The Untapped Opportunity:
HOW PUBLIC-PRIVATE PARTNERSHIPS CAN ADVANCE EDUCATION FOR ALL
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The Untapped Opportunity:
HOW PUBLIC-PRIVATE PARTNERSHIPS CAN ADVANCE EDUCATION FOR ALL

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AED
Academy for Educational Development
The Academy for Educational Development (AED) offers this report, *Education for All: Opportunities for Public-Private Partnerships*, to help focus and inform the discussion of the September 2006 Conference on Business and Education. The Academy is pleased to be cosponsoring this program with the Conference Board and acknowledges the important support provided by Intel, Merrill Lynch, and Hewlett Packard.

The Academy has been involved in furthering education in the United States and around the world for 45 years. From that experience and knowledge we have come to believe both intellectually and passionately that education is a fundamental prerequisite for economic, social, and political stability and progress. In recent years we have expanded our experience in public-private partnerships because of our understanding that education is not the exclusive territory of any single sector and can best be advanced through collaborative efforts of government, business, and civil society.

This report presents and analyzes recent data to demonstrate the extraordinary progress that has been made in the last half century to bring primary and secondary education to the world’s children. The report also reveals the critical gaps in entry, retention, completion, and equity. It identifies where along the education ladder and in which countries are the greatest shortfalls and specific underserved population groups.

The report was written by the staff of the Education Policy and Data Center, itself a collaborative effort of the Academy and the U.S. Agency for International Development. While the preparation of this report was funded and prepared by AED, I want to express my appreciation for the core funding from USAID which has made this collaborative effort possible and financed the data collection and analytic tools which are available online and were used by EPDC to prepare the first section of the report.

It is my hope and expectation that the report and conference will help broaden the understanding of the critical role of education and of public-private partnerships in promoting progress and development around the world. With 2 billion people living on less than $2/day and 115 million children who have never seen the inside of a classroom, it is our collective obligation and responsibility to use these and other instruments to better the lives of all people.

Stephen F. Moseley
President & CEO
Academy for Educational Development
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In 2000 world leaders endorsed two landmark commitments to basic education: the six goals of Education for All and the primary education objective of the broader gauged Millennium Development Goals. This report addresses four fundamental questions related to these goals: what are the gaps in providing high quality primary and secondary schooling for all children; do trends in enrollment and completion show a closing of the gap; what resources are needed to close the gaps; how can public-private partnerships play a role?

EDUCATION GAPS

In addressing these questions, the report focuses on four issues: entry, retention, learning, and equality.

▶ Entry | The 20th century has witnessed tremendous advancement in education, with net enrollment rates in primary school almost doubling in the last 75 years. Still, a sizeable number of children, 115 million, remain out of school. The largest numbers of out-of-school children are found in sub-Saharan Africa and Asia. While countries are not nearly so far along in students entering secondary education, still progress has been significant.

▶ Retention | Just getting children into school is not enough. Of the children who do enter primary school, approximately 25% do not complete.

▶ Learning | The quality of learning varies considerably from country-to-country and school-to-school; it is a persistent problem in most countries and in most school systems.

▶ Inequality | Inequalities in all areas of education remain. Girls, poor and rural children, and children from marginalized regions are least likely to receive education.

Projections by the Education Policy and Data Center on education in 73 developing countries suggest that by 2015 almost all countries will have at least 90% of children enroll in primary school, and most countries can be well on the way to near universal primary education by the end of the first quarter of the 21st century.

The principal resource needs of education are financial, human (teachers), and management. Financial resources are provided principally by government, households, and international donors. With a few exceptions, governments contribute a significant amount of GDP to education, averaging 4 to 6%. Spending by households varies widely by country, but is significant in some poor countries. For example, private spending per child on primary education is 2% of the per capita income level in Malawi and 14% in Sierra Leone and Nigeria; for secondary school private spending is equal to 27% of the per capita income level in Malawi and 83% in Uganda. The focus of international donor aid varies by region, but secondary education receives the smallest share in all regions.

The availability of teachers also varies widely by region and country, but the shortage of teachers, particularly trained teachers, is most acute in Africa.

Good management is essential to the effective use of resources and quality of outcome for any institution, including schools. In many countries, effective teaching in classrooms is far below what it could be. High dropout and repetition rates, corruption, and inadequate information are all signs of inefficiency.
ROLE FOR PUBLIC-PRIVATE PARTNERSHIPS

Improving education requires the collaboration of a range of actors—government, business, civil society, independent experts, communities, and families. A sound education system benefits business by providing a well-educated work force, political stability, and economic growth. Businesses can benefit by partnering with government to influence the use of public resources and policy; leverage government resources, education expertise, and legitimacy; gain access to national and community leaders; enhance corporate visibility; and deliver on social responsibility commitments.

Among the many skills and resources business brings are expertise in managing people and resources, conducting strategic planning, performing needs assessments, allocating resources, analyzing markets, using incentives, anticipating demand, and creating new opportunities.

Building effective partnerships takes time and planning. Paying close attention to the process helps ensure the pay-off is more than the sum of the individual parts. Assessing the effectiveness of the partnership requires monitoring and evaluating both the partnership itself and the education outcomes. Evaluations of the partnership should be based on the principles guiding its design. An important element in a successful partnership is working within existing national and international frameworks. In education, these include the Education For All Fast-Track Initiative, New Partnership for Africa’s Development, Poverty Reduction Strategies, Education Sector Plans, Global Compact, and the Paris Declaration.

What is clear from decades of experience in developed and developing countries is that successful education systems will not be designed or operated by any sector alone. Resources and skills from all sectors must be combined.
Introduction

The 20th Century was a success story for primary education, with the final chapter remaining to be written in the first quarter of the 21st Century. This report provides a synopsis of the state of basic education in the world and outlines the role that public-private partnerships can play in writing that final chapter.

There has been a rapid rise in primary school enrollment over the past fifty years, but gaps continue. These are particularly evident in primary completion, secondary education, and learning.

The report is organized around four questions:

1. What are the gaps in the provision of high quality primary schooling for all children and opportunities to continue to secondary schooling?
2. Do the trends in entry and completion show a closing of schooling gaps?
3. What resources are needed to close the gaps?
4. How can and should public-private partnerships play a role?

Driving forces behind universal high quality education are the six Education For All (EFA) goals and the Millennium Development Goals (MDGs) declared by world leaders at summits marking the new millennium. The EFA goals aim to provide equitable access to primary education for all children by 2015, access to life skills and learning programs for youth, and expanded adult literacy.

In the Millennium Declaration of 2000, world leaders pledged to ease the plight of the millions of people around the world living in abject poverty by achieving the MDGs. The MDGs have one specific education goal of universal primary completion and a related goal on gender equity. Beyond that, education is often viewed as the foundation for achieving the other goals, which relate to poverty reduction, health, and governance.

“...we will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want”


HIGHLIGHTS OF EDUCATION FOR ALL GOALS—BY 2015

1. Comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children
2. Access for all children, especially girls, to complete free and compulsory primary education of good quality
3. Equitable access for all young people and adults to appropriate learning and life skills programs
4. 50% improvement in levels of adult literacy by 2015, especially for women
6. Improving all aspects of the quality of education
women’s empowerment, health, and environment. For the achievement of these other goals, secondary and tertiary education is as important as primary.

