr>
<td>FY85-89</td>
<td>.7</td>
<td>.6</td>
</tr>
<tr>
<td>FY90-94</td>
<td>1.0</td>
<td>.4</td>
</tr>
</tbody>
</table>
Figure 2.1: Education Sector Share of Bank Lending

11. Table 2.2 shows the ratio of the number of completed ESW reports to the number of approved lending operations Bankwide and for education, for three five-year periods. Bankwide, the ratio of completed reports to approved loans remained stable throughout the 1980s, but it increased significantly thereafter as overall Bank lending was slowing down. The education sector shows a reverse evolution; the ratio of sector reports to operations declines since the late 1980s, simultaneous with the sharp increase in lending. While the Bank averaged one ESW report for each approved lending operation in the FY90-94 period, it averaged only two EdSW reports for five approved education projects in that same period.

12. How modest the role of sector work in education has become, relative to lending, is more effectively illustrated by comparison with another sector, where lending has been less buoyant. Agriculture, which shares a relatively strong poverty orientation with education, provides a good comparison basis. Table 2.3 shows the number of staff-weeks charged to sector work and the number of reports produced, both relative to the number of projects approved in each sector. The comparison shows how Bank commitment to sector work is inversely correlated with the pace of lending. In education, where the number of lending operations increased rapidly between FY89 and FY93, staff time devoted to EdSW fell by about two-thirds. It dropped from an average of 52 staff-weeks per operation to as few as 18 staff-weeks in FY93. In agriculture, however, where the number of operations remained stationary, the opposite took place.
Table 2.3: Sector Work and Lending Operations, Education Versus Agriculture

<table>
<thead>
<tr>
<th>Year</th>
<th>ED.</th>
<th>AGR.</th>
<th>Staff-weeks</th>
<th>Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY89</td>
<td>100</td>
<td>100</td>
<td>55</td>
<td>1.2</td>
</tr>
<tr>
<td>FY90</td>
<td>111</td>
<td>110</td>
<td>28</td>
<td>.8</td>
</tr>
<tr>
<td>FY91</td>
<td>137</td>
<td>92</td>
<td>33</td>
<td>.7</td>
</tr>
<tr>
<td>FY92</td>
<td>137</td>
<td>106</td>
<td>24</td>
<td>.7</td>
</tr>
<tr>
<td>FY93</td>
<td>174</td>
<td>88</td>
<td>18</td>
<td>.5</td>
</tr>
<tr>
<td>FY94</td>
<td>132</td>
<td>100</td>
<td>25</td>
<td>.5</td>
</tr>
</tbody>
</table>

13. The evidence thus shows that project work is crowding out SW where lending is accelerating, and that SW may be regaining the upper hand where lending is slowing down or stagnating. To some extent, this phenomenon reflects natural short-term rigidities in staffing patterns across sectors and regions. But the overall impression is also one of lacking consistent and sustained Bank commitment to SW, a poor cousin to project work. Education project work and SW thus appear to be largely substitutes rather than necessary complements. If a quality link between SW and lending operations exists, then the crowding out of EdSW by the demands of the growing lending program may not augur well for the future performance of the most recent crop of education projects.

14. OD 2.00 points out that ESW programs must be managed flexibly and adapted, to the availability of staff. However, the directive also clearly states that "as a fundamental service to Bank members, CESW must be allocated adequate staff time and other resources at all stages." At present, this does not seem to be the case in the education sector.

Regional Patterns of EdSW

15. Regional conduct of EdSW varies widely (see Table 2.4). For example, Africa allocates an average of 39 staff-weeks per operation for EdSW, compared with 16 staff-weeks per operation in LAC. Size and growth of the lending program are among the many factors that might explain these differences. In the case of LAC the rapid increase in the lending program may have reduced staff resource availability for EdSW.

16. "Economies of scale" also play a role in this context. For instance, the Africa region, has a large number of small countries. Operations are thus smaller in size and less frequent, hence the need for SW is relatively higher. Limited local capability for strategic sector analysis and planning adds to the need for externally sponsored SW. By contrast, the Asia region has either (a) several very large countries absorbing new education loans every year (China, Indonesia, India, Pakistan, where loan preparation
provides periodic updating of sector knowledge), or (b) advanced countries with well-developed local capabilities for sector assessment and strategy design (Korea, Malaysia, Thailand, Philippines). This factor may explain why Africa devotes far more resources to EdSW, relative to its lending program, than East Asia. In Europe and Central Asia, the Bank is facing new members undergoing rapid economic and social transition. In such circumstances the need to build up an adequate knowledge base appears to justify the region's relatively large investment in ESW.

Table 2.4: Regional Characteristics of EdSW, FY89-94

<table>
<thead>
<tr>
<th></th>
<th>No. of EdSW Reports</th>
<th>No. of Loans</th>
<th>Average Loan Size ($M)</th>
<th>Staff-time per loan</th>
<th>Report per loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>54</td>
<td>48</td>
<td>39</td>
<td>39</td>
<td>1.1</td>
</tr>
<tr>
<td>East Asia</td>
<td>17</td>
<td>38</td>
<td>68</td>
<td>24</td>
<td>.4</td>
</tr>
<tr>
<td>South Asia</td>
<td>6</td>
<td>16</td>
<td>120</td>
<td>26</td>
<td>.4</td>
</tr>
<tr>
<td>Europe and C. Asia</td>
<td>5</td>
<td>6</td>
<td>78</td>
<td>30</td>
<td>.8</td>
</tr>
<tr>
<td>LAC</td>
<td>11</td>
<td>30</td>
<td>106</td>
<td>16</td>
<td>.4</td>
</tr>
<tr>
<td>ME and N. Africa</td>
<td>11</td>
<td>12</td>
<td>56</td>
<td>41</td>
<td>.7</td>
</tr>
<tr>
<td>Bank</td>
<td>104</td>
<td>150</td>
<td>71</td>
<td>29</td>
<td>.7</td>
</tr>
</tbody>
</table>

17. A lack of clear rationale for diverging regional EdSW practices is evident in the proportion of completed reports subjected to formal Bank clearance reviews (yellow through gray cover), officially sent to governments (green and gray cover), and shared with the Bank's Board of Directors (gray cover). In the Africa region, for instance, about one-quarter of all EdSW reports produced in the period FY89-94 were not processed beyond white cover, and only about 6 percent made it all the way to gray cover (See Table 2.5). In the South Asia and ECA regions, all EdSW reports were processed to green cover or beyond. East Asia and LAC share the highest proportion of reports processed all the way to gray cover (more than one-third).

Table 2.5: Distribution of EdSW by Final Report Cover, FY89-94

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Yellow</th>
<th>Green</th>
<th>Gray</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>24</td>
<td>22</td>
<td>48</td>
<td>6</td>
<td>100</td>
</tr>
<tr>
<td>East Asia</td>
<td>24</td>
<td>12</td>
<td>29</td>
<td>35</td>
<td>100</td>
</tr>
<tr>
<td>South Asia</td>
<td>0</td>
<td>0</td>
<td>83</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>ECA</td>
<td>0</td>
<td>0</td>
<td>80</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>LAC</td>
<td>0</td>
<td>46</td>
<td>18</td>
<td>36</td>
<td>100</td>
</tr>
<tr>
<td>MNA</td>
<td>18</td>
<td>27</td>
<td>46</td>
<td>9</td>
<td>100</td>
</tr>
<tr>
<td>Bankwide</td>
<td>18</td>
<td>21</td>
<td>45</td>
<td>16</td>
<td>100</td>
</tr>
</tbody>
</table>
18. Interestingly, East Asia and LAC, which have a comparatively low resource allocation for EdSW, seem to seek the highest formal completion level of EdSW output. On the other hand, while credited with the most consistently sustained commitment to EdSW, Africa has the lowest proportion of EdSW output officially sent to governments. Three hypotheses may be brought forward in this respect:

(a) Staff incentives encouraging formal processing and completion of EdSW output may vary among regions.

(b) In some regions, EdSW is geared to meet the strategic sector knowledge requirements for project identification and design. Such a role does not necessitate formal output delivery. In other regions, however, EdSW may also serve an "external agenda" that requires formal presentation (Bank Management, Board, donors community).

(c) There are relevant differences either in management style or in country preferences among regions.

Further analysis of these hypotheses lies outside the scope of this paper but a closer look at them may be worth pursuing at the management level Bankwide.

19. Another area with unexplained wide variations among regions concerns the average staff-time charged to EdSW per programmed report, in the respective final covers (see Table 2.6). It is not clear why the production of a gray cover report takes an average of 88 staff-weeks in South-Asia, and only 41 staff-weeks in LAC. It is hard to understand why it takes twice as much staff time to produce a white cover report in the MNA region than in Africa. Resource requirements for EdSW may differ by country, depending on type of sector issues or by type of report (comprehensive versus selective). Recourse to external financing (Japanese Grant and/or Bank-managed trust funds) also accounts for differences in average staff-time used for the production of EdSW output. Again, these are hypotheses that require further investigation.

Table 2.6: Staff Time Charged by Type of EdSW Report
(FY89-94 period averages)

<table>
<thead>
<tr>
<th>Type</th>
<th>White</th>
<th>Yellow</th>
<th>Green</th>
<th>Gray</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>18</td>
<td>35</td>
<td>40</td>
<td>56</td>
</tr>
<tr>
<td>East Asia</td>
<td>29</td>
<td>25</td>
<td>65</td>
<td>74</td>
</tr>
<tr>
<td>South Asia</td>
<td>--</td>
<td>--</td>
<td>66</td>
<td>88</td>
</tr>
<tr>
<td>ECA</td>
<td>--</td>
<td>--</td>
<td>28</td>
<td>70</td>
</tr>
<tr>
<td>LAC</td>
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<td>MNA</td>
<td>35</td>
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</tr>
<tr>
<td>Bankwide</td>
<td>22</td>
<td>36</td>
<td>46</td>
<td>61</td>
</tr>
</tbody>
</table>

(increment to next cover) (14) (9) (16) *

* Differences due to rounding.
20. The average staff-time used per completed EdSW report in the final covers may be interpreted as an implicit indicator of the incremental cost of processing reports to the next level. This interpretation raises another issue, namely the high opportunity cost of the Bank's internal ESW clearance process. On average for the education sector, the staff cost of processing a report from green to gray exceeds the cost of moving from white to yellow cover despite the fact that green-to-gray clearance is supposed to be a relatively simple formality, whereas white-to-yellow is the first-line quality control. Notwithstanding the apparent high cost of internal processing, however, there is no evidence of a downward trend in the proportion of EdSW reports being processed beyond yellow cover.

