

Education by 2020

A Sector Operations Plan



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ADB

Education by 2020

A Sector Operations Plan

Asian Development Bank

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Contents

List of Tables and Boxes	iv
Abbreviations	v
Executive Summary	vi
Introduction	1
The Education Needs of a Dynamic Region	2
Development Needs at Different Levels of Education	2
Sector-wide Challenges	4
What ADB Has Learned from Its Support to the Education Sector	9
Volume of ADB Assistance to Education	9
Experience in Implementing ADB's Education Policy	9
Aligning and Scaling Up ADB Support to Education	12
ADB Support Across All Levels of Education	12
Strengthening Education Focus in Country Programming	16
Investing at ADB in Human Resources for Education	17
Strengthening Knowledge Sharing and Leveraging External Partnerships	18
Conclusions	19
Appendixes	
1 Trends of Loan and Grant Assistance in the Education Sector in the Past Decade, Programmed Education Loans and Grants in the Work Program and Budget Framework 2010–2012	21
2 Projected OCR and ADF Financing in the Education Sector in the Work Program and Budget Framework 2010–2012	22
3 Design and Monitoring Framework	23

List of Tables and Boxes

Tables

1	ADB Education Sector Operational Scope	14
2	PPPs in Education—Examples of Types and Operational Areas	15

Boxes

1	Variance in Education for All (EFA) Attainment	3
2	Responding to Exclusion	6
3	Benefits of Embedding ICT in Education	7
4	Continuing Relevance of the Education Sector Policy	10

Abbreviations

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AUN	–	Association of Southeast Asian Nations University Network
CoP	–	community of practice
DMC	–	developing member country
EDI	–	Education for All Development Index
EFA	–	Education for All
ESD	–	Education for Sustainable Development
ICT	–	information and communication technology
MDG	–	Millennium Development Goal
OCR	–	ordinary capital resources
PPP	–	public–private partnership
PSOD	–	Private Sector Operations Department
RSDD	–	Regional and Sustainable Development Department
SEAMEO	–	Southeast Asian Ministers of Education Organization
SPD	–	Strategy and Policy Department
TVET	–	technical and vocational education and training
UNESCO	–	United Nations Educational, Scientific and Cultural Organization
WPBF	–	Work Program and Budget Framework

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Executive Summary

Good quality, inclusive education is essential to building human capital and a well-skilled labor force to underpin a modern, competitive economy. For this reason, the Asian Development Bank (ADB) has identified education as a core area of operations. This Education Sector Operations Plan (the Plan) identifies key challenges confronting the developing countries of Asia and the Pacific, and presents ADB's response to assisting countries in meeting those challenges.

In line with its long-term strategic framework, Strategy 2020, ADB will do the following:

- **Increase and continue to align its support in the education sector to meet the changing needs and priorities of its developing member countries (DMCs).** ADB will scale up its programming of loans, grants, and technical assistance, and strengthen economic and sector work.
- **Emphasize strengthening quality, inclusiveness, and relevant skills at all levels of education.** ADB will assist countries to move beyond a narrow focus on school enrollment at the basic level of education, boosting quality and moving toward universal secondary education. ADB will also support broad policy reforms and capacity development, as well as the strengthening of social protection measures that help girls and disadvantaged students to attend school. Support to postsecondary education will help DMCs diversify and expand higher education, and ensure that technical and vocational education and training contribute to filling labor market gaps and meeting the needs of informal sector workers.
- **Adjust subsector priorities while recognizing major differences in education needs across countries.** ADB will support comprehensive educational programs to improve basic and secondary education to meet international development targets. Decentralized approaches and partnerships with local communities will receive increasing support. In response to growing demand from students completing secondary education, and to labor market requirements, a larger share of ADB's education sector portfolio will be dedicated to postsecondary education.
- **Utilize new and innovative models of service delivery and financing.** ADB will use public–private partnerships as a way to improve the quality and cost efficiency of education. It will also help DMCs rationalize education planning and financing. ADB will design projects to be attractive for private investment while meeting the objectives of governments and other stakeholders. Further, ADB will support DMC efforts to increase the use of information and communication technology in education service delivery.
- **Promote regional cooperation and cross-border collaboration.** ADB will facilitate labor mobility by supporting cooperation initiatives for the harmonization of education and skills qualifications. Supporting regional cooperation is a unique institutional strength of ADB as a regional development bank.

In pursuing the above-mentioned priorities, ADB will do the following:

- **Strengthen knowledge sharing in the education sector.** ADB will expand its analytical and sector work as a contribution to deliberations on education in the region. Diagnostic studies, in-depth research, and other knowledge products will be prepared to help DMCs formulate education policies.

- **Build up partnerships.** ADB will cultivate external partnerships with other development agencies, education institutions, and private sector actors in order to create synergies and comparative advantages. Substantive partnerships will support policy reforms and long-term development in the education sector.
- **Concentrate on achieving measureable results.** ADB will improve measurement and monitoring, including the monitoring of equity and quality indicators at the disaggregated country level. Attention will be given to achieving employment and labor market results.

In sum, ADB assistance to education will contribute to meeting the broad challenges of *innovation*, *inclusiveness*, and *integration* in the region. ADB assistance in the sector will strengthen the human capital base in DMCs, thereby contributing to inclusive growth.

To implement this Plan, ADB will ensure that its country program strategies provide more emphasis on and resources for supporting education. The Work Program and Budget Framework (2010–2012) covering the first 3 years of this Plan's duration envisions that **education sector assistance will rise to \$1.5 billion, or about 4% of total ADB programming for loans and grants. From 2012, ADB will build on this base and substantially increase lending in the sector.** ADB will also pursue cofinancing arrangements with other development agencies and the private sector.

In planning education sector operations, ADB will build on its institutional strength and further develop its corporate capacity as a catalyst for financing education sector development in developing Asia. ADB will require additional staff resources and a different staff skills mix to develop and manage this enlarged portfolio. Stepped up recruitment of education specialists and carefully crafted staff learning programs will contribute to meeting this resource requirement.