The centrality of basic education to economic development was recognized again at the July 2006 G-8 Summit. Recommitting to the MDG and EFA education goals, the communiqué states that “Education is at the heart of human progress” and notes that education is a key driver of market productivity and a source of cohesion for all nations.1

A recent report2 on progress towards the MDG goals finds that while progress has been made by many countries, there are many others—especially in sub-Saharan Africa—that are far from achieving the goals. Despite the challenges to reducing poverty rates, there are opportunities for hastening change. Some of the poorest countries have experienced rapid economic growth in the last few years. The issue in those countries is to ensure that growth benefits the entire population, not just a few.

The climate for change is positive. Political leaders are campaigning for office on providing education to all. The growth of information and communication technologies, while uneven, has led to creative solutions to problems facing developing countries. Support from international sources in the form of aid to developing countries is on the rise, and foundations and private corporations, recognizing the need for a stable, healthy, educated world, are entering the field of international development, bringing with them deep knowledge of management and technical expertise.

It is in this context that this report focuses on the role of public-private partnerships. Mindful that governments could not achieve the MDG and EFA goals on their own, public-private partnerships have been considered important vehicles to fuel progress. Public-private partnerships are part of achieving the Millennium Development and Education for All goals and the larger development agenda of eradicating poverty.

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WHAT ARE THE **GAPS** IN THE
PROVISION OF HIGH QUALITY
SCHOOLING FOR ALL CHILDREN?
Net enrollment rates in primary school have almost doubled since 1930, bringing the goal of full primary education for all within reach. In 1930, net primary enrollment rates around the world stood at approximately 48% for primary education. By 1980, the global rate was 74% and rose to 85% by 2003, as shown in Figure 1.

Net enrollment rates by country are shown in the map in Figure 2a. By 2002, more than 650 million children were in primary school⁴. Yet a sizeable number remain out of school, 115 million in all⁵ (Figure 2b). While sub-Saharan Africa contains only 16% of the world’s primary school age children, it has 40% of the out-of-school children. Another 20% of those out of school are in South Asia, mainly in India.

**FIGURE 1.**
Global net enrollment rates 1930–2003.³

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³ The net enrollment rate is the number of children of primary school age in school divided by the number of children of primary school age. The NER for 1970 and later are based on weighted averages of the NERs for countries where data was available, weighted by primary school age children age 6–11. These averages may underestimate progress slightly as there are more data for the least developed countries (with lower NER’s) in the later years. The pre-1970 values are estimates based on gross enrolment rates—GER (all primary school students regardless of age divided by the population of primary school age children)—multiplied by the ratio of NER/GER in 1970. 2003 is the last year for which there was data, at the time of writing this report.

⁴ Sum of primary school pupils, both sexes, in 2002 (or most recent year) in 180 countries. Data from UIS, accessed July, 2006.

FIGURE 2a.
Global map of net enrollment rates by country.
Source: EPDC using data from UNESCO Institute of Statistics (UIS).

NER
33–60
61–78
79–88
89–95
96–100
Data unavailable

FIGURE 2b.
Portion of children of primary school age not enrolled in school.
Source: EPDC using data from UIS.

% Out of School
0-4
5-11
12-20
21-38
39-66
Data unavailable

So with all the emphasis on getting children into school, why are so many still not there? There are several reasons. According to the UNESCO Institute for Statistics (UIS), 12% of school age children are likely never to attend school.6 Furthermore, some drop out. The EPDC estimates that, of the children in developing countries who enter first grade, about one-quarter do not make it to fifth grade.7 Moreover, even the 650 million plus children in primary school are not all learning what they should. Many are in schools where teachers are frequently

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7 This approximation was calculated by taking the average survival rates for 122 non-industrialized countries weighted by school-age population, using most recent UIS data for survival to the end of primary school and school age population. Does not include China. UIS data accessed July, 2006.
absent, books rare, health poor, and consequently, learning slow. For all children to have a full, quality education, four things have to happen:

1. School entry: children have to start school
2. Retention: they have to stay in school
3. Learning: while in school, children need to learn effectively
4. Equality: all must have the opportunity to benefit equally

The remainder of this section will focus on these four elements, in turn.

GAP # 1: CHILDREN WHO NEVER ENTER SCHOOL

In many developing countries, enrolling the final 5–10% of students in school has proven difficult. In Asia, a small handful of countries (India, Nepal, and Afghanistan) continue to struggle. For countries with large populations like India, even a low out-of-school rate translates into millions of children. In Latin America, on the other hand, access is high in all countries, with one exception: Haiti. In sub-Saharan Africa, the range is largest. There are a number of countries there where school access is quite high. The best performers are Uganda, Gabon, Lesotho, and Zimbabwe. But getting children into school remains a tremendous challenge in many countries in Africa.

Figure 3 shows entry, the portion of children who will enter primary school by country, according to recent household surveys for 73 countries. The surveys are for years ranging from 2000–2005. In some countries with older data, there likely has been improvement. Still, considerable differences within regions likely remain.

The figure covers developing countries and is arranged by region. The regions are presented in ascending order: Sub-Saharan Africa, Asia, Arab States, Latin America, Eastern Europe, and Central Asia. Within the regions, countries are arranged by rate of girls entering school, from lowest to highest.

GAP # 2: CHILDREN WHO DROP OUT FROM PRIMARY OR SECONDARY SCHOOL

The EPDC estimates that today 34% of all children will not complete primary school, 12% because they never enter school and 22% because they drop out before the end of primary. In other words, almost two-thirds of the global gap to children completing primary school is due to children dropping out. These dropouts represent a squandering of resources and children’s time, because many probably have not learned


This estimate is based on calculations with UIS data from the previous section—12% of children do not enter school at all and a 75% survival rate to the last grade of primary of those who enter. These two figures imply that 34% of children will not reach the end of primary $(12\% + (100-12\%)*(1-75\%) = 34\%)$. 
ENTRY: The portion of children who enter primary school.

enough to have an impact on their lives. Many others drop out between primary and secondary school.

Countries within the same region, and with similar economic or cultural background, have very different dropout rates. Even some countries with high percentages of children entering school see large numbers of drop outs.

Figures 4 and 5, following the same order as in Figure 3, show an estimate for the percentage of boys and girls who will complete primary and secondary, respectively. The grey bar shows the portion of children in the country who will enter school. The colored bars (blue for primary; red for secondary) show the percentage of children who will complete primary school or complete secondary school. The difference between the colored bars and the grey bars is the dropout.

In many countries, the portion that will complete primary school is much smaller than those who enter, and the portion that will complete secondary school is miniscule, far from the rates necessary for high levels of per capita income.

**GAP # 3: LEARNING IN SCHOOL**

Better learning in school is associated with higher economic growth. But not all children who enter school leave with the same quality of learning. In fact, the difference between highest and lowest learning scores can vary

10 The way the portions expected to complete primary and complete secondary are calculated is based on age-specific education attainment found by household surveys, and takes advantage of the observation that most school entry, primary completion, and secondary completion occurs by relatively predictable ages. In our calculations, a fairly large margin for late school entry, and slow school progress, is included.