Scope of EdSW

21. Since the early 1980s, the emphasis in the Bank's education sector lending has moved away from a predominant concern for increasing access to education (support for educational infrastructure) toward more complex qualitative and institutional objectives. Considerations of social equity and cost-effectiveness in the delivery, management, and financing of education have also gained importance, and so has the policy content of education sector operations. The scope of EdSW reflects this evolution (see Table 2.7).

Table 2.7 EdSW Reports by Principal Topic
(% distribution)

<table>
<thead>
<tr>
<th></th>
<th>FY80-84</th>
<th>FY85-89</th>
<th>FY90-94</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary education</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Secondary education</td>
<td>2</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>Higher education</td>
<td>0</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Vocational/technical education</td>
<td>16</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Comprehensive sector reviews</td>
<td>69</td>
<td>33</td>
<td>25</td>
</tr>
<tr>
<td>Cost and financing studies</td>
<td>5</td>
<td>25</td>
<td>14</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

22. With the differentiation in sector lending objectives, studies focusing on specific issues (e.g., costs and financing) or subsectors have largely replaced the earlier comprehensive sector reviews. The proportion of EdSW reports focusing on the primary, secondary, and higher education subsectors increased from 8 percent in the period FY80-84 to 47 percent in FY90-94. The financial crisis facing many governments in the mid-1980s and the need for structural adjustment and public sector retrenchment generated increasing concern for the financial sustainability of public education systems, particularly in

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6 This interpretation appears to be valid Bankwide for the entire FY89-94 period because of the large total sample of EdSW reports (104). It is not warranted for single regions or years in view of the limited size of these subsamples.
Sub-Saharan Africa. This concern is reflected in the upsurge of education cost and financing studies in the FY85-89 period. On the other hand, the Bank's increasing skepticism about supporting relatively costly vocational education programs and institutions\(^7\) is reflected in the steady decline of the proportion of EdSW reports covering this subsector. Surprisingly, only one EdSW report in the entire period specifically addresses women's education. Seven reports focus on rural education and training issues.

### Links Between EdSW and Lending

23. At first glance, there appears to be a reasonable balance between the subsector breakdown of EdSW and sector lending (see Table 2.8). The match also holds over time, with the proportion of lending operations targeting primary and secondary education increasing in the 1980s and regressing somewhat for primary education in the early 1990s, and the proportion focusing on vocational education and training declining steadily. Higher education is an exception. The increasing attention on this EdSW subsector in recent years is not reflected in the evolution of the lending program, but it may be a precursor of future lending.

#### Table 2.8: Subsector Distribution of Sector Reports (R) and Lending Operations (P)\(^7\)

<table>
<thead>
<tr>
<th>Subsector</th>
<th>FY80-84</th>
<th>FY85-89</th>
<th>FY90-94</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R  (%)</td>
<td>P  (%)</td>
<td>R  (%)</td>
</tr>
<tr>
<td>Primary ed.</td>
<td>24</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>Secondary ed.</td>
<td>21</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>Higher ed.</td>
<td>19</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Vocational ed./tr.</td>
<td>35</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td>Teacher ed.</td>
<td>--</td>
<td>17</td>
<td>--</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

\(^7\)For the purpose of matching EdSW and lending, the comprehensive sector reviews and cost and financing studies in Table 2.7 have been reallocated over the various subsectors.

24. Reviewing the complete list of EdSW reports completed and education projects approved throughout FY89-94, however, provides a much less coherent perspective on the links between EdSW and lending operations. On a country by country basis, the connection between timing, focus, and content of EdSW and the nature of subsequent lending operations is enigmatic, if not weak. Only half of all country-specific EdSW reports completed in the period FY89-93 so far seem to have generated

\(^7\)See *Vocational and Technical Education and Training* (World Bank Policy Paper; May 1991)
operational follow-up. Inversely, only one-third of the sector lending operations approved in FY89-94 appear to be related to prior EdSW.

25. Admittedly Bank lending is not the only justification for undertaking SW. SW is justified as a technical assistance service to Bank clients and as a basis for maintaining a policy dialogue with those clients, even if there is no subsequent lending (Operational Manual, OD2.00). However, in view of the increasing budget constraints facing the Bank’s operations complex, particularly in the HR sector, cost-effectiveness calls for sharper operational focus in EdSW.

26. Clear justification of tasks being undertaken is an essential condition for meeting the demands for greater selectivity and cost-effectiveness in Bank work. The weakness of EdSW in this respect is reflected both in planned EdSW (documented in the so-called regional “blue books”) and in completed reports. The summary task descriptions of planned sector work routinely start with a statement of objectives. One would thus expect such a statement to explain why a particular task is being done (who wants it and for what purpose?). Instead, planned FY94 EdSW (including Poverty Assessments) show that the majority of such statements emphasize what is to be done, thereby confusing means and ends. Writing summary task descriptions for administrative purpose is evidently not a high staff priority, but the general impression of unclear purpose emanating from the blue books is confirmed in a significant proportion of EdSW Initiating Memorandums and reports.

27. Scrutiny of the FY89-94 list of EdSW and approved operations also brings to light how little convergence in task management there is between sector work and project-related activities. Out of 150 individuals listed Bankwide as task managers either for EdSW or education projects in that period, only 25 (17 percent) are managing both types of activity. The highest convergence in task management is in the MNA region (27 percent), and the lowest in South Asia (5 percent). In many cases, even when there is a clear direct connection between EdSW and lending operations, the task manager for each activity is not the same person. The discontinuity in task management tends to limit both the effectiveness of policy dialogue with borrowers and the extent to which EdSW outcomes can be internalized in project identification and design. On the other hand, one might also argue that task management for SW requires a different skills profile than for project work; therefore, the low convergence in task management between the two activities is a natural phenomenon. Interviewed staff have diverging opinions on this point.

Other Sources of Sector Knowledge

28. From an operational point of view, EdSW is only one of several sources of relevant sector knowledge. In countries with periodic operations in the sector, prior project experience is another important source of knowledge, which has the advantage of being regularly updated through project

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* FY94 EdSW reports are assumed without operational follow-up at this stage.

* Being mandated by the Bank’s Board of Directors, virtually all Poverty Assessments are scheduled to be processed all the way to gray cover. This practice, too, does not seem cost-effective.

* The activity has now been abolished, since the FY94 blue books were the last to be produced.
supervision. In other countries, government may already have devised a viable sector development strategy, with or without Bank support, suitable for effective project identification and design. In addition, relevant sector knowledge is also gathered through ESW that is not recorded as EdSW.

29. To assess the relative importance of alternative sources of sector knowledge driving project identification, we reviewed the SARs of all education projects approved during two benchmark periods, FY81-83 and FY91-93. These two benchmarks define a time-span during which Bank education projects became increasingly sophisticated and policy-oriented (see Section IV). Results are shown in Table 2.9.

Table 2.9: Sources of Sector Knowledge Driving Project Identification (% Distribution)

<table>
<thead>
<tr>
<th>Source</th>
<th>FY81-83 SARs</th>
<th>FY91-93 SARs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government strategy</td>
<td>22</td>
<td>29</td>
</tr>
<tr>
<td>Id., with Bank collaboration</td>
<td>42</td>
<td>18</td>
</tr>
<tr>
<td>Previous project experience</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Relevant ESW, of which, EdSW</td>
<td>16</td>
<td>33</td>
</tr>
<tr>
<td>PERs, CPAs, SSPs</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Social sector studies</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

30. The role of EdSW in project identification appears to be rather modest compared to other sources of sector knowledge. It has increased significantly since the early 1980s, however, reflecting the increasing complexity of sector operations. Moreover, there is a clear trend toward cross-sectoral ESW arrangements and integration of sector-specific knowledge gathering in a macroeconomic perspective. This trend is evidenced by the increasing importance of integrated social sector studies and, to a lesser degree, poverty assessments and public expenditure reviews. The overall picture thus suggests (a) a very strong increase in the proportion of education projects anchored in relevant sector work (from 16 to 33 percent), and (b) a marked diversification of this sector work away from traditional EdSW.

31. This highly positive finding would seem to contradict our earlier conclusions regarding (a) the crowding out of EdSW by the increasing demands from project-related activities (See para. 13); and (b) the relatively weak justification of EdSW tasks (See para. 26). It is possible, however, that although the amount of EdSW is declining relative to lending operations, a rising proportion finds practical use in project identification. Similarly, clarity of EdSW objectives still leaves room for improvement, but nonetheless it has significantly improved since the early 1980s. Both hypotheses find support in the findings of successive Bank reviews of EdSW (see Section III). Concerning the first point, the Bankwide decline in staff-time commitments to EdSW, and in the number of completed EdSW reports, is to some

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Three-year benchmarks were chosen both in order to obtain a larger sample of SARs and to reduce the incidence of haphazard year-to-year fluctuations. The FY81-83 and FY91-93 samples consist of 59 and 85 SARs, respectively.
extent mitigated by the spillover of conventional EdSW into other sector work arrangements observed in Table 2.9.