The Plan includes a design and monitoring framework that will enable assessment of implementation progress and results. The framework will enable ADB to make adjustments over the coming decade in response to changing circumstances in DMCs.

Introduction

The Asian Development Bank (ADB) recognizes education as a core area of operations under Strategy 2020.¹ This Education Sector Operations Plan (the Plan) provides operational guidance and direction on how ADB will help its developing member countries (DMCs) to improve educational outcomes.

DMCs will increase their chances to generate and sustain inclusive growth if they pursue innovation, inclusiveness, and integration in the education sector. Greater investment and targeted reforms in education will not only yield more productive economies, but will also help to meet other crucial development goals. Stronger ADB support to this sector will promote human development in the Asia and Pacific region. The Commission on Growth and Development, which brings together 22 leading practitioners from government, business and the policy-making arena, mostly from the developing world, notes that “Increasingly, growth must spring from knowledge, innovation and a deeper stock of physical and human capital.”²

In boosting its assistance to the education sector, ADB will draw upon its extensive experience in raising the quality of education at all levels, and on analysis of both past operations and the region’s evolving needs.³

The Plan comprises five sections. Following this introduction, the second section identifies the region’s major education needs in the second decade of this millennium. The third section addresses ADB’s Education Sector Policy and distills lessons from ADB’s education operations to date. The fourth section provides ADB’s response to the challenges described in the second section. The concluding section describes what actions ADB will take to support DMCs in the education sector, and provides a results framework for monitoring and assessing implementation progress.

¹ ADB. 2008. *Strategy 2020*. Manila. Chapter 4, page 20.

² Commission on Growth and Development. 2010. *Post-Crisis Growth in Developing Countries: A Special Report of the Commission on Growth and Development on the Implications of the 2008 Financial Crisis*. World Bank. Washington, DC.

³ ADB. 2008. *Education and Skills: Strategies for Accelerated Development in Asia and the Pacific*. Manila. ADB; and ADB. 2008. *Sector Synthesis of Evaluation Findings: Education Sector*. Manila.

The Education Needs of a Dynamic Region

The great gains that have been achieved by enrolling millions of children in schools will be substantially diminished without serious efforts to improve the quality of schooling and to secure a full cycle of education

DMCs are situated at varying stages of development, and thus will have to take differing approaches to achieving balance across education subsectors, including basic education, secondary education, technical and vocational education and training (TVET), and higher education. At the same time, several policy concerns are common to all DMCs in further improving the delivery of education services.

This section highlights major education challenges and trends in developing Asia and the Pacific. Recognizing the evolving state of education in the region is vital for ADB to properly align its education operations to DMC needs.

Development Needs at Different Levels of Education

Looking Beyond Enrollment Rates in Basic and Secondary Education

Primary education enrollment averages around 90% in the region. However, this high rate masks serious deficiencies in student retention, quality of education, and knowledge gained. Dropout rates in primary education are a source of concern, and the standardized approach to school expansion pursued by many DMCs has marginalized disadvantaged groups. Persistent weaknesses in basic education have slowed progression to higher levels of education. The great gains that have been achieved by enrolling millions of children in schools will be substantially diminished without serious efforts to improve the quality of schooling and to secure a full cycle of education. The region's education systems have left far too many children with inadequate learning competencies.

The Education for All Development Index (EDI) provides a measure of how countries are progressing toward Education for All (EFA) targets. Several countries in the region score low on the EDI due to multiple deficiencies in their education systems (Box 1). DMCs must make concerted efforts to address these deficiencies due to the interrelated nature of EFA targets.

DMCs will also need to expand universal education beyond the basic education level to secondary education, where enrollment rates are far lower. While school construction will still be required, particularly in areas of rapid population growth, other steps will also be necessary. These include comprehensive policy, financing, and structural reforms; and efforts to improve teacher training, curricula, and education service delivery. In addition, stepped up collaboration with local communities can also play an important role in strengthening both basic and secondary education.

Box 1 Variance in Education for All (EFA) Attainment

The EFA Development Index (EDI) measures progress in enrollment and other key EFA targets. The higher the EDI value, the closer the country is to achieving Education for All. Values range from higher scores (mainly in Central Asia) to medium scores (mainly in Southeast and East Asian DMCs) to low scores (mainly in West and South Asian DMCs). EDI is expressed as a ratio from 0 to 1.

High EDI	Medium EDI	Low EDI
Kazakhstan (0.992)	Armenia (0.949)	India (0.797)
Georgia (0.976)	Indonesia (0.935)	Bangladesh (0.759)
Kyrgyz Republic (0.974)	Mongolia (0.929)	Lao PDR (0.750)
Tajikistan (0.970)	Tonga (0.926)	Nepal (0.734)
Fiji Islands (0.966)	Maldives (0.910)	Pakistan (0.640)
Azerbaijan (0.950)	Viet Nam (0.899)	
	Philippines (0.893)	
	Cambodia (0.807)	

Note: EDI consists of (i) primary education net enrollment ratio, (ii) adult literacy rate, (iii) gender-specific EFA index, and (iv) survival rate to Grade 5.

Source: UNESCO Institute for Statistics – UNESCO estimates, in: ADB. 2008. *Education and Skills. Strategies for Accelerated Development in Asia and the Pacific*. Manila.

Developing Skills and Promoting Innovation in Postsecondary Education

Rising enrollment rates in basic and secondary education are increasing pressure to expand postsecondary education. The demand for postsecondary education is also fueled by the skills requirements of growing labor markets. This is particularly true in South and Southeast Asia, where unemployment rates, especially for young workers, are high.

To maximize the benefits of their human capital, DMCs need to provide equitable access to education, and to improve both the quality of education and the labor-market relevance of the skills being taught. Reforms will also need to address the cost-efficiency of postsecondary education while meeting the demand for quantitative expansion of education, including the upgrading of physical infrastructure and facilities.