The portion to enter school = children who were ever in school [age 10]/all children [age 10].

The portion expected to complete primary = portion to enter school x [persons who completed primary [age 17]/persons who were ever in school [age 17]].

The portion expected to complete secondary = portion expected to complete primary x [persons who completed secondary [age 24]/persons who completed primary [age 24]].

11 In 2000, all countries with upper-middle income or higher (those with a per capita GDP of $2936 or more according to the World Bank Atlas Method) had adult secondary attainment levels of 20% or more (90% of the countries had adult secondary attainment of at least 40%). Data from: Robert J. Barro and Jong-Wha Lee International Data on Educational Attainment: Updates and Implications 2000) and World Bank, “EdStats,” http://devdata.worldbank.org/edstats/cd5.asp, accessed July, 2006.

FIGURE 4.
RETENTION: Portion of school-age cohort expected to complete primary school in comparison to the portion who will enter school.
Source: Household surveys and EPDC calculations.
WHAT ARE THE GAPS IN THE PROVISION OF HIGH QUALITY SCHOOLING FOR ALL CHILDREN?

FIGURE 5.
RETENTION:
Portion of school-age cohort expected to complete secondary school in comparison to the portion who will enter school.
Source: Household surveys and EPDC calculations.
by a factor of three. Some of that variation is a result of differences between schools; some of it is determined by the children’s background and health.

The recent Global Monitoring Report on quality found that sufficient instruction time, good teaching methods, mother-tongue instruction for the first few years, investment in teacher training and support, and appropriate learning materials are factors that impact children’s learning.

A 2004 study by Crouch and Fasih found that countries with higher income, higher adult education, and lower percentages of children in the population tend to have higher learning scores, as shown in Figure 6. A high percentage of children means fewer resources can be invested in each child. In their multivariate model, Crouch and Fasih found the effects are independent. But there are some countries which beat the odds and have better-than-expected learning outcomes. Among such countries are Uganda, Kenya, Burkina Faso, Bolivia, and Honduras. These countries have lessons to share on how to improve learning in the most challenging situations.

GAP # 4: INEQUALITY WITHIN COUNTRIES

In many countries, children from poor families, rural children, children from disadvantaged regions, and girls are less likely to enter and remain in school. Inequality within countries is particularly important for policy and partnerships.

Figure 7 shows the results of an ongoing EPDC study of the likelihood of attending school for boys versus girls, children residing in urban versus rural areas, children from richest households versus those from poorest households, and children living in the most advantaged versus least advantaged regions. Countries are ordered according to net enrollment rate from lowest (Burkina Faso) to highest (Peru). The length of the bars shows the difference in the likelihood of being in school between a child in the wealthiest quintile vs. the poorest income quintile, a child in the most advantaged region compared to the

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13 Luis Crouch and Tazeen Fasih, “Patterns in educational development: implications for future efficiency analysis,” 2004). The study mapped math and reading test scores from 93 countries to a consistent, comparable scale. The mapping is imperfect and their findings are only indicative, but they are robust enough to confirm that there are big differentials in learning across the world.


WHAT ARE THE GAPS IN THE PROVISION OF HIGH QUALITY SCHOOLING FOR ALL CHILDREN?

**FIGURE 6.**
Correlations between learning scores and age structure (top) and income per capita (bottom) around 2000.

Source: UN population data; Crouch and Fasih (2004), relative learning scores; World Bank, income data.

Least advantaged region, a child in a rural vs. urban residence, and boys vs. girls.

Regional and wealth differences are large, in particular in countries with lower overall attendance such as Burkina Faso, Ethiopia, Mali, Mozambique, Tanzania, Zambia, and Nigeria. A child from the wealthiest quintile is 30–40 percentage points more likely to be in school than a child from the poorest quintile in these countries. Similarly, a child from the best-off region is up to 40–50 percentage points more likely to be in primary school than a child from the worst-off region in Ethiopia, Tanzania, and Nigeria.

Boys and those in urban areas tend to have some advantage. But there are a few countries, such as Bangladesh, Philippines, Nicaragua, and Malawi, where girls are more likely to be attending primary school than boys. In Bangladesh, rural children surprisingly have an advantage over urban children in terms of school attendance.
FIGURE 7.
Differences in the likelihood that a child of primary school age is attending primary school, between wealth groups, provinces or regions within countries, rural/urban residence, and gender.
Source: EPDC using DHS data.
DO THE TRENDS IN ENTRY AND COMPLETION SHOW A CLOSING OF SCHOOLING GAPS?
All children need a decent education, so they can live productive lives and contribute to their family’s and nation’s economic and social development. This section shows prospective growth to 2015 to identify countries making rapid progress towards closing the gaps discussed in the preceding pages and those that are projected to move more slowly. Policies and programs must be structured according to the speed of change in countries. That is why it is important to understand the rate of progress and collect data to monitor changes.

Data to estimate future growth is available for school entry and for primary and secondary completion (gaps #1 and #2). There is not adequate data to project learning and equality. However, there is a strong link between learning and equality and entry and retention. The former may be expected to rise with the latter.

The EPDC recently published a report with projections for primary school entry and primary school completion for 73 developing countries. That report includes trend projections, which assume that a country’s education growth rates proceed along the same path as over the past 40–50 years. It also includes fastest projections, which assume that a country’s primary entry and completion trend accelerates to the historically fastest rate (Indonesia in the 1970s and 1980s). This report presents updated calculations with newer data for some countries and the addition of secondary completion projections. Moreover, for a historical comparison, the primary entry, completion, and secondary completion rates from 30 years previous have been added. The graphs are shown only for female education trends and projections. Graphs for males would look similar but with slightly higher values in most countries. Figures 8a, b, and c present three graphs for primary entry, primary completion, and secondary completion.

Each of the three graphs shows the most recent values represented by blue circles. As one might expect, the most recent year values are highest for primary entry. In two-thirds of the countries in the primary entry graph, more than 80% of the girls enter school. The most recent year values are much lower for primary completion. Only one-fourth of the countries covered have 80%+ expected primary completion, and just over half have more than 50%. Secondary completion, as the third graph shows, is minimal in all but a handful of countries and is below 5% in more than one-fourth of the countries shown.

The graphs also show historical progress over the last roughly 30 years. The red diamond on each bar shows primary school entry and completion and secondary completion 30 years earlier. Many countries more than doubled primary school entry and completion, and more than half of the countries tripled secondary completion. This experience shows that rapid progress is possible.

In addition, the graphs show the trend projection to 2015, represented by the solid gray bar, and the fastest projection, represented by burgundy arrowheads. Most countries will reach 90% or higher primary school entry by 2015. If all countries were able to accelerate to equal the high growth rate of Indonesia, by 2015 primary entry would be close to 100% in most countries. The greatest gains from accelerating school entry growth are to be made in the countries that need it most: where school entry is still very low.