National Participation

32. There is presently not much evidence of active local participation in EdSW. Very few EdSW reports note or describe local participation in the various stages of the work. The Bank's MIS reports only a marginal use of local consultants in the completion of EdSW reports.12

III. SUMMARY FINDINGS OF EdSW REVIEWS

EdSW Quality: The Usual View

33. The first systematic review of EdSW was done in 1986; it covered 37 sector reports for Fiscal 1984-85.13 The review analyzed sector reports on the basis of the quality of their coverage of major topics and the methods of analysis employed. The review noted that there was no analytical (i.e., beyond the descriptive) treatment of matters dealing with the relevant institutional and sociopolitical settings. Analysis was most prevalent when dealing with issues of internal and external efficiency, access and equity, and only moderately prevalent for matters of financing. Other points made by this FY84-85 review are as follows: (a) there was no effort to relate strategies and measures for the development of the sector or subsector to country economic or social issues; (b) the extent of analysis and diagnosis of identified issues varied widely -- in a majority of cases issues were identified without further analysis; (c) congruence between policy recommendations and the government's own policies varied -- about 20 percent of the recommended strategies did not correspond to any government strategy; (d) SW reflected a rather optimistic view of attainable educational change without reasonable certainty that the recommended strategies would be any more likely to succeed than the ones they were to replace -- for example, more than 75 percent of the policy recommendations were proposed without any mention of constraints, conditions necessary for implementation, or the implications of adopting such policies.

34. The FY84-85 review analyzed the usefulness of the reports as tools for policy dialogue and as tools for project work, each according to eight criteria.14 For policy dialogue usefulness, 28 percent

12 Local consultants are most probably financed from non-Bank sources. Such practice allows more flexible recruitment conditions. Hence, local consultants go unrecorded in the MIS.


14 Criteria for policy dialogue usefulness: (i) Are government policies described and assessed? (ii) Are sectoral issues diagnosed and analyzed? (iii) Do the recommendations address all or most of the identified issues? (iv) Are the recommendations clear? (v) Are the recommendations specific and well articulated? (vi) Are the recommendations substantiated? (vii) Are different policy options presented? (viii) Are recommendations ranked by order of priority? Criteria for usefulness for project work: (i) Are lending strategies specific? (ii) Do strategies address all or most issues? (iii) Are strategies ordered by priority? (iv) Can the change proposed be accommodated within projects? (v) Can strategies be used as a basis for lending? (vi) Are strategies substantiated? (vii) Are different options presented? Is feasibility of implementation assessed?
of the reports met 6-8 of the criteria, 48 percent met 3-5 of the criteria, and 24 percent met only 1-2 of the criteria. For usefulness in project work, 17 percent met 6-8 of the criteria, 50 percent met 3-5, and 33 percent met only 1-2 of the criteria. The review concluded that

"although about two-thirds of the reports aimed explicitly at providing policy recommendations to serve as a basis for dialogue with the government, their shortcomings jeopardize the use of these reports as working documents (rather than proposals) for dialogue." \(^{15}\)

35. The FY88 AOR for the education/training sector\(^ {16}\) arrived at similar conclusions. An included review of SW underlying 30 FY84-88 projects with significant policy content (selected out of 91 projects appraised during that period) indicated that SW coverage was most complete in the economics and financing of education (an improvement over the findings of the FY84-85 Review), but most lacking in the analysis of institutional and managerial capacities for policy implementation. There was also little analysis of social and political contexts, even for projects that financed educational reforms and other major policy changes. These gaps represent a significant liability for projects that included conditionalities related to policies (e.g., sector management reforms, cost recovery, teacher incentives, and career structures) whose implementation depends on the behavior of organized interest groups (teachers, parents, university students, civil servants).

36. A comprehensive review done for the FY91 crop of EdSW\(^ {17}\) examined how well 26 sector reports responded to the objectives for SW set out in the Operational Manual.\(^ {18}\) This study used the methodology of the FY84-85 EdSW review, paying particular attention to the treatment of access, equity, quality, internal and external efficiency, and institutional capacity building. It also treated issues such as poverty alleviation, female education, and science and technology issues not treated in the FY84-85 study.

37. The two reviews use the same evaluative categories in their respective content analyses of sector reports. These analyses also examined many of the same topics covered by both crops of reports. Table 3.1 compares the two reviews (assuming that they applied the same standards for scoring). This comparison reveals the following:

(a) In terms of the coverage, the FY91 crop of sector reports demonstrated a higher level of analytical treatment of the topics than the FY84-85 crop. It also left fewer topics untreated.

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\(^{16}\) In this AOR a section on the topic of lending for education policy (pages 21-54) included a discussion of analytical sector work (pages 42-44).


\(^{18}\) Operational Directive 2.00, (Country Economic and Sector Work, March 1989). In brief, SW objectives are: (a) an overview of country development strategies, (b) a review of principal sectoral issues, (c) a discussion of government policies and plans, (d) a list of policy recommendations, and (e) a Bank lending strategy.
In particular, there appears to be an increased awareness of the importance of institutional issues.

(b) Over the two periods analyzed by both EdSW Reviews, there were significant improvements in the use of (i) analytical techniques (for all topics except labor market); (ii) descriptive statistics; and (iii) documentation from other sources.

Using the quality criteria of the FY84-85 and FY91 EdSW reviews, it thus appears that FY91 EdSW represents a significant improvement over FY84-85. On the strength of these results, the FY91 AOR for the education/training sector states:\textsuperscript{19}

"Compared to FY 1984-85 reports, FY 1991 sector reports were more technically oriented, generally covered a wider range of issues, were more analytical, and were based on more statistical evidence. FY 1991 reports also were more effective in presenting government plans and policies and integrating them into the discussion of issues. Recommendations were founded on a firmer basis in FY 1991, and more policy options were presented. Fewer FY 1991 reports, however, proposed explicit lending strategies."

EdSW Quality: The NS Perspective

38. The above reviews of EdSW are based on definitions of "quality" according to generally accepted criteria. However, this is a conceptualization of quality that views SW as self-contained pieces. As pointed out in para. 3, Next Steps refocuses SW quality on process, presumably leading to satisfactory project outcomes. The five dimensions for sound SW postulated by NS (See para. 4) provide a basis for such an analysis. Annex 1 juxtaposes the NS dimensions for sound SW against the findings of the Thomas and Carnoy FY91 EdSW Review. This comparison provides an insight as to how EdSW may or may not, contribute to sustainable project outcomes.

39. AORs for Fiscal 1989, 1990, 1991, and 1992 all contained sections on EdSW. The FY89 AOR looks at 18 EdSW reports (from draft white to gray covers).\textsuperscript{20} It reviews the topics covered by these reports but makes no comments on the quality (analytical, methodological) of their contents. It notes that the pattern of concerns in FY89 EdSW tended to be similar in all Regions\textsuperscript{21} and reviews the recommendations made. It concludes by pointing out that closer attention should be paid to (a) the impact on the poor and females of the pursuit of additional resources through cost recovery, (b) the effects of recommending financial incentives to teaching staff and schools on the basis of student performance, and (c) strategies for improving female access to technical/vocational education and training.

\textsuperscript{19} FY91 AOR, pp. 12.

\textsuperscript{20} See pages 19-27.

\textsuperscript{21} The main concerns are (a) poverty; (b) access to education and training, particularly for females in primary and secondary education; (c) improving internal efficiency and quality; (d) strengthening links with the labor market; (e) upgrading management and planning; (f) teacher supply; and (g) financing.
Table 3.1: Distribution of Sector Reports by Degree of Coverage of Background Areas and Methods of Analysis (FY 84-85 and FY91)

<table>
<thead>
<tr>
<th>TOPIC: a'</th>
<th>Socioeconomic setting</th>
<th>Labor market setting</th>
<th>Institutional setting</th>
<th>Cost/Finance setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage:</td>
<td>FY84-85 FY91 FY84-85 FY91 FY84-85 FY91 FY84-85 FY91 FY84-85 FY91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>exceptional</td>
<td>14% 38%</td>
<td>0% 42%</td>
<td>5% 23%</td>
<td>0% 23%</td>
</tr>
<tr>
<td>comprehensive</td>
<td>51% 31%</td>
<td>30% 12%</td>
<td>14% 12%</td>
<td>24% 27%</td>
</tr>
<tr>
<td>moderate</td>
<td>5% 12%</td>
<td>24% 8%</td>
<td>24% 19%</td>
<td>11% 15%</td>
</tr>
<tr>
<td>sketchy</td>
<td>8% 0%</td>
<td>16% 8%</td>
<td>5% 12%</td>
<td>0% 4%</td>
</tr>
<tr>
<td>no treatment</td>
<td>22% 19%</td>
<td>30% 31%</td>
<td>51% 35%</td>
<td>65% 31%</td>
</tr>
</tbody>
</table>

Methods of analysis: a’

| | analytical techniques | narrative only | descriptive statistics | documentation |
| | FY84-85 FY91 FY84-85 FY91 FY84-85 FY91 FY84-85 FY91 FY84-85 FY91 |
| analytical | 7% 24% | 0% 17% | 26% 29% | - 11% | 11% 28% |
| narrative only | 48% 10% | 69% 11% | 44% 29% | 100% 33% | 55% 6% |
| descriptive | 38% 71% | 23% 72% | 22% 47% | - 56% | 28% 72% |
| statistics | | | | | |
| documentation | 10% 57% | 8% 39% | 11% 47% | - 33% | 6% 56% |

Sources: Johanson et al. *FY84-84 Annual Review of Lending in Education and Training*, Table 2; Thomas and Carnoy. *Review of World Bank Fiscal 1991 Education Sector Work*, Table 2.

a The "FY84-85 SW Review" contained one topic (education/training implications) not found in the "FY91 SW Review", which had two topics (poverty alleviation and linkages to HR sectors) not found in the former.

b Exceptional: information presented gave a clear illustration of the current situation, as well as an analysis of changes and trends. Comprehensive: all or most of the relevant information was conveyed. Moderate: certain key elements were missing. Sketchy: only a few of the key elements were presented.

c Columns add up to more than 100 percent because some reports use more than one methodology. "Documentation" refers to studies and statistics from government, Unesco, ILO, and other Bank sources.

40. The treatment of SW in the FY91 AOR was based on the findings and conclusions of the Thomas and Carnoy study (see para. 42 and Tables 3.1 and 3.2). The report notes that "there is not always a perfect correlation between technically sound and well-presented reports and operational usefulness," and the AOR argues for better integration between analytically sound SW, a larger body of national...
studies, and greater involvement by nationals. The report suggests\(^{23}\) that there was an inordinate tendency for the weaker reports (and the team members producing them) to rely on the recommendations of the Bank's policy papers without due consideration to the specifics of local situations, such practice compromised national ownership and the quality of the policy dialogue. Finally, better dissemination of good sector reports is recommended\(^{24}\) to draw staff attention to best practices.