Technical and Vocational Education and Training. Developing Asia and the Pacific provides a rich array of TVET experiences, but too often these have recorded only modest results. Indeed, on the whole, DMC training and skills development systems are ill equipped to produce graduates with competencies that are aligned to the needs of the labor market. Still, there is much to be learned from past and current TVET programs as countries work to make improvements in this important subsector.

Higher education is experiencing both the “push” of large numbers of secondary education graduates, and the “pull” of labor markets demanding more workers with particular skills

Among the required changes are strengthening TVET’s links to industry and workplace training, and basing TVET on standards that are set or validated by industry. Learner placement, internships, and on-the-job training programs should become regular features of TVET delivery. It will also be important to coordinate TVET development with government departments responsible for trade and industry, workplace relations, and science and technology, so that skills being taught are in line with the government’s economic and labor policy directions.

In many DMCs, governments serve as both TVET policy maker and TVET trainer. Yet, governments mostly do not have sufficient financing and coordination capacity to implement both roles effectively. Many TVET programs lack flexibility and have stagnated, leading to a situation where their graduates often lack the right skills mix to succeed in the labor market.

As a part of the broader strategy of promoting inclusive growth, governments need to address equity considerations in TVET. More attention should therefore be given to skills development for women so that families can increase their incomes. The large informal labor market also demands attention, particularly in South and Southeast Asia. DMCs must be more proactive in developing partnerships with communities, industry, and the private sector to improve the relevance and cost efficiency of skills training programs for women and youth.

Higher Education. Higher education contributes significantly to the technological capacity and overall competitiveness of DMCs. While it used to be the case that only the privileged classes could avail of a college education, access to postsecondary studies is slowly improving. An ADB study indicates that the demand for higher education is expected to double in 5 years and to triple in 10 years in many countries. DMC governments realize that their economies cannot compete in a globalized world without a growing cadre of people with advanced degrees.

The region’s fast-growing economies are exerting pressure on higher education. Higher education is experiencing both the “push” of large numbers of secondary education graduates, and the “pull” of labor markets demanding more workers with particular skills. Governments need to increase the quality and supply of higher education, improve their capacity to implement policy in the subsector, and create a supportive regulatory environment for providers of higher education.

There is an increasing trend for DMCs to establish “centers of excellence” in higher education. Yet governments need to review the demand for (and cost efficiency of) such centers, which may exacerbate inequalities in postsecondary education. Improving second- and third-tier higher education institutions, including community colleges, can make a more effective contribution to developing knowledge and skills that match labor market requirements.

As these developments appear more frequently on the higher education landscape across the region, it will be important to ensure that access to higher education becomes more inclusive so that no sector of society is neglected in the development of human capital.

Sector-wide Challenges

This subsection addresses sector-wide policy and institutional issues that are relevant for much of the Asia and the Pacific region.

Education Sector Policy, Management, and System Efficiency

DMCs need to implement reforms to strengthen governance in an expanding and diversifying education sector. Reforms should focus on education planning, management, and system

efficiency. DMCs will need to pay more attention to improving synergies between education subsectors—for example, instituting sector-wide policies, harmonizing curricula, ensuring equal access to training programs, and providing flexible pathways for graduates of lower levels to continue their studies at higher levels.

In many countries, subnational levels of government play an important role in education. DMCs should increasingly pursue decentralized approaches to education management, resource allocation, and service delivery. Decentralized approaches are more likely than centralized approaches to yield greater inclusiveness and improved education outcomes.

DMCs need to actively reinforce the role of education in responding to broader sustainable development challenges arising from globalization. Education can contribute to knowledge sharing and to research and development that supports more sustainable societies. Stepped up cooperation among countries will be required to effectively address these issues.

Sustainable Financing of Education

Sustained investments in education are important for the productivity and resilience of economies. Yet DMC financing systems are, on the whole, inadequate, inefficient, and inequitable. Without reforms, these traits will become reinforced. Funding for education is provided not only by the state, but also by households and the private sector. The contribution of different actors is dependent on the country's sector policies.

A large share of DMC public sector budgets for basic and secondary education goes toward teacher salaries, with insufficient public sector funds remaining for inputs such as textbooks, teacher training, and developing school management that would improve the quality of education. The cost per student of postsecondary education far exceeds costs in basic and secondary education.

Higher education faces resource constraints and competing priorities in DMCs. Large shifts of public financing to higher education may derail adequate financing to basic and secondary education. It is thus critical that DMCs explore cost-sharing arrangements and partnerships with the private sector to cover the large costs of expanding higher education. Students and their families are often able to contribute to the costs of quality higher education, and this should be considered in developing new approaches to financing. Several DMC governments are giving greater autonomy to public higher education institutions. Such autonomy often includes greater responsibility for raising funds, thereby reducing dependence on state financing. Educational institutions will require capacity development to help them maximize the opportunities presented by greater freedom to manage their financial affairs.

In the case of TVET, public financing can cover only part of the costs. A sustainable solution involves shifting the role of skills training away from government to the private sector while strengthening the public sector role in regulating TVET.

Reform of postsecondary financing can further augment demand for education services, support long-term human capital investment, promote lifetime learning, improve individual incomes, and ultimately strengthen the economic potential and competitiveness of DMCs.

Promoting Equity in Education

In shaping new financing strategies for education, DMCs need to give attention to equity and inclusiveness. Unequal access to education in the region remains pronounced, beginning at the

As boundaries become more porous and permeable, there is a growing view that regional and cross-border collaboration can offer mutually beneficial advantages on multiple levels

Box 2 Responding to Exclusion

Girls and women are at a disadvantage in education in most DMCs, as are children and youth who

- are from poor families or from families that are at risk of sliding back into poverty,
- live in rural and remote areas,
- belong to ethnic and linguistic minorities,
- have disabilities, and/or
- are refugees or migrants.