The trends are for rapid progress in primary completion, with many countries raising the primary completion rates by more than 20 percentage points from the starting year to 2015. The countries in the middle of the graph appear to be making the most progress, those starting with expected primary completion rates of 30–70%. This is not surprising, given that education growth in most countries is an s-curve, slow at first, then climbing rapidly, and finally slowing down again when rates of 80–90% have been achieved, with only the more marginalized children remaining to be reached. Again, accelerating progress can benefit almost all countries.

Secondary completion is still low in most countries, but much progress has been made. Around 30 years ago, in only 5 of the 69 countries shown did 20% of women receive a secondary high school diploma. By 2000/5, that number had risen to 29 out of 69. According to the trend projection, by 2015 secondary completion will almost double with more than 40% of the young women completing secondary in 28 of the 69 countries. Even though this is rapid progress, it is not fast enough for developing countries to break out of poverty within this generation.

The graph shows, however, that the trend projection generally falls far short of the fastest observed. Some countries, notably Jordan, Egypt, Indonesia, Zimbabwe, and Nigeria, made very rapid progress in secondary completion over the past 30 years, proceeding from 0–5% completing secondary school to 35–50%. It would be useful to study how these countries achieved their remarkable progress and how partnerships can transfer it to other countries.
DO THE TRENDS IN ENTRY AND COMPLETION SHOW A CLOSING OF SCHOOLING GAPS?

**FIGURE 8b.**
Trends and projections to 2015 for female primary completion rates.

Source: EPDC calculations.
DO THE TRENDS IN ENTRY AND COMPLETION SHOW A CLOSING OF SCHOOLING GAPS?

FIGURE 8c. Trends and projections to 2015 for female secondary completion rates.
Source: EPDC calculations.
WHAT **RESOURCES** ARE NEEDED TO CLOSE THE GAPS?
All parents hope that their children will acquire valuable skills and knowledge in a school where they can study in safety and comfort, with well-trained teachers committed to helping children learn and using books and materials that illuminate the world of learning. Many countries, and especially the poorest, are far from reaching that standard. Poverty, conflict, weak political structures—all hinder the achievement of this vision.

Expanding access, improving quality, and reducing inequities are intricately tied to the amount and type of resources put towards education. All resources, from financial and human to management, are needed. The ability to raise resources and use them efficiently and equitably determines, to a significant extent, how successful countries will be in their quest to reach education goals. School dropouts, high repetition rates, low levels of learning achievement, lack of information about the performance of children and schools, inadequate opportunities to learn, corruption at various levels, and persistent inequities all point to low or inefficient use of resources.

This section of the report discusses the sources, levels, and patterns of financial resources across different countries; reviews human resource needs (particularly as relates to teachers); and discusses resource management.

**WHAT RESOURCES ARE NEEDED TO CLOSE THE GAPS?**

The ability to raise resources and use them efficiently and equitably determines, to a significant extent, how successful countries will be in their quest to reach education goals.

**RESOURCE # 1: FINANCIAL RESOURCES**

Financing for education in developing countries comes from three principal sources—national governments, households, and external donor assistance agencies. In some countries, corporations and religious organizations contribute to education, but these usually account for only a small portion of total spending. An analysis of education funding flows suggests that in many (but not all) countries, governments and households already make large contributions to primary and secondary education. It may be difficult for them to provide the additional resources needed to fill remaining finance gaps, and international donors only fill a part of the need.

**Government Spending on Education**

A common measure of a government’s commitment to education is public expenditure on education as a percentage of GDP.

Figure 9 shows differences in education spending across a group of low and middle income countries with comparable data—from a low of 1% of GDP in Indonesia to a high of 15% in the Marshall Islands. The latter is an extreme case. Most countries spend between 4% and 6% of GDP on education. A few countries, such as The Gambia, United Arab Emirates, Indonesia, and Niger, spend a relatively low percentage of their GDP on education.
FIGURE 9.
Total education expenditure as percentage of GDP.
A commitment of public resources alone does not signal success or failure: witness Indonesia, the country with the fastest education growth rates, with what appears to be one of the lowest public spending profiles. The data do not tell us whether Indonesia was able to achieve this because of very efficient resource use and a rapidly expanding economy or rather that the 1% is misleading because other, unmeasured resources are being used.

In addition to making resources available to education, governments make choices about how they distribute education funds among the different levels. Table 1 shows that the mid-point for financial allocations to the primary level for all countries is 35% of the total education budget. However, countries in sub-Saharan Africa spend on average a higher proportion on the primary level (mid-point is 45%), whereas countries in Eastern Europe and Central Asia spend less (mid-point is 19%). The latter are countries that are near or at universal primary education and no longer need to expand their primary system. Furthermore, population growth in those countries is slow and does not put additional pressures on the primary level.

Government spending on different levels of education involves tradeoffs. Figure 10 shows the relationship between enrollment shares and spending shares for various countries. For both primary and secondary education, there is a positive relationship between the enrollment shares and spending shares. Countries with their largest enrollments in primary or secondary education tend to spend more on those levels. In contrast, there is no relationship between enrollment share and spending on tertiary education. Many countries spend more on tertiary education than warranted given its enrollment share (as suggested by the rather consistent portion going to tertiary in Table 1). This may be due to the higher relative costs of tertiary education or the higher priority assigned to tertiary education.

### Table 1

Median allocation (%) of education expenditure to the various levels, by geographic region.

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<thead>
<tr>
<th>Region</th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia &amp; Pacific</td>
<td>39</td>
<td>33</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Arab States</td>
<td>39</td>
<td>42</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Eastern Europe &amp; Central Asia</td>
<td>19</td>
<td>45</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>36</td>
<td>29</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>45</td>
<td>27</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>All Countries</td>
<td>35</td>
<td>34</td>
<td>16</td>
<td>12</td>
</tr>
</tbody>
</table>

17 Note that the number of years in at each level differs among countries.
FIGURE 10a. Relationship between primary enrollment and spending.

Source: Ed Stats
FIGURE 10b. Relationship between secondary enrollment and spending.

Source: Ed Stats

FIGURE 10c. Relationship between tertiary enrollment and spending.

Source: Ed Stats
Household Expenditure on Education

The second major source of funding for education is from households. Households in many countries contribute significantly to their children’s education. Even where school fees have been abolished in primary schools, families are usually required to pay for uniforms, books, and other supplies; supplementary tutoring; examination fees; and transportation.

In general, it is difficult to quantify the exact amounts of household spending on education, but a few household surveys provide information. Table 2 shows average annual household expenditure on primary and secondary education for five African countries for which there are recent household surveys. Households contribute much more for secondary education than for primary. As a percentage of per capita GDP, household spending per child in primary school ranges from 2% in Malawi to 14% in Sierra Leone and Nigeria. For secondary school, the range is from 27% of GDP per capita in Malawi to 83% in Uganda.

Enrollment in private schools is another proxy for household spending on education. Whereas some governments subsidize private schooling, in many developing countries households bear the cost of private education. Figure 11 shows the private share of enrollments by region. There are some obvious differences—in Eastern Europe and Central Asia, the share of private enrollment is negligible in primary and secondary education, whereas Asia and Latin America have relied on private schools to expand their education system. Also, with the exception of Arab States, the private share of enrollment in secondary education is much higher than in primary education.