41. The FY92 AOR\(^{25}\) lists the types of studies and topics covered by region and notes that (a) "all reports had sections on the economic situation of the countries and their impact on education;" (b) 25 percent of the reports "contained an appraisal of political obstacles to education reform and ways to overcome them;" and (c) "23 of 24 sector reports included recommendations for issues to be developed in projects." This AOR highlighted a sector review of primary and secondary education in Zimbabwe for its strengths, but noted that while the report's recommendations were mostly the justifiably standard ones (to equalize quality), no assessment was made of their political feasibility.

Conclusions

42. Because EdSW has received a good amount of systematic attention in the AORs over the past ten years, it is possible to compare the quality of two crops of EdSW produced six years apart. The overall picture shows that EdSW (a) has become more analytical and better documented, (b) is tackling a broader range of topics, (c) is responsive to the policy concerns expressed in the Bank's formal policy papers, (d) leaves much to be desired in analyzing the institutional, social and political factors that often determine implementation feasibility and project sustainability, and (e) only sometimes provides policy recommendations for project development.

43. However, the impression remains that EdSW is disjointed from the worlds of operations, project development, and country policy formulation. In particular, the AORs signal that EdSW is disjointed from aspects of the longer-term processes of project development, and implementation. Evidence for this finding includes:

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\(^{23}\) In paras. 2.57 and 2.58.

\(^{24}\) See para. 2.60.

\(^{25}\) See Pages 9-11.
the repeated comments in the AORs and SW reviews about the lack of institutional and political analyses\textsuperscript{26} (this evidence takes on special meaning when dealing with reforms for a sector that is, arguably, the most fundamentally political of all)\textsuperscript{27};

(b) the lack of a systematic pattern of operational follow-up of the reviewed EdSW output (several "good" EdSW products did not lead to a subsequent operation, such as Zimbabwe, 1992; see para 30);

(c) the lack of a clear relationship between this output and a longer term view of project quality and;

(d) the variance between the NS dimensions of sound SW and EdSW contents (see Table 2.2).

44. In sum, the evidence shows that SW is seldom viewed as the intellectual, analytical accompaniment of a longer term commitment and process.\textsuperscript{28} The Bank conceives and executes SW according to the needs of a phase of the project cycle in a sector notorious for its needs of continuity.

IV. EdSW AND THE EVOLUTION OF SECTOR LENDING

General Trends

45. The importance of SW in Bank education sector lending is generally associated with a tendency toward increasingly complex operations aimed at policy changes and reforms in the financial and institutional underpinnings of the sector. This emphasis was first discussed in the AOR for FY88 (see para. 41), which took a retrospective look at Bank lending for education policy.\textsuperscript{29} Prior reviews of education lending concluded that until the mid-1980s the policy content of educational loans was generally

\textsuperscript{26} This appears to be endemic throughout the Bank. According to the \textit{Annual Review of Evaluation Results 1992} (World Bank, Operations Evaluation Department, Report No. 12403, October 13, 1993; page 94, para 4.30): "There is mounting evidence, stemming from reviews of the Bank's ID record, that operations in support of ID are rarely built on quality sector work and lack strategic context." In an analogous vein, an ESP report on Bank efforts at poverty reduction (J. Dayton, A. Khan, H. Ribe & M. Schneider, \textit{Country Policies for Poverty Reduction: A Review of Poverty Assessments}. October 1993. Washington, D.C.: World Bank) points out (See para. 7 of the summary) that few poverty assessments went beyond policy recommendations "to analyze the potential impact of the reforms on the poor (identifying the winners and losers) or to discuss how obstacles to implementation, such as political opposition and lack of administrative capacity, could be overcome."

\textsuperscript{27} It mobilizes the largest share of government's (i.e., taxpayer's) budget; it employs the largest, and often best organized, portion of the labor force; all parents with children in school are directly concerned, on a daily basis; it teaches the knowledge, skills, values, myths, and symbols that define collective behavior.


\textsuperscript{29} Early and explicit attention is paid to (i) the institutional development issues, and (ii) national ownership and commitment to the policy reforms."
in the areas of diversification of secondary school curricula, expansion and quality improvements for primary education, plus some form of "ruralization" that was included in most of the primary education components.  

46. Around the mid-1980s, the notion of educational policy took on a new meaning, as it became incorporated into Bank lending, both conceptually and operationally. Conceptually, policy was viewed in broader terms: more structurally and more integrated with frequent inclusion of issues of financing, management, student flows, and external efficiency. Operationally, there was increased use of lending instruments designed to crystallize the policy content of lending, such as sector adjustment (SecAL) and sector investment (SecIL) loans. Furthermore, specific investment loans (SpIL) often had substantial policy content; the number of SpILs with strong policy content (sometimes resembling that of an adjustment loan) increased steadily over that period. Thirty of the 91 projects approved between FY84 and FY88 had a significant policy content; 9 of the 30 were SecAL/SecILs, the remaining 21 were SpILs.

The Role of Bank "Milestone" Policy Papers

47. The FY90 AOR had a long section on the impact of three major World Bank education policy papers on Bank project objectives and sector work. To assess the congruence between policy recommendations and project content, 54 Staff Appraisal Reports from FY80, FY85, and FY90 and 27 FY90 SW reports were reviewed systematically using content analysis methodology. On the whole, the review finds congruence between the recommendations of the policy papers and project content and suggests that this is probably the fruit of a dynamic between projects and policy papers within the Bank and between the Bank and its borrowers. The consultative process that yielded the formal version of the paper on Education in Sub-Saharan Africa is taken as a case in point. Policy papers also appeared to have played a significant role in setting the FY90 agenda for both project development and sector work.

48. Interviews with Bank operational staff demonstrated a wide variety of opinions and experience on the usefulness of these documents. Staff were about equally divided between finding the papers very useful and only mildly so. Most staff found the primary and vocational/technical papers to be useful for operational work. The three staff who mentioned the higher education paper varied from finding it of no particular use to a "constraint to doing business." One interviewee pointed out that these

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31 For a systematic review of the policies that were "targetable" for lending, see: Craig, John E. Implementing Educational Policies in Sub-Saharan Africa: A Review of the Literature. World Bank, EDT Discussion Paper (EDT 79). May 1987.


34 All the documents mentioned in footnote 41, plus the drafts of the higher education paper recently issued as Higher Education: The Lessons of Experience, 1994.
papers responded well to the clients needs for more knowledge of comparative experiences. Two interviewees insisted that, although useful, these papers were no substitute for in-country SW. Almost all of the interviewed staff pointed to dissemination as a major shortcoming. One TM pointed out that the phasing out of PIUs has had the effect of losing a "dissemination agent" for Bank SW and policy papers. Several staff stated that they had invested some of their own scarce time and resources in disseminating these documents in their client countries.

Specific Policy Orientations

49. Although we have no systematic assessment of the proportion of projects with substantial policy content since 1988, the four AORs from FY89 to FY92 do highlight policy measures that were present in a large number of projects. Cost recovery measures are mentioned in all four AORs. This includes measures such as cost recovery in vocational/technical training, textbook sale and/or loan schemes, school fees, university boarding and lodging, university scholarships, mobilization of community resources. Such cost recovery measures figured in all the FY89 projects, 62 percent of the FY90 projects, 46 percent of the FY91 projects; and 62 percent of the FY92 projects. However, the FY89 AOR sounds the following warning:

"It is clear that more remains to be learned about the social implications of policies to recover costs from individuals. This review found no SAR reference to a prior determination of (a) family capacity to pay, (b) cost of collection in terms of administrative or teaching time lost and other accounting costs, and (c) the social implications, including real impact upon the poor and females."

There is no follow-up to this caveat in the subsequent AORs, nor in EdSW.

50. Poverty alleviation measures also figure in the FY89 and FY90 AORs. Recommendations include the following: improving access to quality schooling, especially for persons living in remote or

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35 As one interviewee put it, "the milestone and other policy papers are useful, they help you know if you are on the right track and they provide guidance; but they are certainly not a substitute for SW." Another interviewee states that "the impact of policy papers is inversely proportional to the generality of their scope." This theme also figures in both Thomas and Carnoy (paras 26 - 29) and the AOR FY91 (para 2.53). In asking the rhetorical question "Why aren't all reports more innovative?", Thomas and Carnoy (para 28) conclude that "the most compelling reason is that the Bank has the tradition of producing widely respected and influential comparative research and policy work. Competent missions do not feel compelled to follow policy generalizations; only those that don't do proper analysis revert to slogans and conventional wisdom, sometimes even interpreting data to fit policy generalizations."

36 According to the AOR FY90 (page 9) "about half of the lending for FY 1987-89 was in support of changes in education policy." If comparable, this would represent an increase over the 33 percent of FY 1984-88 projects with significant policy content (according to the FY88 AOR).

37 Discussed in sections entitled "Special Characteristics" in all these AORs.


39 Para. 22.

40 AOR Fiscal 1989, para. 23; AOR Fiscal 1990, paras. 2.31 - 2.34.
disadvantaged areas; secondary school boarding facilities for students living at great distances from the schools; school attendance campaigns; cost reduction measures; reallocation of expenditures from both within the education sector and from other sectors to basic education; and nonformal programs for underserved areas and older students. Such poverty alleviation measures figured in about 85 percent of the FY89 projects and 71 percent of the FY90 projects.

51. Measures to promote educational opportunities for females are mentioned in the AORs for FY89, FY90, and FY91. Measures included focused on increased participation of girls and women at all levels, especially to vocational/technical education and training. Seven of the 20 FY89 SARs did not discuss the question of female access; two proposed to monitor the situation; two assumed that an increase in overall access would automatically benefit females; and two others proposed a campaign to encourage female enrollment; also, two of the projects proposed to increase female enrollments in vocational/technical education. Nine of the 21 FY90 and 9 of the 26 FY91 education projects had components designed to increase the female participation.