Inclusive education ensures that all learners will have an education of good quality and can progress to reach their full learning potential. This calls for strategies quite different from simply expanding the mainstream education system. Lessons indicate that the excluded do not adapt to the mainstream system. On the contrary, the system must adapt to excluded groups.

Source: ADB. 2010. *Strengthening Inclusive Education*. Manila.

basic education level, and is compounded at the secondary level and above. Children who are unable to go to school—even in countries with high enrollments—tend to be from disadvantaged population groups (Box 2).

To reach the excluded, DMCs must improve the targeting of social protection measures so that they reach female students and those from poor families and disadvantaged groups. This particularly applies to low-income DMCs struggling to reach EFA targets. It is also important for middle-income DMCs where children belonging to disadvantaged groups are left out of school despite an overall increase in enrollment.

Education scholarships and stipends linked with conditional cash transfer programs have produced positive impacts, particularly when targeted at girls or poor households. Such programs foster inclusiveness and equity throughout the education system, which are widely acknowledged as key factors in advancing economic growth in DMCs.

Regional Cooperation and Cross-Border Collaboration

Education in Asia and the Pacific is increasingly provided beyond national frontiers. Not only are many students attending educational institutions elsewhere in the region, but organizations and government agencies addressing education issues are increasingly sharing experiences and practices while exploring deeper collaboration.

Demand for cross-border collaboration is increasing, particularly in higher education. Colleges and universities in one country generally enter into partnerships with those in other countries to expand curricular offerings, offer skills sets and facilities not available in their own campuses, and/or promote student exchanges. Collaboration between higher education institutions within the Asia and Pacific region is growing rapidly. As boundaries become more porous and permeable, there is a growing view that regional and cross-border collaboration can offer mutually beneficial advantages on multiple levels. There is recognition that intensified international sharing of ideas, learning strategies, and students is not only of significant value to higher education institutions, but essential to their long-term survival. However, the coordination of the increasing activities of higher education networks is a challenge. Similarly, differences in education system structure

and instructional quality can be an impediment for concrete collaboration. There is thus a need to address, at the regional level, issues of harmonization of qualifications and standards, and mutual recognition frameworks.

At present, collaboration is more feasible at the subregional level rather than across the Asia and Pacific region as a whole. An increasing number of collaborations have linked higher education systems: In Southeast Asia, the Regional Institute for Higher Education Development of the Southeast Asian Ministers of Education Organization is spearheading regional cooperation and cross-border collaboration among DMC governments. Also within the Association of Southeast Asian Nations University Network (AUN) substantial work is under way on harmonization of qualifications, quality assurance systems, and credit transfer systems to promote student and faculty mobility. The creation of the South Asia University by the eight South Asian Association for Regional Cooperation countries aims to provide world-class facilities and professional faculty to students and researchers from the countries in the region. It is anticipated that the trend toward regional cooperation on education issues will extend to other parts of Asia and the Pacific in the coming years, requiring attention to issues of management, regulation, and quality assurance frameworks that cut across national boundaries.

Nurturing Information and Communication Technology for Education

The growth of the information and communication technology (ICT) industry is creating promising educational opportunities in DMCs. In recent years, increased computing power, improved wireless connectivity, proliferation of user-friendly technologies, and reduced telecommunication costs have lowered barriers to accessing ICT. Reaching all groups of society with innovative, cost-efficient, user-friendly ICT solutions for education has become increasingly feasible in less-developed countries. Nevertheless, there remains a gaping digital divide between haves and have-nots within and across DMCs.

Investing in ICT should be an integral part of education reforms in DMCs as it can provide cost-efficient support to teachers and broaden access to education, including by remote and rural communities. Embedding ICT in education also generates broader benefits for development (Box 3).

Box 3 Benefits of Embedding ICT in Education

Investments in ICT for education at the basic and secondary education levels contribute to

- information literacy as a foundation for subsequent learning,
- improved teaching and learning through ICT-enhanced classrooms and interactive student-centered learning experiences, and
- teamwork skills that are increasingly required in the labor market.

Investment in ICT for higher education supports

- development of an “ICT-capable” labor force able to attract direct foreign investment,
- research and development activities and university-private sector links that are important drivers of innovation and growth, and
- distance learning programs for youth, adult literacy, and students in remote areas.

Source: ADB. 2009. *Good Practice in Information and Communication Technology for Education*. Manila.

Demand to scale up ICT to support education is growing at all levels. For example, ICT underpins distance education and open university services at the postsecondary level. In the dynamic Asia and Pacific region, the change in higher education will increasingly center around differentiation, including new forms of higher education institutions and programs, and new modes of teaching and learning. Demand for scaling up ICT to support this differentiation in higher education services is expected to increase.

It should be noted, however, that evidence concerning the impact of ICT on improving education outcomes is mixed. Thus, a certain degree of cautiousness on the potential of ICT for education is warranted. In addition, the financial and human resource implications of scaling up ICT for education tend to be underestimated. DMCs must carefully plan ICT for education investments in such a way that they are cost efficient and can support the delivery of quality education. To realize the full benefits of ICT for education, DMCs will have to improve their capacity to formulate and implement adequate ICT strategies, and coordinate their synergy at the national and line ministry (sector) level.

Building Public–Private Partnerships in Education

Education is a concern for all, including students, parents, communities, employers, societies, and governments. All stakeholders have a role to play in providing education services. Public–private partnerships (PPPs) have emerged as a modality that can contribute to improving the quality and relevance of education, and to raising the cost efficiency of education delivery, including to disadvantaged groups. In successful PPPs, the roles of partners are clearly stated, and performance targets are clearly defined and effectively and efficiently monitored. The private partner in a PPP may be a nongovernment organization or a for-profit enterprise.