International Donor Spending on Education

Many low- and middle-income countries receive support for education from international sources. One benefit of external funding is that it can be targeted to areas that receive too little attention and resources from government.18

The OECD Donor Assistance Committee (DAC) database provides information on commitments and disbursements for education by

<table>
<thead>
<tr>
<th>Survey Year</th>
<th>US Dollar</th>
<th>% of per capita GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary</td>
<td>Secondary</td>
</tr>
<tr>
<td>Uganda</td>
<td>2000</td>
<td>$22</td>
</tr>
<tr>
<td>Nigeria</td>
<td>2003</td>
<td>$58</td>
</tr>
<tr>
<td>Malawi</td>
<td>2002</td>
<td>$3</td>
</tr>
<tr>
<td>Zambia</td>
<td>2002</td>
<td>$32</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>2003</td>
<td>$22</td>
</tr>
</tbody>
</table>

18 For example, capital expenditure or support for marginalized children.

TABLE 2.
Source: Sierra Leone Integrated Household Survey (2003). All others, Demographic and Health Surveys for various years.
bilateral and multilateral organizations. The information from the DAC database is more useful as a window into donor priorities than into level of funding for several reasons. First, it relies on voluntary reporting by donor countries and not all countries report in a timely manner. Second, DAC countries contribute either to specific projects or, in a few countries, directly into the general government budget, which makes it difficult to ascertain the exact amounts spent on education. Third, a portion of the funding is provided for technical assistance.

Figure 12 shows the total level of aid commitments from DAC countries by region and by education sector over the years 2000 and 2004. Sub-Saharan Africa received the largest amount of aid commitments, followed by Far East Asia. The distribution of that aid varies by region—in Far East Asia, higher education received the largest commitments, whereas in South and Central Asia, the largest share went to basic education. In all regions, secondary education receives the smallest share of donor commitments, even though that sector is expected to grow rapidly.

**Financial Resource Gap**

Not only are additional financial resources needed to provide good quality primary education to all children by 2015, but even more resources are required for expanding secondary education.

Researchers have estimated the additional resources needed to reach universal primary completion by 2015, ranging from a low of $7 billion a year to a high of $27 billion a year.

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19 Actual disbursements do not always match commitments.


The range is wide and the levels significant. However, compared to the US$ 41 trillion of world income\textsuperscript{22} and the potential economic, social, and political benefits from education, the amounts are small.

With few exceptions, many governments already contribute significant amounts of their GDP to education. Many spend between 40–50% of their education budgets on primary education alone. Government budgets are stretched, and the needs of other sectors, such as health, are also high. As seen earlier, households in poor countries already contribute significantly for education, and most of the children that are out of school are children of the poor who can hardly afford the costs.

Where will the additional resources come from? The answer includes increasing government commitments; expanding the resource envelope through economic growth; reducing inefficiency and waste; private spending and support. Beyond this, countries look to international partnerships and donors. Acknowledging those needs, donors formed the EFA Fast Track Initiative (FTI) in 2001. It is an attempt to enhance both national government commitment and capability and international collaboration and contribution. FTI seeks to increase resources for basic education through greater focus, efficiencies, and financing. Its principal instruments are (1) encouraging developing countries to develop comprehensive national education plans, (2) increasing international donor financial contributions to those plans, and (3) improving the effectiveness of assistance through donor coordination and alignment with national plans and reducing the burdens of donor reporting and procurement requirements.

RESOURCES ARE NEEDED TO CLOSE THE GAPS

RESOURCE # 2: TEACHERS

To achieve universal primary completion by 2015, many countries will need to increase the number of teachers. According to a recent estimate, countries in sub-Saharan Africa would need to increase the number of primary teachers by 68% if all children were to be in primary school in classes with an average size of 40 students. In other areas of the world, there does not necessarily appear to be a shortfall of primary school teachers.

Another problem is that in many countries teachers lack the requisite training and qualifications to be effective in their classrooms. By far the majority of teachers around the world have teaching qualifications, but there are some regions where a sizable minority does not. In Africa, 30% of teachers are uncertified, and in Asian countries (excluding India and China), 18% are uncertified. The countries with the greatest needs in terms of expanding access, improving quality, and increasing financial resources are also the most in need of additional teachers. For these countries, there are no simple answers and the choices to be made are difficult.

Various strategies to address the need for more teachers have been proposed, from hiring “para-teachers” to reducing attrition among current teachers. Each country will have to decide the policies that best suit its situation. Motivating teachers and better management and supervision are also important. But providing more salaries for teachers and administrators costs money. Their salaries comprise the lion’s share of education expenditures.

RESOURCE # 3: MANAGEMENT

Good management is the third resource essential for a well-functioning education system. Only efficient systems can use financial and human resources wisely. Management is always an issue, but it is an even bigger problem when money and highly educated people are scarce.

Strategic planning is needed to design and implement appropriate incentive structures and information and accountability systems. Strategic planning and good management ensure that money and people are efficiently and equitably allocated; that relevant curricula and teaching methods are adopted; that resources flow as intended to the schools and are used effectively; that teachers are present in classrooms and are productively using the time for learning with relevant curricula and effective methods.

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24 According to UIS data from 2002.

Unfortunately, in countries where governments are ineffective or inefficient and there are too few incentives and rewards for excellent managers, planners, and technicians, talent moves to the private sector or abroad. The resulting imbalance between skills in government and in the private sector not only hurts the education system, but ultimately also hurts business and economic growth in these countries.\(^{26}\) Rectifying this imbalance is an area where partnerships can play a vital role.

Where Management of Resources Can be Strengthened

Drop out—Students who enroll in school but drop out before completing the full cycle of primary or secondary education represent a waste of resources and loss of opportunities. Figure 13 represents such inefficiencies. It shows the number of years in primary school that do not contribute to primary graduation due to dropout. To read this figure, if there are zero years “lost” to dropout, all children who enter primary school eventually graduate. The higher the excess years, the more resources are being wasted. Sadly, many of the countries with the highest inefficiencies are also those that have insufficient financial and human resources.\(^{27}\)

Repeating a class is another indication of inefficiency. In most countries, repetition is low, ranging from 0–5%. But in some countries, primary repetition is as high as 30%, as shown in Figure 14. Repetition is inefficient because when a child is in a grade twice (or even three times), two (or three) times as many resources are used and completion of, Grade 6 for example, may take on average seven or eight years. Research by Mingat\(^{28}\) suggests that higher repetition rates are not correlated with more or better learning, perhaps because higher repetition rates are themselves a symptom of poorly functioning and low quality schools. There is also evidence that repetition contributes to increased dropout. If countries were able to reduce the need for repetition, the classroom spaces and teachers’ time could be channeled into higher quality schooling and a vicious cycle changed to a virtuous one.

Lack of opportunity to learn results from various inefficiencies. To learn, children need to spend time on tasks...
FIGURE 13. Years of schooling lost to dropout for each primary graduate.
Source: EPDC using DHS.