52. Environmental concerns are mentioned in three of the four AORs. The passages generally refer to curricular components, selection of building materials for school construction, and research. 25 percent of the FY89 SARs made some mention of the projects' anticipated contributions to environmental protection; 29 percent of the FY90 projects had components with an emphasis on environmental issues; and 42 percent of the FY91 projects had some environmentally beneficial components. At times, it appears that the environmental benefits are by-products of project inputs, especially for those related to science and technology. This, in turn, might be a by-product of the SAR's mandatory section that classifies the project's environmental impact.

53. Other areas mentioned in the AORs include quality improvements (the topic of a Bank policy paper produced in time for the 1990 Jomtien "Education for All" Conference), privatization, science and technology, and institutional development. The FY91 AOR mentions quality improvements in 18 out of that year's 26 projects. The only mention of privatization is in the FY91 AOR; it states that measures favoring "the development of private provision of education were included in four projects" (out of 26). Science and Technology appears in the FY90 and FY92 AORs. Five of 21 projects in FY90 had Science and Technology components; they ranged from increasing community awareness to actual funding of Science and Technology research, and improvement of Science and Technology education and research was the focus of five FY92 projects. Finally, institutional development (ID) is mentioned in all but the FY91 AORs. Most often, the report is closely related to mechanisms for project implementation, not to broader issues of sector management; other aspects included technical programs to build up local expertise, and improved capacities for planning, management, monitoring, and evaluation.

54. Bank staff interviews provide some insight into the dynamics between SW and lending. About 25 percent of staff interviewed gave examples of how SW led to projects where none were programmed. However, the majority of staff thought that SW was used mainly to rally governments to the Bank's

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42 In paras. 2.17 - 2.18.

43 In para. 2.28.

44 This subject is treated at greater length in Section VI, para 71.
positions, rather than inversely. Several interviewees specified that SW's function should be to promote a two-way relationship in formulating policy. Public expenditure reviews were mentioned several times as being useful. Several staff referred to projects that were SW driven and would not have seen the light of day without SW. However, those same interviewees also pointed out that bringing the SW to gray cover was not essential to the lending aspects of the process (see footnote 63). Areas of technical expertise identified as most lacking are pedagogy, education management, and institutional analysis.

Conclusions

55. Generic sector policy papers have greatly influenced Bank lending priorities and sector strategies. Bank staff are appreciative of these studies, because they provide comparative evidence useful in identifying issues in particular countries. Since the transition from thinking globally to acting locally is problematic, this generic sector knowledge is no substitute for country-specific sector knowledge. Some Bank staff are conscious of this wisdom and of the risk of applying generically derived solutions to country-specific problems. However, time and resource constraints (mostly the former, according to staff), combined with the pressure to lend, make this a commonly encountered risk that is considered acceptable.

56. Evidence from AORs and staff interviews suggest that the SW agenda is lagging behind the evolving orientations of sector operations. This lag is especially felt in areas where economic and particularly financial analyses are less relevant. Complex operations involving pedagogical policies and institutional reforms are being developed in a dearth of analytical SW. This situation could be a reflection of the Bank's sector staffing pattern which stresses expertise in economics and financing, above pedagogy and institutional analysis. Pedagogy is the core knowledge taught in schools of education, spanning several departments (curriculum and instruction, testing and measurement, educational psychology, guidance and counseling). Institutional, or organizational, analysis is a recognized subfield of sociology and political science with a set of well developed concepts and analytical techniques.

57. Dissemination of these Bank milestone documents is a major problem. This problem, plus frequent changes in country officials, means that these documents are not well known. The intended impact of these documents would be much greater if the Bank had a more coherent and sustained policy for their dissemination.

V. THE EdSW-PROJECT QUALITY LINK

58. However relevant from an operational point of view, the conclusions of the sector work reviews discussed in Section III are no proof of a positive relationship between the quality of EdSW and the performance of the Bank's portfolio in the education sector. What is the empirical evidence of the presumed EdSW-project quality link?

59. In this context, two conventional sources of information on project performance have been examined: project supervision reports and the OED data base. Supervision reports rate the performance

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45 This is best articulated by one TM who pointed out that EdSW should be "objective and provide a scientific basis for our work" (our = Bank and country).
of ongoing projects, as reported in the ARPP. These ratings are indicative of the extent of successful project implementation, but not of projects' ultimate developmental impact. The OED database, compiled on the basis of project completion and audit reports, rates projects on the basis of post-completion outcomes.\footnote{There is a substantial discrepancy between the ARPP and OED ratings for the same projects. Many projects considered to be problem-free during implementation nonetheless end up receiving an unsatisfactory OED rating.}

**EdSW and ARPP Ratings**

60. First, the latest available performance ratings were collected for all education projects approved during the FY89-94 period. The average rating was then computed for two subsamples of these projects, namely, those preceded by identifiable EdSW (33 projects) and those without prior EdSW (77 projects). The average performance rating for the first category looks marginally less satisfactory than for the second (1.85 and 1.75, respectively), suggesting that EdSW has no impact on project implementation performance. This finding is hardly surprising, since we may argue that it is precisely the countries, sectors, or type of project that are most likely to have implementation difficulties that require sector work.

61. Secondly, we attempted to identify ongoing education projects that have a clear upstream link with the sample of FY91 EdSW output reviewed by Thomas and Carnoy.\footnote{See footnote 26.} Half of the 26 reports examined in this review have such a link. These 13 reports, which generated a operational follow-up, are almost equally distributed above and under the quality norms applied in the FY91 review.\footnote{The review analyzed the usefulness of the reports for policy dialogue and project preparation, and rated them according to nine specific quality criteria. Of the 13 reports with operational follow-up, seven met five or less of these criteria (54 percent) compared with 12 out of the full sample of 26 reports (46 percent).} Performance ratings are available for only 6 of the 13 related education projects. No correlation whatsoever exists between these project performance ratings and the Thomas/Carnoy EdSW quality rating.

62. A third approach is to compare the performance of projects identified and designed on the basis of different sources of sector knowledge, as discussed in Section II (see Table 2.9 and paras. 34-37). Table 5.1 shows the average performance rating in each category for the education projects approved in the FY91-93 period. Not unexpectedly, the comparison reveals that EdSW does not generate better performing projects than those based on accumulated prior project experience. More interesting is the finding that the best performing projects are those driven by a government strategy, elaborated with or without Bank support. This result underscores the importance of national ownership of sector strategy and project objectives for successful implementation and project outcomes.

63. "Government sector development strategy elaborated in collaboration with the Bank" is a label covering a significant amount of nonformal Bank sector work, presumably recorded under project preparation. This is the mode of sector knowledge acquisition that most visibly benefits from participatory processes. In all probability, it is in this category that the Bank's most relevant and most cost-effective EdSW is presently taking place.
Table 5.1: Performance Rating for FY91-93 Education Projects by Source of Sector Knowledge at Identification

<table>
<thead>
<tr>
<th></th>
<th>Overall Development</th>
<th>Status</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government strategy</td>
<td>(19) 1.68 1.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Same, w. Bank support</td>
<td>(12) 1.58 1.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior project experience</td>
<td>(14) 1.86 1.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relevant ESW</td>
<td>(20) 2.00 1.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EdSW</td>
<td>(9) 1.89 1.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERs, CPAs, SSPs</td>
<td>(8) 2.33 2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social sector studies</td>
<td>(8) 2.00 1.63</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The number of projects with available performance ratings is indicated between brackets for each category.

OED Project Evaluation Ratings

64. OED made available for this review the evaluation results for 61 completed education projects, evaluated in 1991-93. Virtually all these projects were approved before 1986, half of them before 1984. Relevant connections with EdSW are therefore more difficult to identify. In addition, the OED data base of project evaluation results contains little or no direct information linking the quality of sector work to project outcomes. The data, however, lends itself for an indirect assessment of sector work.

65. OED rates projects as satisfactory or unsatisfactory on the basis of a wide range of observed post-completion outcomes. In addition, the evaluation also provides information on the factors contributing to those outcomes. Among these factors, the Bank's performance at the various stages of the project cycle (identification, preparation, appraisal, supervision) is evaluated, as well as government's commitment to the objectives of the project. Project quality at the identification stage is narrowly related to the adequacy and quality of upstream Bank analysis, i.e., of ESW (formal and informal). The OED 1992 Evaluation Results (see page 94) shows that projects with deficient Bank performance at identification stage have a much higher failure rate than projects with an adequate initial Bank performance. Table 5.2 compares this Bankwide result with the corresponding outcome for the education sector.

66. Bankwide and in the education sector, adequate identification has a rather moderate impact on project outcomes; it does not add much to the overall percentage of satisfactory projects. On the other hand, it is clear that deficient Bank performance at the identification stage strongly reduces the likelihood

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* "A project is appropriately identified when it conforms to a well-conceived country assistance strategy, i.e., when (a) it represents a potentially worthwhile contribution to priority development objectives; (b) it has the support of policy-makers within the country; and (c) it is a suitable and timely vehicle for Bank assistance." (OED 1992 Evaluation Results. Washington, D.C: World Bank, (EdSW) June 1994. page 92).
of achieving satisfactory project outcomes. It also appears that the negative impact of deficient identification is stronger Bankwide than in the education sector. This result seems counter-intuitive, and may be partly due to the relatively small size of the sample of education projects in the 1991 and 1992 project cohorts evaluated by OED. More likely, however, it reflects the fact that the majority of education projects in the cohorts are from the early 1980s when Bank lending for education was relatively straightforward, i.e., largely concentrated on the provision of school infrastructure and equipments without much concern for more complex quality, cost-effectiveness and institutional issues (see Section IV).

Table 5.2: Project Identification and Outcome, Bankwide versus Education Sector

<table>
<thead>
<tr>
<th>Bank performance at identification:</th>
<th>Percentage satisfactory projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bank-wide</td>
</tr>
<tr>
<td>Adequate</td>
<td>70</td>
</tr>
<tr>
<td>Deficient</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
</tr>
</tbody>
</table>

OED 1991 and 1992 evaluation cohorts (545 projects Bankwide, of which 41 were education projects).