There is considerable scope for incorporating PPPs into DMCs' education sectors. PPPs can expand education infrastructure and generate benefits in education service delivery, ICT utilization, skills training, and sustainable financing. Innovative service delivery initiatives that may draw PPP support include output-based aid, voucher schemes, school and education institution management initiatives, and service-delivery contracting initiatives.

In many DMCs, nongovernment organizations and private sector companies provide education services subsidized by the public sector. To achieve the required learning outcomes, governments will need to formulate better policies, regulations, and monitorable performance targets to foster accountable PPPs in the education sector. This will involve, among other things, making the regulatory environment more facilitative of market-based mechanisms in the education sector. Doing so will reap gains in the form of greater efficiency, more educational options, and improved quality. Furthermore, DMC governments and public education institutions will need to improve their capacity to design and implement partnerships and financing arrangements with nongovernment stakeholders and the private sector.

What ADB Has Learned from Its Support to the Education Sector

The second section of this Plan highlighted education-related challenges and trends in ADB's DMCs that will define the needs for the coming decade, providing a context for ADB's response. This section briefly reviews ADB's experience in the education sector, including lessons learned.

Volume of ADB Assistance to Education

Since funding its first education project in the 1970s, ADB has approved about \$8 billion in loans and grants for the sector.

In the period 2000–2009, ADB approved \$3 billion in loans and grants for education, the largest share of which (nearly half) was for basic education. Broad education sector development accounted for about one-fifth of the volume, and TVET about one-sixth. During the decade, 45% of the loan and grant assistance was accounted for by South Asia, 32% by Southeast Asia, and 18% by Central and West Asia. Eighty percent of the support was provided from Asian Development Fund (ADF) resources, 15 percent from ordinary capital resources (OCR), and the rest from other financing sources (Appendix 1).

Experience in Implementing ADB's Education Policy

In 2002, ADB's Board of Directors approved a new policy on education. The policy scope and key principles remained valid at the time of the preparation of this Plan (Box 4). Guided by the sector policy, ADB has increasingly supported comprehensive reform efforts in education. Assistance has been anchored in the development frameworks of EFA and the Millennium Development Goals (MDGs). As a result, the share of ADB assistance to basic education rapidly increased in the initial years of the millennium's first decade, although projects continued to be implemented in other subsectors and on a sector-wide basis. Specific experiences and lessons include the following:

- Across the education sector, ADB-financed projects have supported education policies, planning, and management. At the school level, projects have targeted teacher training, curriculum development, school materials, and other inputs that directly improve the quality of education. However, the broad scope of ADB assistance, and the multiple components in many loans, have resulted in large procurement packages that have slowed implementation.

The experiences of ADB and development partners in supporting TVET indicate that the link with employment is the most important factor in training success

Box 4 Continuing Relevance of the Education Sector Policy

The Policy supports equitable access to education and completion of education of sufficient quality for all persons, with the goal of empowering them to break out of the poverty cycle, improve their quality of life, and participate effectively in social and economic development.

The Policy presents the following principal priorities for education sector development: reducing poverty, enhancing the status of women, and facilitating economic growth. To achieve the principal priorities, the Policy identifies the following subsidiary priorities: (i) increasing equity, access, and retention, especially for the poor, women, and other marginalized groups; (ii) improving education quality; (iii) strengthening management, governance, and efficiency, with an emphasis on greater stakeholder participation; (iv) mobilizing resources for sustainable education delivery, in particular facilitating the role of the private sector, while protecting the poor's access to affordable basic education; (v) strengthening collaboration with partners and beneficiaries; and (vi) emphasizing more experimentation with, and dissemination of, innovative strategies and technologies.

The Policy was prepared as a flexible and forward-looking framework that will encourage ADB to be responsive to the changing circumstances and needs of individual DMCs. While much attention is given to basic education, the Policy provides explicit guidance for assistance to increasingly important subsectors like secondary education, TVET, and higher education. Furthermore, the Policy emphasizes innovative approaches for financing and management of education services.

Source: ADB. 2003. *Education. Our Framework. Policies and Strategies*. Manila. (The Policy was approved by ADB Board of Directors in August 2002.)

- In several DMCs, ADB has provided leadership and assistance for programs in basic and secondary education jointly financed with other development agencies. The programs have featured successful harmonization of funding agency procedures.
- In basic and secondary education, ADB has helped to improve access to education for students who are poor, female, from an ethnic minority, or resident in a remote area.
- The experiences of ADB and development partners in supporting TVET indicate that the link with employment is the most important factor in training success. Governments can improve TVET links with industry and the labor market by providing incentives to employers to participate in directing, advising, and evaluating training. Managers of training institutions can be encouraged to involve the private sector in training provision.
- Setting skill qualification standards, and providing workplace training, are crucial to improving skills in the labor force. This process has proven to be challenging in DMCs, but has yielded clear benefits, including closer cooperation between governments and the private sector, and increased decentralization of TVET provision. However, experience shows that the process of preparing and unveiling national qualifications standards should proceed gradually in order to remain manageable. Qualification standards should initially target selected high-priority fields.
- Labor market analyses and tracer studies of those who have graduated from TVET programs can provide valuable feedback to assess the effectiveness of TVET programs. These tools should be funded and accompanied by a capacity development component ensuring that they are carried out properly and institutionalized effectively.
- Activities carried out before and after training have contributed to the success of skills training programs in the informal labor market. Pretraining activities include market analyses to identify occupations that are likely to generate income. Post-training activities include broadening access to credit and marketing services, and the provision of expert business advice.

- TVET has increasingly targeted polytechnic and vocational colleges and degree programs to address human resource needs in the labor market. However, ADB has to date financed higher education projects in few DMCs. These projects have supported the development of higher educational institutions and networks.

As confirmed by evaluation findings, ADB performance in the sector has been successful relative to other sectors.⁴ Evaluations have highlighted that improving the quality of education and improving access to education in DMCs requires long-term commitment, comprehensive reform programs, and close coordination with DMC stakeholders and development partners.