Orange area is inefficiency due to high repetition rates.
relevant to learning, either by interacting with others, doing their own work, or observing and listening. A recent study by Abadzi\textsuperscript{29} shows that in many countries the hours spent learning are drastically reduced by school closures, split classes, teacher absenteeism and tardiness, class time not devoted to learning tasks, and lack of material for both teachers and students. The following examples from Abadzi’s report provide a flavor of the problems:

- **School closures**—In Mali, schools are open only 70\% of the school year; in Honduras, schools were open 114 out of the official 200 days.\textsuperscript{30}

- **Split classes** occur in countries where there are very high pupil-teacher ratios. As a solution to an oversized class, a school can split a large class and divide the teacher’s time between the smaller groups. In five African countries where this is practiced, Mali, Guinea, Senegal, Burkina Faso, and Cote d’Ivoire, children in split classes received 32\% less instructional time compared to those in standard classes.\textsuperscript{31}

- **Teacher absenteeism** is worse in remote schools with poor infrastructure and split classes. Many teachers do not want to live in rural areas or live far away and often do not show up for class. In a selection of eight developing countries, Abadzi found teacher absenteeism rates of 11–27\%.\textsuperscript{32}

- **Class time devoted to teaching** can range from 90\% in effective classrooms to 25\% in ineffective ones. Abadzi finds that in effective schools,\textsuperscript{33} an average of 75\% of the time was spent on tasks, compared to only 52\% in ineffective schools.

In these situations, only a fraction of the human and financial resources spent on schools actually goes to teaching students. When the curriculum is also poor or irrelevant, learning materials are absent, and teaching methods ineffective, the limited

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\textsuperscript{29} Abadzi, Efficient Learning for the Poor: Insights From the Frontier of Cognitive Neuroscience.


resources devoted to education are compromised even further.

**Corruption** in education takes two basic forms. The most common form is misappropriation of funds and materials. For example, sometimes only a fraction of the funds, books, and teaching materials makes it to schools. Even more insidious are the relatively small payments demanded of students and parents for better grades, test scores, entry or promotion, diplomas, and tutoring. They are all the more insidious because they deprive students of learning and society of adequately educated school graduates. Nor can the poor afford even small payments, so they are deprived of even a basic level of education.

**Information** is critical to good management and to political and community engagement and support. Some school systems have begun to improve their transparency. For example, Kenya, Uganda, and Zambia have policies that require schools to post information on pupils, resources, and test scores. In addition, in Uganda, information on funds allocated to school districts is published every month in the newspaper. Such information, when it is good quality, helps managers, community leaders, and parents hold schools accountable.
HOW CAN AND SHOULD PUBLIC-PRIVATE PARTNERSHIPS PLAY A ROLE?
Effective education can best be achieved when government collaborates with a range of other actors—private sector, civil society, independent experts, communities, and families. Public-private partnerships entail the pooling of resources, competencies, and capacities from the public and private sectors to achieve outcomes that add value beyond what either party could achieve acting alone. The approach builds on the idea that different sectors in society—public, private, civil society—have different yet potentially complementary core competencies and resources that, if appropriately joined, produce a positive sum to advance public and private goods.34

International agencies, including multilaterals like the World Bank and the United Nations and bilateral agencies such as USAID, are also key players. This report is primarily about partnerships between businesses and governments in education, but similar principles apply to multi-sector partnerships involving a variety of partners.

To date, businesses have devoted considerable resources to training and educating their employees. They have provided scholarships and internship opportunities to potential employees. They have been involved in various philanthropic efforts such as donating teaching and learning materials to schools in areas where they work. And employees have volunteered many hours in schools and tutoring and mentoring programs.

All of these initiatives involve either businesses acting on their own or working in a limited way with local schools. While it is perhaps easier and less costly to support education in this way, a systematic public-private approach builds sustainability along with education opportunities, leading to long-term change.

**WHY CONSIDER PUBLIC-PRIVATE PARTNERSHIPS?**

Clearly, business benefits from a well-educated workforce, political stability, and economic growth—all products of a sound education system. More specifically, partnering with governments enables businesses to influence and direct public resources and policy into economically and socially constructive venues and to leverage government resources, education expertise, and legitimacy. Further, partnerships can provide access to national and community leaders, enhance a corporation’s visibility and reputation, and help deliver on corporate social responsibility commitments.

Governments benefit from public-private partnerships by gaining access to corporate expertise and experience in management, strategic planning, innovative problem solving, labor market expertise, skills development, efficient delivery of goods and services, product development, and logistical support. Table 3 summarizes some potential contributions and benefits from partnerships for the various types of partners.

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34 In this report, the public sector refers to national, regional, and local governments and their institutions. Private sector partners are businesses, corporations, and business associations. Civil society refers to non-governmental organizations, religious institutions, trade unions, school management committees, and other citizen organizations.
### Contributions and Benefits for Partners to a Public-Private Partnership

<table>
<thead>
<tr>
<th>Partners</th>
<th>Government (Public)</th>
<th>Business (Private sector)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government institutions at the national, regional, &amp; local level; national and regional education bodies</td>
<td>Businesses, corporations, business associations, other business entities</td>
</tr>
<tr>
<td>Contributions</td>
<td>▶ Legitimacy</td>
<td>▶ Expertise in management &amp; administration</td>
</tr>
<tr>
<td></td>
<td>▶ Expertise managing an education system</td>
<td>▶ Technological know how</td>
</tr>
<tr>
<td></td>
<td>▶ Public resources</td>
<td>▶ Link from schools to jobs</td>
</tr>
<tr>
<td></td>
<td>▶ Setting policies &amp; rules</td>
<td>▶ Material &amp; financial resources</td>
</tr>
<tr>
<td>Benefits</td>
<td>▶ Better management &amp; administration</td>
<td>▶ Influence on public resources &amp; policy</td>
</tr>
<tr>
<td></td>
<td>▶ Material &amp; technical resources</td>
<td>▶ Access to national &amp; community leaders</td>
</tr>
<tr>
<td></td>
<td>▶ Expertise &amp; talent</td>
<td>▶ Better skilled workforce</td>
</tr>
<tr>
<td></td>
<td>▶ Increased operating effectiveness</td>
<td>▶ Leverage government resources, education expertise &amp; legitimacy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▶ Enhanced visibility &amp; reputation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▶ Delivery on Corporate Social Responsibility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▶ Improved employee relations</td>
</tr>
</tbody>
</table>

#### Other Partners

<table>
<thead>
<tr>
<th>Civil society</th>
<th>International donors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners</td>
<td>Parents, NGOs, trade unions, school management &amp; parent committees, other citizen organizations</td>
</tr>
<tr>
<td>Contributions</td>
<td>▶ Credibility</td>
</tr>
<tr>
<td></td>
<td>▶ Understanding of the local community</td>
</tr>
<tr>
<td></td>
<td>▶ Vested interest &amp; commitment</td>
</tr>
<tr>
<td></td>
<td>▶ Ability to engage &amp; mobilize communities</td>
</tr>
<tr>
<td>Benefits</td>
<td>▶ Better education system for constituents</td>
</tr>
<tr>
<td></td>
<td>▶ Leverage of public &amp; private resources</td>
</tr>
<tr>
<td></td>
<td>▶ Access to corporate best practices &amp; expertise</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

35 Parts of this table are based on Tim Unwin Partnerships in Development Practice: Evidence From Multi-Stakeholder ICT4D Partnership Practice in Africa (Paris: UNESCO, 2005).
GUIDELINES FOR BUILDING EFFECTIVE PARTNERSHIPS

Success factors for effective partnerships are increasingly well documented. These factors, itemized in the accompanying box, identify three essential elements—vision, intimacy, and impact. Vision describes the objectives, processes, and structure of the partnership. Intimacy refers to the level of integration of the partners. Impact looks at the capacity to deliver results. One of the most important factors is working within existing national and international frameworks. In addition to encouraging local ownership of the program, it ensures the partnership’s objectives mirror the country’s priorities and that it is more likely to produce sustainable results.