67. In any case, Table 5.2 fully underscores the view expressed by the majority of Bank staff interviewed: Good prior sector work, in the broadest sense, is an essential condition for achieving satisfactory project outcomes, even though it does not guarantee such outcomes.50

68. Adequate project identification, and by inference good sector work, tends to strengthen institutional development processes, contributes to government commitment and, eventually, to sustainable project outcomes. Out of 20 education projects evaluated by OED in 1993, 3 were rated unsatisfactory. All three share not only a deficient Bank performance at the preparatory stage but also a lack of government commitment toward the project objectives.

69. Sustainability and institutional development are two of the project outcomes rated by OED. These ratings can be cross-referenced with the assessment of the Bank’s performance at the project identification stage (see Table 5.3).

70. Again, these results confirm the instrumental role of sector work in creating the circumstances that may foster institutional development and generate sustainable project outcomes. It is essentially the inadequacy of the acquired sector knowledge, and the related weaknesses of the project identification process, that threaten satisfactory project outcomes. Thus there is a strong case in favor of investing sufficient resources upfront in the project cycle, including sector work, to create the most favorable climate for success.

50 "If you do it (EdSW) you have at least a chance of achieving good results, but if you don’t there is a high risk of ultimate failure."


Table 5.3: Education Projects: Sustainability and Institutional Development

<table>
<thead>
<tr>
<th>Bank performance at identification:</th>
<th>Sustainable outcomes</th>
<th>Institutional development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate</td>
<td>66</td>
<td>83</td>
</tr>
<tr>
<td>Deficient</td>
<td>43</td>
<td>57</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>80</td>
</tr>
</tbody>
</table>

*a/ Cohorts of education projects evaluated by OED projects.

Project Completion Reports

71. Of the 60 education projects evaluated by OED in the 1991-1993 period, 14 were rated unsatisfactory. More than anything else, the PCRs for this group of projects bring to light the damaging effects of inadequate understanding of sector issues, institutional constraints, and underlying social, economic and political processes. (See Annex 1 for a summary of these PCR findings.). They also illustrate how little is being learned from past experience in the Bank, both within and across regions, and sometimes even in one particular country (see Box V).

72. Twelve PCRs refer to serious negligence or errors of judgment committed at the project identification/design stage. Virtually all these initial deficiencies could have been avoided with more thorough and more process-oriented prior sector work. In five cases, project identification/design failed to take into account major risks associated with the prevailing economic and political instability in the country. In four cases, insufficient or no attention was given to systemic issues and constraints related to local institutional capacity, ownership and commitment. Project identification/design suffered in five cases from the lack of a prior assessment of basic sector-specific issues, e.g.: the availability of teachers and pedagogic materials, the demand for primary education in rural areas, labor market trends, or strategic needs for system reforms. One PCR specifically cites the lack of staff continuity in Bank task management as a negative factor, an issue raised in Section II of this report.

73. PCRs of unsatisfactory education projects recurrently point out generic failures, more indirectly related to the absence or weakness of prior EdSW. Six of the 14 PCRs mention defective or weak monitoring and evaluation systems as a factor contributing to unsatisfactory project outcomes. Good sector work, both country-specific and "generic" in the Bank's CVPUs, should lay the foundation for the definition of relevant, functional, and reliable performance indicators to be used in project-related monitoring and evaluation processes. Similarly, inadequate counterpart funding from government, mentioned in four PCRs, may indicate weaknesses in prior sector work. To the extent that failure to meet agreed levels of counterpart funding is a reflection of a lack of government
BOX 5: Causes of Project Failure in Morocco

Three of the fourteen education projects rated unsatisfactory by OED were in Morocco, the only country with more than one unsatisfactory project in the sample. These three project succeeded each other within a four-year period (FY82-86). Little EdSW was conducted in that country in that period. According to the PCRs, these projects suffered, among other from the following factors:

a. **Fifth Education Project** (primary education; approved FY82). The design failed to recognize risks associated with the PIU’s weak implementation capability (already demonstrated in the Fourth Education Project). The project’s overly ambitious development objectives compounded the problem. Failure to give particular attention to the pedagogical aspects shortchanged the only innovative element of this project, the introduction of new curricula and educational strategies at the primary level.

b. **Vocational Training Project** (approved FY85). Project identification/design relied improperly on long-term forecasting of labor supply and demand rather than on a thorough analysis of evolving labor market patterns. In addition, vocational training needs were evaluated outside the framework of the country’s overall education system, and without prior assessment of the labor market’s institutional and regulatory framework.

c. **Education Sector Reform Program** (SECAL; approved FY86). Project identification/design failed to assess, and therefore overestimated, the determinants of demand for primary education in rural areas. As a result, project preparation did not consider that special measures might be required for rural populations to generate effective demand and tailor services more appropriately. Moreover, the Bank underestimated the difficulty of sustaining political commitment to reallocating budgetary resources from higher to basic education.

commitment, appropriate sector work might have identified the underlying issues in a timely manner, and perhaps provided the means to effectively address them.

VI. THE VIEWS OF EDUCATION OPERATIONS STAFF

74. This section summarizes the results of structured interviews with 20 education sector staff with extensive operational experience. The interviews covered five process-related themes: (a) the utility and opportunity cost of formal and nonformal Bank EdSW, as compared to other sources of sector knowledge; (b) EdSW’s contribution to policy orientation, project development and implementation; (c) the level of national participation in, and ownership of, EdSW; (d) upstream aspects of EdSW (planning and budgeting, staffing); and (e) mechanisms for ensuring quality control and relevance of EdSW. Insights gained from these interviews on the topics of the Bank’s milestone policy papers and the dynamics between SW and lending have been incorporated in Section IV.
75. The most striking characteristic of the staff responses to the interviews is the variety of opinions expressed. Most likely, such response reflects a number of factors related to the variety in (a) a staff member's professional background (e.g., research experience or not, varying sensitivities to country-specifics, individual career trajectories, some of which have been mainly within the Bank, others not); (b) a staff member's country experience (e.g., Africa vs. Eastern Europe or, as one interviewee put it, development vs. reconstruction, much in-country experience or not); and (c) the prevailing "culture" in the Bank's different regions and departments. This variety, combined with the limited number of interviews, means that the findings summarized below are essentially qualitative.

**Theme 1: Utility and Opportunity Cost of Formal and Nonformal Bank EdSW, as Compared to Other Sources of Sector Knowledge.**

76. Areas of broad agreement among the interviewees are that:

(a) EdSW is very useful.  
(b) It needs to be seen as part of a larger process that includes (i) policy formulation, (ii) project development, (iii) Bank staff development, and (iv) country capacity building. The process is seen as being much more important than a formal end-product whose production is viewed as a time consuming and a minimally productive diversion from the business of getting the project out.

(c) Nonformal SW is often more productive and makes better use of resources than the production of formal reports. This point was made by a number of respondents, in varying contexts and sometimes quite forcefully.

(d) Sector knowledge produced outside the Bank can be very useful and ought to be systematically explored and used. Time constraints, however, work against this. Also, the quality and utility of such outside work is variable.

77. About one-third of the interviewees volunteered comments on the relationships between SW and various aspects of Bank staffing policies. A sampling of the comments follows:

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51 As one interviewee put it: "If we advise countries to change the way they are doing things, we have no right to do so on the basis of gut feeling. Solid and convincing SW is required; the more change we recommend, the more so."

52 Some staff point out that sector knowledge is being acquired through project preparation and supervision; others, however, argue that supervision is a poor substitute for formal SW. Two interviewees (both referring to Eastern Europe) gave examples of how SW proved to be good investments by leading to unprogrammed projects. One suggested, however, that production of the formal gray cover was futile because when published, its contents were already out of date.

53 For example: one TM contrasted two LAC countries. In one country the SW was written in Spanish, used for policy dialogue at white cover stage, and was very important in helping build consensus; in another country it took two years to produce a gray cover. By then, the government had changed and momentum was lost. Another TM states: the 'beautification' process required for formal SW dissemination takes time that is really not needed for policy dialogue and project preparation.

54 The point is made by two of interviewees that the IMs for SW should routinely start with an overview of available knowledge that could take the form of a literature survey.
SW should not be a cover-up for our own ignorance.  
If staff are well qualified and trained in research, they could collect information and synthesize it; if not they need the SW exercise.  
SW is most useful for training of staff beginning to work on a country. But this is also a weakness in that nontechnical staff use SW to think they have a firm grasp on the sector.  
Extensive use of trust funds means that all the work is being done by external consultants. This is not as effective as work done by Bank staff since delegation leads to second hand experience, sometimes conflicts of interest on the part of the consultants, lack of continuity, and loss of credibility in policy dialogue.  
The EdSW TM should be both a good analyst and a good communicator.

In summary, three major points come through: (a) lack of time appears to be the major impediment to locating and using sector knowledge produced outside the Bank context; (b) Bank staff find the quality of Bank SW to be more consistent, but that some real pearls are produced outside; and (c) there is perceived risk, however, to fishing for sector knowledge outside the Bank.

Theme 2: EdSW's downstream contribution to policy orientation, project development and implementation.

All but one staff agreed that SW contributed, often in a major way, to the nature and quality of the policy dialogue. On the question on whether it was continuous or a one-shot deal, nine of the 14 examples cited were of continuous processes. One interviewee pointed out that for repeater projects, the updating of sector knowledge is a continuous process, which becomes part of the sector policy dialogue. However, many staff stressed that SW needs to be continuous. The contribution of SW to implementation most often elicited comments on the need for institutional, organizational, and political analyses.

Theme 3: The level of national participation in, and ownership of EdSW.

Interviews with staff attempted to disaggregate ownership into (a) who initiated the work; (b) whether there was a consultative/participatory process; (c) dissemination; and (d) whether the SW built on previous, nationally produced research, data, and/or other relevant information. The results of the interviews are summarized below.

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55 This includes work produced by international and government agencies, consulting firms, researchers, and graduate students.

56 "Bank work is better targeted for Bank needs; it is more linked to finance/cost/budget issues." "There is more available outside than Bank people care to admit." "Non-Bank work is better with respect to pedagogical and qualitative analyses."