In implementing this Plan, ADB will incorporate lessons from its past operations into future assistance. While the key elements of ADB's education sector policy remain valid, the changing needs of a dynamic region will require a change in focus and approach in implementation of ADB operations. This is addressed in the next section.

⁴ ADB. 2008. *Sector Synthesis of Evaluation Findings: Education Sector*. Operations Evaluation Department. Manila; ADB. 2007. *Evaluation of Asian Development Fund VIII and IX. Selected Findings by the Operations Evaluation Department*. Manila.

Aligning and Scaling Up ADB Support to Education

Drawing on the analysis of education sector development needs in the region, and on lessons learned from ADB operations, this section explains how ADB will align and scale up support to the sector. In particular, the discussion focuses on how ADB can play a catalytic role in supporting inclusive and sustainable education sector development in DMCs. ADB has been a major player in supporting basic and secondary education. ADB will need to strengthen its comparative advantage by focusing on quality of basic and secondary education services. ADB will develop its corporate capacity in aggressively supporting TVET and higher education to serve the human capital and labor market needs of the dynamic region. ADB, as a regional development bank, is in a unique position to support regional cooperation and South–South cooperation in education.

ADB Support Across All Levels of Education

Basic and Secondary Education. In the past, ADB’s projects in basic education have included significant components for financing the construction of new schools and upgrading existing schools. This increased physical capacity has helped DMCs increase student enrollment. ADB assistance has shifted toward improving the quality, completion, and inclusiveness of basic education services—areas that are highly important but less costly than physical expansion. This trend will likely continue in the coming years in basic education.

ADB has an extensive track record in working with DMCs to carry out comprehensive development programs in basic and secondary education. These kinds of programs can help to address the multiple, intertwined challenges of improving quality, completion rates, and equity. ADB will increase support to basic and secondary education reform programs, particularly in DMCs where the attainment of non-income MDGs and EFA targets is not on track.

As stated in Strategy 2020, “ADB will continue to support expanded, high-quality, more accessible basic and secondary education.”⁵ It will do this in part by supporting decentralized approaches and innovative partnerships with communities. In many places, local businesses and nonprofit groups have established schools catering to poor families that are inadequately served by public schools. ADB will therefore support the implementation and evaluation of pilots of innovative community partnerships in education, strengthen knowledge sharing among DMCs about successful models of community partnerships, and help to scale up partnership models which help improve quality and equity in basic and secondary education.

TVET. As stated in Strategy 2020, ADB “will increasingly direct its attention to raising the quality of TVET, and of selected fields in tertiary education.”⁶ ADB will give high priority to projects that

⁵ ADB. 2008. *Strategy 2020*. Manila. Chapter 4, page 20.

⁶ Ibid.

ADB will give high priority to projects that help TVET evolve toward immersion in the “real world of work” rather than operating as a rigid and costly school-based program

help TVET evolve toward immersion in the “real world of work” rather than operating as a rigid and costly school-based program. With this approach, ADB loan and grant projects will support DMC governments in developing their capacity to provide effective policy guidance, creating regulations and qualifications standards for skills development, and effectively shifting the role of training provision to the private sector and industry. This will strengthen links between TVET and those who employ TVET graduates, and make TVET provision flexible and more responsive to labor market needs. It will also promote the cost efficiency and sustainability of TVET through cost sharing and financing with private sector and industry.

High importance will be given to strengthening multiple routes for skills acquisition (such as on-the-job training and apprenticeships) and to improving the skills of women, the poor, jobless youth, and other disadvantaged groups in both the formal and informal labor markets. In collaboration with the private sector, ADB will help to create a wider range of pathways in TVET systems to help capable students advance to tertiary education (i.e., polytechnics, technical education colleges, etc.). ADB will also support piloting of innovative cross-sectoral approaches for skills development, particularly in fragile, poorly performing countries. ADB will also provide support to comprehensive, sustainable labor market information systems and feedback mechanisms—including timely tracer studies of TVET graduates—that adequately serve the needs of the changing world of work.

Higher Education. Strategy 2020 recognizes that ADB will support the expansion of postsecondary education. Low-income and lower middle-income DMCs need ADB assistance for expanding and diversifying higher education and develop faculty members and higher education infrastructure. In middle-income DMCs with well-established higher education systems, ADB’s key assistance priorities are to improve quality and equity, and to diversify higher education (e.g., to place more emphasis on science, technology, and innovation) in partnership with the private sector and industry. Flagship ADB-financed projects will improve higher education while strengthening indigenous technology and innovation capacity in DMCs, thereby improving competitiveness.

High priority will be given to supporting twinning partnerships for faculty development, research, and innovation between DMC higher education institutions and leading regional and global higher education networks and institutions. ADB will also help DMCs rationalize public financing of higher education and develop the capacity of public higher education institutions to carry out their increasingly decentralized roles and responsibilities (e.g., in resource planning and in raising funds to cover their operating costs). ADB will help DMCs implement policies that effectively support and guide the private provision of higher education. It will be important to help DMCs expand the range of higher education institutions to enable the subsector to better serve the growing needs of the labor market. ADB’s regional technical assistance on higher education reform⁷ will inform operation departments and help align lending for higher education in the medium term. Regional cooperation and cross-border collaboration in higher education will be an important strategic area of support. ADB loan and grant projects will include components which will facilitate active participation of DMC education officers and other stakeholders in regional cooperation and cross-border collaboration programs. ADB will support activities of institutions and networks which are spearheading such programs.

In the first 3 years of the implementation of this Plan, about one-third of total ADB programmed assistance for education will be for projects in the higher education subsector. Table 1 summarizes the scope of ADB operations in education subsectors.

⁷ ADB. 2009. *Higher Education in Dynamic Asia*. Manila.