Attention to all these factors is critical because public-private partnerships are complex and often take time to mature. Realizing their many benefits requires careful planning, partners must assess the relative merits of joint versus individual action and any inherent risks. To be worth the investment, a partnership must be more than the sum of its parts.

HOW CAN AND SHOULD PUBLIC-PRIVATE PARTNERSHIPS PLAY A ROLE?

<table>
<thead>
<tr>
<th>VISION</th>
<th>INTIMACY</th>
<th>IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Find the right mix of partners, acknowledge different competencies, and clarify the contribution of each partner.</td>
<td>▶ Build trust and open communication between different partners.</td>
<td>▶ Respond to local needs and opportunities and work within established national or local development frameworks.</td>
</tr>
<tr>
<td>▶ Agree on goals and objectives of the collaboration; separate as well as shared objectives are acceptable as long as transparency is respected.</td>
<td>▶ Identify well-connected individuals in each institution who will serve as champions of the partnership in order to ensure sustainability.</td>
<td>▶ Avoid placing undue burden on intended recipients.</td>
</tr>
<tr>
<td>▶ Agree on clear targets, structure of partnership, and roles and responsibilities.</td>
<td>▶ Be transparent about objectives, benefits, and risks.</td>
<td>▶ Be flexible and adjust or improvise as necessary.</td>
</tr>
<tr>
<td>▶ Put the success of the partnership above individual needs.</td>
<td>▶ Represet and include all stakeholders in planning and lifecycle of partnerships.</td>
<td>▶ Conduct consistent long-term monitoring and evaluation of the partnership process and outcomes.</td>
</tr>
<tr>
<td></td>
<td>▶ Encourage mutual accountability.</td>
<td>▶ Use well-defined metrics to monitor progress and performance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▶ Use well-defined measures and standards of mutual accountability.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▶ Use common procedures and encourage shared analysis when there are multiple partnerships in existence.</td>
</tr>
</tbody>
</table>


There are always situational risks over which parties will have no control, including unstable political and governance climates and corruption. However, thoughtful construction of the partnership can mitigate these risks.

EVALUATING THE SUCCESS OF PUBLIC-PRIVATE PARTNERSHIPS IN EDUCATION

Tracking performance is common practice in business and in development programs. Those responsible need to know if management is effective and if changes need to be made mid-course. There are two core assessments. One is of the partnership itself—is it functioning as designed? The other is of the results—are the anticipated results being achieved?

Ideally, partners will include a monitoring and evaluation plan in the design of the partnership, with all participating in the selection of indicators to manage performance. This plan should be a living strategy, including regular feedback and adjustments according to program and partnership needs.

The Partnership: Is It on Track?

Criteria for evaluating the partnership itself should be driven by the principles guiding its design—joint ownership, transparency, joint responsibility, and open communication. For the monitoring and evaluation process to be useful, partners must be willing to make changes based on feedback.

Measuring attributes such as trust, accountability, and open communication are not always easy, but with some creativity, partners can develop a list of mutually agreeable indicators. For example, indicators could be chosen that monitor how well the communication objectives are being met and whether partners are transparent in their dealings with one another.

Education Program: Is It Achieving Results?

Education systems around the world have increasingly adopted common indicators to measure progress on access, completion, and, to a lesser extent, quality. A set of specific indicators has been selected to measure progress on the Education For All goals. Public-private partnerships in education should use these indicators as well. This is in line with one of the key factors of success—working within national frameworks—and lessens the data collection burden for all. The Bill and Melinda Gates Foundation, for example, finds it useful to use commonly accepted metrics to monitor performance in education and health.


39 Data and presentational and analytic tools for tracking indicators and monitoring strategies and programs for education can be found on the websites of the Education Policy and Data Center, the Global Monitoring Report, the UNESCO Institute for Statistics, and the World Bank EdStats.
HOW CAN AND SHOULD PUBLIC-PRIVATE PARTNERSHIPS PLAY A ROLE?

FIGURE 15.
Log frame for evaluating the impact of education partnerships adapted from framework developed by the Dutch Ministry of Foreign Affairs. Indicators with an asterisk are also EFA monitoring measures.
One of several analytical tools, the log frame (logical framework), is commonly used by international organizations. It provides a simple way to tie goals and objectives to inputs, processes, and outputs.\(^{40}\) Figure 15 presents a sample. At the top is the policy, or partnership level, that makes over-arching decisions and policies and designs and initiates programs. These are translated into inputs into the school system—be it adding schools, improving existing ones, providing teaching materials, or training teachers. The schools and the inputs detailed in the boxes influence school quality (which is difficult to measure). This, in turn, translates into school outcomes—access (school entry and retention combined) and learning achievement. These are measured by the indicators in the boxes. These are standard, common indicators that are regularly collected, even at the school or district level, in most countries. An interesting feature of this particular log framework is the inclusion at the bottom of household and community characteristics as factors that affect education outcomes. This opens the door for partnerships that have an impact on education via health, employment, poverty reduction, or otherwise.

These and other methodologies are useful tools. However, given cultural and operational differences in each setting and the increased emphasis on 21st century skills, partners should modify and improve any tools to fit their needs.

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**PARTNERING WITHIN NATIONAL AND INTERNATIONAL FRAMEWORKS**

Before embarking on a public-private partnership in education, business partners should be aware of a number of key initiatives that are important to the way education policy and programming is shaped today in developing countries. Below are some of the existing national and global frameworks within which partnerships may operate. They include the Education for All Fast-Track Initiative, New Partnership for Africa’s Development, Poverty Reduction Strategies, Education Sector Plans, Global Compact, and the Paris Declaration.

**Education for All Fast Track Initiative**

The Education for All Fast Track Initiative is a global initiative to support basic education. Launched in 2002 by donor governments under the organizational leadership of the World Bank, it was a direct response to the pledges made at Dakar in 2000\(^{41}\) and at Monterrey in 2002,\(^{42}\) which said, among other things, that the international community would provide the necessary resources to countries committed to achieving the EFA and MDG goals. Key elements of FTI are (1) eligibility requires a country commitment and plan to implement a national education

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\(^{40}\) [http://www2.fhs.usyd.edu.au/arow/o/m05/pp25.htm](http://www2.fhs.usyd.edu.au/arow/o/m05/pp25.htm).