57 Nonetheless, one respondent pointed out that the Bank could save a lot of money by going into real partnerships with other institutions. This, however, requires a change in attitude on our part; we have to accept the other as real partners.

58 "SW needs to be a continuous process, where knowledge is acquired in little doses, i.e., as much as can be effectively absorbed at one time." Another interviewee referred to a "ping-pong SW process with many back and forths. The Bank acted as catalyst in a highly collaborative effort."
(a) **Initiative.** Of the 16 cases cited in the interviews, ten were initiated by the Bank, three by governments, and three cooperatively. At times, there is some ambiguity in the meaning given to "initiation."59

(b) **Consultative/participatory process.** Of the 18 cases cited, 8 appeared to have strong elements of participation/consultation; 6 were weak; and 4 cases were mixed. However, a distinction needs to be made between participation and consultation. Several staff indicated that there was the latter without the former. Such practice would mean that SW results were presented to the council of ministers or to a broader spectrum of policymakers and concerned people (teachers, parents, union officials) without national involvement in the work. This theme elicited a broad range of comments, including the following:

- "Participation has a cost (often in terms of output quality) and does not necessarily lead to ownership."
- "How do you get local ownership when you don’t speak the language and local counterparts don’t know the Bank? Local critics joke that Washington has become our new capital."
- "The process was more selling than consulting; there were no attempts to modify the reform program based on feedback, meaning that participation had little impact on the quality of subsequent operations."
- "The notion of national ownership is in flagrant contradiction with the contract concept (to deliver projects) prevailing in the Bank. The number of projects in the pipeline versus the number of projects in the contract can often become a fundamental constraint to greater local participation. This implies that if the country moves too slowly under participatory arrangements the pipeline will become too small relative to the contract, which triggers Management to increase it by speeding project preparation; hence Bank staff take over at the cost of local participation/ownership. Reducing the number of contracted projects to allow greater local participation is apparently not a viable alternative. Countries like the loan proceeds not the policy content of the project; this limits possible local ownership."
- "How else (other than with local participation) can you get a country to accept preferential treatment of girls, enrollment freeze in secondary education, cost recovery measures and community financing?"
- "If the project cycle is defined as including preceding SW, then it could be shown that the participatory approach, by yielding a higher developmental impact on the ground, is more economical."
- "The principle of ownership should be extended to cover other donors. If you don’t take them seriously and bring them into the participatory mode, their own agenda will prevail and may work against Bank/country objectives and priorities."
- "The British agreed to be responsible for health SW; this was done, but the result is that there is no Bank ownership."
- "No ESW should ever be done without national participation. It should be mandatory for the IM to explain how this is to be done. Early sharing and dissemination of results is essential for the political economy of subsequent operations."
- "Participation is not an end in itself."

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59 For example, one interviewee mentioned that the presence of a full-time Bank Human Resource staff in the field led to a "formal invitation for the Bank to look at costs and financing of primary and secondary education."
c) **Dissemination.** Responses were about equally divided between minimal and extensive dissemination varying from report distribution to seminars/workshops. Indeed, consultation and dissemination were often put under the same banner by many staff. Most staff identified lack of sufficient resources and time as major constraints to proper dissemination. Here are some comments from the interviews:

- "Distribution and generating feedback are the most vital and yet most neglected aspect of SW. SW report is endlessly polished to serve internal Bank purpose. This, again, is bad for ownership. There is far too little dissemination compared to the magnitude of resources invested in SW production."
- "In the past, work was often not disseminated at all and kept close to the ministry. Now that dissemination is much wider, countries are beginning to learn from each other."
- "We have not done nearly enough SW dissemination in education sector. One should be cautious, however, since the Bank should not be seen taking position on domestic policies."

d) **Building on previous work.** Only two TMs indicated that the SW took account of previously nationally produced research and/or other relevant information.

**Theme 4: Upstream Aspects of EdSW** (planning and budgeting, staffing).

81. The one question that best summarizes this topic: What are the major constraints to delivering high quality and relevant SW? Time was mentioned eight times; financial resources mentioned seven times; Bank processes and staff qualifications, three times each; availability of consultants and of nationals, twice each; and staff continuity, insufficient quality control, and data quality were mentioned twice each. One comment is particularly provocative:

a. "The Bank TM is stretched so thin, and so at risk, that he needs consultants who know the Bank's ways and procedures, i.e., he cannot risk to take on experts with a fresh look and innovative approaches because he does not have the time to bring their output up to required Bank format. Therefore, the same old-timers are being used."

82. Two other upstream aspects were (a) coordination of EdSW with the Bank's Economic Work, and (b) the sector-specific expertise most difficult to mobilize.

(a) Coordination between EdSW and Economic Work received good marks from those interviewed. Nine respondents found it to be satisfactory. Three found it lacking, and two responded somewhere in-between.

(b) By far, the area of expertise most difficult to find appears to be in the areas of management and institutional analysis (mentioned 7 times). No one other field was mentioned consistently. Several respondents pointed toward the need for practical

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60 Other responses were French speaking economists of education = 2; pedagogy = 2; and social assistance programs, social safety nets = 2.
knowledge and approaches to the issues, as well as the need for language skills and country knowledge.

83. Interviewees' ideas on the role of the "Center" (HCO) emphasize the need for intellectual leadership, but with a clear practical orientation. Respondents noted the need for policy papers and EdSW agenda setting, quality control, supportive peer reviews and cross-support, identification and dissemination of best practices, and training. Operational staff are looking for guidance on the practical matters of "how to" make things work, rather than "what to do" (i.e., policy correctness).

**THEME 5: MECHANISMS FOR ENSURING QUALITY CONTROL AND RELEVANCE OF EdSW.**

84. (a) **Quality.** The need for improved quality control is clearly felt by the TMs. The most commonly mentioned (by 5 respondents) mechanism was external professional peer reviews. Five TMs mentioned the existence and/or the desirability of including nationals in the quality control process.

(b) **Relevance.** Ownership issues aside, several interviewees pointed out that the best way to ensure relevance, while saving time and resources, is to keep the SW nonformal; for instance:

- "There is a conflict of priorities between the staff at the Center, often more interested in publishing, and operations people who need to get the project out. Operational interests militate in favor of nonformal SW, done by consultants, where Bank publication and gray covers are not of concern. Going to gray is too much hassle."
- "Initial SW was important for gathering basic information, but did not do much for establishing a basis of mutual trust and policy dialogue. This came subsequently, with nonformal SW, which proved much more important in shaping policies."

**Conclusions**

85. All TMs interviewed recognize that, ideally, EdSW should play a pivotal role in their work. In addition to the usual resource constraints (time, money, availability of qualified professionals), there is a pervasive sense that formal Bank requirements often impede the SW needed for timely policy dialogue and project development. The persistent preferences for nonformal, continuous SW attests to this. However, given that (a) the Bank's reward structure is linked to the production of formal documents, (b) quality control is habitually practiced in the context of formal procedures, and (c) there is a need for improved quality control, any move away from formal documents would have to be accompanied with a concomitant change in the reward structure and quality control practices. Such practice would imply a more fluid process where quality control and SW production and dissemination would occur in a continuous manner, involving external peer reviewers and active, sustained attention to knowledge sources outside the Bank.

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61 One, almost anguished, statement was: "As division chiefs become 'unbundled' from their sectors and become 'generalists' (i.e., not capable of providing intellectual leadership), the peer review system needs to be reinforced and become a support system." Another comment was that the "quality of SW used to make us special; now we are at risk of forfeiting this comparative advantage."
86. There is an interesting contradiction between staff's recognition of the time constraints, their clear preference for Bank-produced SW, and the existence of relevant research and SW done outside the Bank. Time constraints impede the pursuit of SW diffusely produced (by researchers, students, agencies), but the existence of such work could avoid redoing what has already been done. Furthermore, although not perfect by habitual Bank practice, what may have already been done, especially if done by nationals could well have greater “ownership value” than anything newly undertaken by the Bank; it would also have the advantage of already being there. This suggests that selectivity and careful targeting should be the first item on any SW agenda, i.e., invest time to see what already exists, behave like professional researchers, review the literature, and, only then, decide on what new SW would bring the greatest value added.

87. To ensure quality and relevance in the context of the longer term processes of policy dialogue and project development, there is a general sense that the production of EdSW requires greater active involvement of Bank TMs and other Bank staff. Second-hand knowledge is not as effective as first-hand knowledge. This has implications in terms of the allocation of staff time, as well as staff's professional backgrounds. It also brings up a common question in organizational settings characterized by strong currents of professionalism: Can one be an effective consumer of SW (along with its research underpinnings) if one has never produced it, especially when the consumer leads the Bank's policy dialogue with the borrower?

88. Comprehensive formal SW is necessary (a) when dealing with new borrowers; (b) where there has been no prior lending to the sector or where the lending program has been inactive for long periods; (c) for the purpose of donor coordination around a common sector strategy; and (d) where staff turnover and management discontinuities have eroded the Bank's sector knowledge base and/or immobilized policy dialogue with the borrower. However, when there is staff continuity and an active lending program, especially with repeater projects, and where data collection/analysis and research are included in the projects, regular project preparation and supervision activities can be adequate for updating the sector's knowledge base.

89. Staff clearly recognize the multiple advantages of reinforcing local ownership, but a sense of frustration pervades in this respect. On the one hand, there is a genuine understanding of the need for ownership along with what it takes to achieve it; on the other hand, there are just too many resource constraints which make it virtually impossible to achieve genuine local ownership within the formal SW system. This is why a growing proportion of EdSW is informalized i.e., pushed into project preparation where participatory arrangements are easier to make.

VII. OVERALL CONCLUSIONS AND RECOMMENDATIONS

90. A synthesis of the major conclusions presented at the end of each section of this paper reveals the following:

(a) Many of the issues, problems, analyses, and proposals treated in this paper have been signaled by previous Bank documents, as early in 1986. The problems have remained and, sometimes, become amplified since then. There is little evidence, however, that concrete, structural measures have been taken to correct the problems.
(b) Even though the quality and breadth of EdSW has improved over the years, it has not necessarily become more relevant to the increasing demands of policy-based lending. Indeed, reviews of SW over the past ten years have all signaled disjointedness between SW and the evolving world of operations.