Since per-student costs in postsecondary education are much higher than in basic and secondary education, DMCs cannot afford to finance postsecondary education with public funds alone

Table 1 ADB Education Sector Operational Scope

Subsector Focus	Adjust Focus	Expand System	Align for Labor Market
Basic and secondary education	√	(√)	
Technical and vocational education and training/ skills development		(√)	√
Higher education		√	√

√ = increasing importance, (√) = ongoing importance.

Source: Author.

Sector-wide Policy and Strategy. ADB will support DMCs in developing comprehensive sector-wide strategies and plans addressing the learning continuum and the need for lifelong learning for equitable and knowledge-based societies. ADB will help DMCs improve inclusiveness in education sector plans, resource allocation mechanisms, and budgets. ADB will also support improved and expanded social protection measures in the sector to help disadvantaged students advance to higher levels of education and achieve their full learning potential. High priority will be given to holistic sector development, i.e., alignment of subsector policies to increase efficiency and promote equitable access to education. ADB loan and grant projects will finance capacity development in these areas, with an emphasis on system integration, equity, and efficiency.

Sustainable and Diversified Financing Mechanisms. To help DMCs expand and diversify the provision of education, ADB loan and grant projects will support sector-wide policy improvements, decentralized education planning and management, and rationalization of education financing. ADB will also help DMCs develop sustainable financing strategies in the education sector. In addition, ADB will finance analytical studies on expenditure trends in education, options to improve cost efficiency, and the challenges arising from high, unsustainable recurrent education costs in DMCs. Further, ADB will support the use of expenditure tracking surveys to improve the monitoring of resource allocation and utilization for the benefit of excluded groups.

ADB will encourage DMC governments to increase public financing for lower levels of education and increase public subsidies for the poor and other disadvantaged students so that they can continue their studies and reach their full learning and productive potential. Since per-student costs in postsecondary education are much higher than in basic and secondary education, DMCs cannot afford to finance postsecondary education with public funds alone. ADB will help DMC governments address this dilemma by encouraging them to form cost-sharing and financing partnerships—including with the private sector and industry—for postsecondary education. Cost-sharing schemes with students and parents are another valuable tool. ADB will help DMCs design cost-sharing strategies that do not undermine equity and inclusiveness.

PPPs and Private Sector Funding. Strategy 2020 directs ADB to “explore opportunities for new approaches and instruments involving PPPs.”⁸ ADB will help ministries of education formulate policies that encourage consideration of a broad range of alternative or nontraditional strategies for education service delivery, and develop regulatory frameworks that effectively guide PPPs and private funding in education. ADB will also help education ministries design innovative PPPs and demonstration interventions that attract private investment, while at the same time meeting the objectives of the government and other stakeholders of education. In addition, ADB will assist DMCs to incorporate PPPs into their education sector plans, concretize procedures for

⁸ ADB. 2008. *Strategy 2020*. Manila. Chapter 4, page 20.

setting up PPPs, identify the roles and responsibilities of PPP partners, and set monitorable performance targets for PPPs. In addition, ADB will contribute to the capacity development of partners to effectively carry out their agreed upon roles and responsibilities.

In addition, ADB will explore new and innovative types of PPPs. For example, the partnership approach pursued by the Global Partnership on Output-Based Aid has proven to be a promising approach to improving basic services in several sectors. While PPPs can be pursued in any subsector of education, postsecondary education is one of the subsectors with the most potential and demand for them.

Table 2 displays areas where DMCs can utilize PPPs.

Table 2 PPPs in Education—Examples of Types and Operational Areas

PPP Type	Operational Areas
Education service delivery initiatives	<ul style="list-style-type: none"> Contracting with private schools for delivery of education services in line with general public education curricula Contracting with private providers for the delivery of specialist curricula Provision of tutoring services Private management of public schools
Voucher initiatives	<ul style="list-style-type: none"> Targeted government scholarships to disadvantaged students in private schools and/or private scholarships to such students in public schools Provision of subsidies to private schools that accept students who cannot access public education (due to a lack of space or other valid reasons) Education tax credits and/or tax assistance to private education providers
Professional and support services	<ul style="list-style-type: none"> Teacher training and training of school managers Curriculum design/educational materials development School review/inspection/evaluation services Ancillary services such as food and transportation services Educational testing and school rating services
Infrastructure initiatives	<ul style="list-style-type: none"> Private finance initiatives: financing, construction, and maintenance educational (physical) public assets Private leasing of public school facilities Equipping of ICT facilities in public schools

Source: Michael Latham. Forthcoming 2010 publication. *A Review of Public–Private Partnership in ADB Education Lending 2000–2009*.

Harnessing ICT for Education. ADB will help scale up the use of ICT for education service delivery in all subsectors of education, including for expansion of higher education services through distance education and open universities. ADB will help DMCs prepare strategies and plans for high impact ICT investments in the sector. To improve the cost efficiency of ICT investments, ADB will develop the capacity of education ministries and institutions to accurately estimate the costs and human resource requirements of scaling up ICT in the sector. ICT initiatives in the education sector also provide excellent opportunities for PPPs. ADB will help DMCs pursue such partnerships.

Regional and Cross-Border Cooperation. ADB will facilitate regional cooperation and cross-border collaboration arrangements in the education sector to enable DMCs to share their experiences with education sector reform and financing. ADB will help education collaboration networks in the region to develop their capacity in coordinating their activities more efficiently,

and help increase regional cooperation for harmonization of skills qualification standards, which is an essential step to promoting labor mobility. High priority will be given to developing the capacity of education ministries, public education institutions, and private sector parties to collaborate effectively within these partnerships.

Overall, ADB is in a unique position to promote South–South cooperation in education. There are many initiatives and good practices of South–South cooperation taking place in Asia and elsewhere, in supporting literacy, ICT for education, mother-tongue-based multilingual education, and promoting disaster preparedness in schools, to name a few. ADB will contribute to advancing such South–South cooperation agenda in line with the Paris Principles and as part of the ADB’s corporate strategy to support regional cooperation and integration.