\(^{41}\) The World Education Forum met in Dakar 2002.

\(^{42}\) United Nations International Conference on Financing for Development held March 2002 in Monterrey.
strategy and (2) donors agree to coordinate and harmonize their efforts behind that strategy and help the country meet the required resource needs.\(^43\) Businesses have not formally joined any related partnerships yet, but have had representatives at associated education meetings and their active participation is being sought and encouraged.

**New Partnership for Africa’s Development (NEPAD)**

Developing countries are sending strong signals that greater involvement from the private sector would be welcome. For instance, the New Partnership for Africa’s Development (NEPAD) states that African governments wish to “develop and sustain equitable partnerships between government, civil society, international organizations and businesses for development.”\(^44\) Specifically, NEPAD invites businesses to:

- Commit to equal opportunity of employment, encouraging participation of women and under-represented ethnic groups
- Develop and apply relevant expertise to build capacity among other partners (including government and civil society), deliver services to achieve the MDGs, and proactively seek partnerships

**Poverty Reduction Strategies (PRS) and Education Sector Plans**

Education sector strategies, especially in countries classified as highly indebted, often lie within the national Poverty Reduction Strategy (PRS). This approach involves government engaging civil society in a broad consultative process leading to a nationally owned poverty reduction strategy, which then forms the basis for debt relief and other financing from international institutions. The strategy papers are supposed to be results-oriented, country-driven, and focused on reducing poverty—thereby allowing donors to align their assistance with country priorities. Although the process has been fraught with difficulties, many developing countries now have PRS papers. In addition, some countries also have education sector plans, which expand on the education strategies within the PRS.

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Working within an overall poverty reduction strategy offers the opportunity to expand the partnership’s impact beyond education and to connect it more directly to economic growth and poverty reduction. In fact, it may be that in some instances a public-private partnership can best contribute to education through relationships with government ministries and agencies in other sectors—labor, health, technology, sports, youth. For example, education for marginalized groups could be promoted through partnerships of a broader nature with government agencies concerned with disabled children, HIV/AIDS orphans, girls facing early marriage, or child laborers. Or partners might work with a health program to improve health and nutrition of poor school pupils, or build capacity for information and communications technology to fit with a country’s economic and technology plans.

Global Compact

The Global Compact was launched in 2000 by UN Secretary-General Kofi Annan as a challenge to business to join with United Nations agencies, labor, and civil society in support of universal environmental and social principles. The Compact asks companies to support and enact 10 universal principles in the areas of human rights, labor, environment, and anti-corruption. Over 2,500 companies in 90 countries have signed the Compact.

The Paris Declaration

The Paris Declaration on aid effectiveness is an agreement signed by government agencies and international organizations in 2005 that sets out general principles to improve the quality of aid. The guiding principles are: local ownership, alignment, harmonization, result-based management, and mutual accountability:

- **Local ownership** | Partnerships must strengthen countries’ national development strategies and associated operational frameworks, rather than work outside them.

- **Alignment with country systems** | Partnerships should align with partner country priorities, systems, and procedures and help to strengthen their capacities. This assumes that the country has reliable systems that adhere broadly to good practices or have a reform program to achieve them. The partnership should strengthen capacity and in particular avoid duplicating efforts. Where possible, it should use country public financial management and procurement systems.

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45 Gearing Up—from corporate responsibility to good governance and scalable solutions, for the UN/Private Sector Global Compact, at www.unglobalcompact.org

- **Harmonization of partnerships** | Partnerships should use common arrangements and procedures and encourage shared analysis, rather than competition. This means eliminating duplication of efforts and rationalizing donor activities. It means reforming and simplifying policies and procedures to encourage collaborative behavior.

- **Management for results** | Like companies that manage in order to achieve measurable results such as market share, profits, and growth, partnerships should manage for results, albeit different ones. These might include the share of children finishing primary school, graduation from high school with high learning scores, percentage of marginalized tribal children receiving meals each day in school, or books distributed. The results should also be aligned with the country’s own frameworks to assess progress against national development strategies and education programs.

- **Mutual accountability** | This implies defining standards of performance as well as accountability of partner country systems in public financial management, procurement, fiduciary safeguards, and environmental assessments. Partners should assess progress together.
PUTTING IT ALL TOGETHER: OPPORTUNITIES FOR PARTNERSHIPS IN EDUCATION
How can public-private partnerships play a role in closing the gaps in providing primary and secondary students with access to relevant and quality education opportunities that prepare them for the challenges of the 21st century?

Across the gaps—entry, retention, learning, inequity, and resources—business brings a range of skills and experiences that can help improve educational opportunities for children. Among relevant business skills and best practices are managing people and resources, conducting strategic planning, performing needs assessments, resource allocation, market analysis, using incentives to accomplish specific objectives, anticipating demand, and innovating to create new opportunities.

The entry gap is a matter of both supply and demand. On the supply side, in some countries there simply are not enough schools nor enough spaces in existing schools. At the national and regional level, business might contribute to determining how and where to place more and better schools closer to students and partner with governments and communities to provide the schools. On the demand side, there are many barriers to education, including the direct costs of school fees, transportation, and uniforms, and the indirect opportunity costs of time spent in school. Some families might not have adequate information on the benefits and value of education. Business can educate the public, advocate for improved policies and programs, and engage local communities.

Retention, like access, has a demand and a supply dimension. For many countries retaining children to complete primary and secondary school is a huge challenge. Business can analyze the market to bring greater clarity to the source of the problem. It can suggest incentives or other creative solutions. Business can help design curriculum that provides skills needed to find employment. Similarly, mentoring programs, internships, and work/study programs can help provide students the wherewithal and incentives to complete their education and find future employment. Such programs also allow business to invest in a future labor force.
Almost universally learning needs improvement. Teachers need to be trained, children need books, learning materials are scarce, and curriculum are bloated with too many subjects. Business can contribute to teacher training and the development of curriculum that is relevant. It also can directly support the provision of books, curriculum manuals for teachers, and other learning materials.

Inequities too often are the norm rather than the exception in education systems. Normally children not in school or who drop out are from well-defined marginalized groups. This reality calls for the development of programs and activities that specifically target these groups—most commonly, children from poor families and living in neglected and rural regions within countries, and especially girls. Business experience with social marketing campaigns can help address inequities both through government policy and public understanding. Business can work with community leaders to find ways to bring marginalized children into the education system and can target support programs to those children through well defined media messages. There are various ways in which business can help close the resource gaps. To reduce the finance gap, business can use its marketing ability and its access to policy makers to advocate for increased education resources. It can make financial contributions, particularly at the community level. For teachers, business can use its expertise at human resource management to work with school systems on managing teachers and staff. Business can work directly with schools, providing volunteer assistance that also will bolster employee morale and pride. To the management gap business can contribute to understanding and applying incentives to produce a desired outcome and to responding to the demands of markets and institutions. Business brings experience with change management, performance management, and knowledge on how to develop and direct competencies.

What is clear from decades of experience in developed and developing countries is that successful education systems will not be designed or operated by any sector alone. Improved education and learning will be achieved only by combining resources and skills.
Reference List


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