(c) The increased emphasis on lending for reforms in institutional/organizational structures and arrangements is particularly lacking sound analysis.

(d) The generic Bank policy papers provide useful guidance and reference points, but they are no substitute for sound, country-specific EdSW. Bank operations staff is most in need of advice on practical "how to" matters.

(e) Borrower ownership remains a major issue unlikely to be resolved without profound modifications in current internal Bank practices (resource allocations, reward structure, lending pressures). Staff are genuinely committed to processes that reinforce ownership. To reconcile their commitment with prevailing Bank constraints, many staff have adopted a strategy that favors informal SW done during project preparation, when participatory arrangements are easier to make.

(f) Project work and SW appear to be substitutes, rather than complements, with project work crowding out SW when lending accelerates.

(g) The process is at least as important as the "final result." There may indeed be a contradiction between the Bank's final product (the project), which is essentially short-term, and the very long-term continuity of processes that characterize education systems and educational reforms. Bottom-line thinking is dysfunctional in this context.

91. The implications of this analysis for Bank practices fall into three categories: (a) staffing and the reward structure; (b) the process, conception, and organization of the project cycle; and (c) recognition of sector specificities.

92. **Staffing and reward structure.** The following three major points emerge:

(a) Staff professionalism needs to be reinforced. However, the question persists: Should there be SW staff and project development staff, with the former having solid research backgrounds and the latter responsible for Bank processing? If policy-based projects are to be founded on strong sector knowledge, such a division of labor could be dysfunctional.

(b) The reward structures for SW need to be more diffusely structured to allow greater latitude for nonformal SW.

(c) Continuity in staffing assignments needs to be reinforced to ensure that TMs work on a given country long enough to be able to (a) acquire the needed sector knowledge, (b) apply it to challenges of policy dialogue and project development, and (c) ensure orderly transmission to their successors.
93. **Project cycle process, conception, and organization.** A greater degree of process integration is in order, especially in countries with established lending programs. Such practice implies that SW would be better integrated into preparation and supervision activities, which has implications for the staffing of such activities. In the case of new borrowers, formal SW may be more needed than in cases of long-term Bank involvement. Staffing quality and continuity would have to be reinforced to ensure such integration.

94. Means should be found to allow staff more time and resources for the variety of professional aspects associated with SW. A first step toward this objective would be to **conduct a role and time audit of staff activities** in order to identify tasks that bring little value-added to the core duties of professional staff responsible for policy dialogue and project design. This step means taking a close look at the TM's functions, since it is the TM who really manages the process, has authority, controls the flow of information, and is the trusted intermediary between Bank management and borrower. This step would also include an analysis of the operational meaning of "managing" and "process." "Process" includes everything (decisionmaking in particular) inside the Bank that determines conditionalities and the policy nature of the dialogue/project. "Managing" means the provision of information and advice to that process. SW is input into the TM's work. The TM has to be capable of comprehending the SW and be able to faithfully process the analysis, and the policy implications contained in it.

95. Education sector objectives are by definition long-range, as they face major time lags between market signals (from the labor market) and production (of graduates). This condition means that success of education financing policies, for example, is often dependent on nonfinancial parameters that are poorly understood and controlled by policy actors. Such slippery parameters argue for inclusion of a broad spectrum of continual SW that would take a variety of forms (sociological/anthropological, institutional, political analyses) and venues (Bank SW, university research, agencies) that the Bank should encourage. They also argue for "nationalization" of SW, at least to the extent that it (a) promotes the insights that only nationals can bring to SW, and (b) increases the probability that national policymakers and concerned parties will recognize their situations in the abstractions of sound EdSW. The Bank should actively encourage such work, and the TM should have the time and resources to become familiar with it. SW should be viewed as a continuing process that only rarely comes up with definitive results.

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6 Including searching for relevant research and professional reading.
Annex 1: NS Dimensions of Sound ESW and FY91 EdSW

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<tr>
<th>NS Dimension</th>
<th>Findings of FY91 EdSW Review</th>
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<tr>
<td>(1) Ownership/appropriation</td>
<td>• 42 percent of the policy recommendations referred to results of country studies; certain recommendations tended to rely more on conventional wisdom or common sense, with little supporting data (i.e., generated locally) e.g., institutional issues, science and technology, female education, quality and external efficiency (see para. 25).</td>
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<td>• Otherwise, there are no references to this dimension.</td>
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<td>(2) Policy orientation</td>
<td>• Rate of return analysis is inadequate as a long-term guide for economic transformation (see para. 12);</td>
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<td>• &quot;little quantitative analysis done with regard to female education and science and technology&quot; (see para. 19).</td>
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<td></td>
<td>• Linkages are generally demonstrated between education issues and other socioeconomic variables (access, internal efficiency and financing), and occasional linkages are established to political issues regarding finance and internal efficiency (see para. 21).</td>
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<td>• Discussions of government plans and policies are generally well integrated into ESW; but, they are not grounded in a political analysis of the organization of the education system (see para. 23).</td>
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<td>• Weaker reports made standard Bank recommendations without sufficient analysis to guide choice among a wider range of policy options. Conversely, reports that made unorthodox (for the Bank) recommendations went to great effort to justify them (see para. 26) [also pertinent to dimensions 1 and 5].</td>
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<td>• ESW lacks innovation because the influence of Bank policy/research work, implies that missions may feel compelled to follow policy generalizations and conventional wisdom (see paras. 28-30)[also relevant to dimensions 1 and 5].</td>
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(3) Technical competence
(quality)

- "Few, if any, of the studies that refer to rates of return recognize that labor market conditions change over time, or that the value of education may be affected by the very policies recommended by the study itself"; also the studies lack analysis of a country's "recent economic development history, its main economic, social and political problems, and its prospective role in the current and future world economy" (see para. 12).

- There is an omission of analysis of private direct costs and family's role in school finance (see para. 22).

(4) Implementable orientations

- Lack of political analysis means that it was not possible to understand the political possibility of implementing proposed changes or reforms (see para. 23).

- Feasibility of recommendations are discussed in 65 percent of cases, but mostly financial feasibility; Discussion of political and social feasibility is conspicuously lacking; 34 percent of reports identified constraints, and 38 percent discussed reforms required to address constraints; the same critique was made in the FY 1984-85 annual review (see paras. 32-33).

- 12 percent of recommendations were accompanied by discussion of implications for the education system as a whole (see paras. 35-40).

(5) Downstream utility

- 22 percent of the reports suggested Bank lending strategies, but this rate may be prudent given the prevailing notion that the objective of SW is focused on analysis, with policy formulation done at the time of project development (see paras. 41-42).

- Compared with FY84-85 reports, fewer FY91 reports proposed explicit lending strategies (see para. 53).
Annex 2: NOTES ON EDUCATION SECTOR PROJECTS RATED AS "UNSATISFACTORY"
IN CY 91-93 PCRS

SOMALIA - Fifth Education Project (approval 3/3/81)
Counterpart funding from government.
Supervision.
Monitoring and evaluation systems.

ZAMBIA - Fifth Education Project (approval 5/20/82)
Project identification/design failed to take into account that the country was undergoing a major
economic and political upheaval.
Counterpart funding from bilaterals.
Supervision.

GUINEA - Second Education Project (approval 3/29/83)
Project identification/design failed to take into account risks associated with local institutional capacity,
ownership/commitment, and complex project components.
Monitoring and evaluation systems.

CENTRAL AFRICAN REPUBLIC - Second Education Project (approval 5/10/83)
Project design failed to address systematic issues/constraints, such as teachers availability, pedagogic
materials, and budgetary allocations within the government.

ZAIRE - Educational Technical Assistance and Training Project (approval 9/11/84)
Counterpart funding from government.
Project design failed to recognize risks associated with institutional capacity and government’s
commitment to change.
Monitoring and evaluation systems.
Supervision.

HAITI - Fourth Education and Training Project (approval 5/7/85)
Project design failed to recognize risks associated with political instability, staff turnover.
Counterpart funding from government.
Implementation/procurement.
Monitoring and evaluation.
Continuity of Bank TM.

SENEGAL - CESAG Project (approval 11/26/85)
Project design failed to fully appreciate risks associated with institutional capacity and political appointees.
Supervision.
Monitoring and evaluation.

ARGENTINA - Vocational Training and Technical Education Project (approval 10/7/80)
Combination of changes in project administration, deteriorating economic conditions, and political
instability.
Lack of a formal process within the Bank to serve as a feedback/control mechanism in projects whose
implementation had been unsuccessful over an extended period.
MOROCCO - Fifth Education Project (approval 5/20/82)
Project design failed to recognize risks associated with local capacity and overly ambitious development objectives.
Project design lacked balance between physical and qualitative components — common in Ed projects during the 80s. Inadequate attention to pedagogical elements.

MOROCCO - Education Sector Reform Program (approval 3/20/86)
Project design failed to properly assess demand determinants for primary education in rural areas.
Project design failed to take into account political pressure from urban populations for higher education that blocked additional budgetary allocations to basic education.

MOROCCO - Vocational Training Project (approval 11/27/84)
Project design relied (wrongly) on long-term forecasting of labor supply/demand rather than on an analysis of the labor market and its evolution. Further the assessment of VET was conducted without a prior assessment of the institutional/regulatory framework of the labor market, and it did not take into account the larger framework of the country's educational system. There was a substantial mismatch between the supply and skills of VET graduates and the economy's ability to absorb them.

Monitoring and evaluation systems.

PERU - Primary Education Project (approval 7/10/84)
Project identification/design failed to take into account that the country was undergoing a major economic and political upheaval.

TUNISIA - Fifth Education Project (approval 12/23/82)
Implementation/procurement.
Development objectives should have focussed on system reform rather than on mere consolidation of the various institutions.

JORDAN - Fifth Education Project (approval 3/15/83)
Project design failed to take into account risks associated with economic slow-down and its impact on the labor market and reduced government's capacity to finance.

Supervision.