Strengthening Education Focus in Country Programming

To support the scaling up of assistance to DMCs, ADB will increase emphasis on education in country programming, and on economic and sector work in education. Incentive schemes will be implemented to motivate regional departments to better meet DMC needs in the education sector.

While this overall assistance strategy in the education sector is common to all subregions, there is a need to continuously improve and adjust operations to match the development needs of individual DMCs. In countries where ADB has had a sizable education portfolio, efforts will be made to sustain and increase lending. In countries where assistance has traditionally been lower or has declined markedly in recent years, ADB will proactively seek out potential education initiatives to support.

ADB will carefully determine the best operational modality for support to education in individual DMCs. Modalities will be determined on a case-by-case basis, depending on circumstances and national development needs. However, capacity development needs can be substantial in the sector, particularly when ministries of education are pursuing comprehensive education reforms. Therefore, a combination of two modalities, i.e., a program loan and a project loan, in the form of a sector development program can be employed selectively. This approach provides, through the program loan component, financing for recurrent costs arising from policy reforms. It also provides, through a project loan component, support for developing the capacity of the line ministry and education institutions for implementing the technical aspects of the reforms. Where feasible, ADB will provide support through joint sector-wide programs with development partners. ADB will also explore the potential of using the multitranche financing modality in the sector.

From 2000 to 2009, about 15% of education sector assistance was financed through OCR and 80% by ADF (with the balance financed by other sources). In 2010–2012, about half of the sector portfolio has been programmed to be financed from OCR (Appendix 1). However, many of the DMCs interested in borrowing OCR loans are still exploring ways of using them. Economic and financial issues—for example, establishing an efficient revenue stream in higher education projects funded by OCR loans (possibly balanced with government subsidies)—can be challenging, both technically and politically, in DMCs. Furthermore, several DMCs are considering an approach whereby the government would onlend OCR proceeds to higher education institutions. A consensus on this approach and its practical arrangements will take time to develop. Blending OCR loans with grants could help accelerate and sustain the expansion of OCR lending in the sector.

Despite the downward trend projected in the sector pipeline for ADF financing (Appendix 2), such financing will remain important—especially in DMCs that continue to need support for

Effective implementation of the increase in lending on a sustainable basis beyond 2012 will require vigorous exploration and use of new and innovative approaches

improving basic and secondary education to meet EFA and MDG targets, and where financing gaps remain in spite of grant financing from bilateral development partners. Thus, the education sector, which is one of the core sectors in Strategy 2020, requires more ADF resources.

ADB will continue to explore various financing arrangements in the education sector. These can include, for example, (i) blending loan financing with grants, including grants from bilateral development partners; (ii) loan buy-in or interest subsidy arrangements through cofinancing partnerships with bilateral agencies; and (iii) funding partnerships with industry, the corporate sector (mainly through corporate social responsibility programs), foundations, and private education institutions.

Country teams will take a leading role in improving the focus on education in country programming, while regional operations departments' divisions responsible for the sector will seek to generate new assistance opportunities in their respective DMCs. The Private Sector Operations Department (PSOD) will explore opportunities to finance nonsovereign education-related activities.

Investing at ADB in Human Resources for Education

To scale up ADB assistance it will be necessary to hire more education specialists. Over the years, the level of education sector staff at ADB has remained stagnant. The total number of professional staff working in the education sector as of early 2010 was about 17 (or about 2% of professional staff). Overall, education sector staffing levels are modest compared with the expectations for the sector set out in Strategy 2020, and compared with staffing levels in other core sectors of Strategy 2020.

ADB will improve the skills mix of staff working in the education sector. Education professionals presently employed by ADB have strong skills in basic and secondary education, sector strategy, and policy development. Some have strong skills in TVET, skills development, and higher education. From a funding modality perspective, staff skills are strong in developing conventional ADF and OCR lending products, and to some degree in sector-wide program approaches. Effective implementation of the increase in lending on a sustainable basis beyond 2012 will require vigorous exploration and use of new and innovative approaches. The ADB-wide skills mix in the education sector will be strengthened by recruiting professional staff with expertise in such approaches, and through active staff development initiatives.

ADB will explore possibilities to mobilize external expertise in areas of the education sector where other development partners have a comparative advantage. The potential for staff secondments will also be pursued with partner organizations.

ADB will strengthen in-house knowledge by continuing to hold regular knowledge-sharing events in the education sector. These events will be closely linked with the staff development program. In addition, sector websites and the monthly education sector e-bulletin and newsletter will be continued and improved. The joint efforts at ADB by the library's information services for education and the Education Community of Practice (CoP) will be expanded to serve the increasing needs of knowledge sharing among ADB staff in the sector and also, more broadly, among stakeholders of education in DMCs.

Improving financial and human resources in education sector operations is a responsibility shared by several departments and offices, including regional operations departments, Strategy and Policy Department (SPD), Office of Cofinancing Operations, PSOD, and Budget, Personnel, and Management Systems Department. The Education CoP will play an

important role in contributing to staff development, including the upgrading and updating of staff skills.

Strengthening Knowledge Sharing and Leveraging External Partnerships

ADB will increase the preparation of timely knowledge products in education, such as good-practice guides, policy notes, and technical papers. ADB will expand partnerships with education research organizations at regional level and in DMCs to support knowledge generation and analytical capacity development on timely education sector issues. The knowledge products will be useful knowledge sources for DMC governments, other stakeholders, and development partners. They will also serve as resource materials in the staff development program at ADB and as references for policy discussions during country programming and project processing missions.

Effective development of education in the region will increasingly require strategic and operational partnerships with development partners and other organizations. ADB will host regular interagency events to explore innovative ways to support education and enhance interagency cooperation. ADB will expand external partnerships with both bilateral development partners and multilateral agencies and seek to enhance synergies in priority areas, such as: knowledge sharing (e.g., with the World Bank); inclusive education (e.g., with the United Nations Education, Scientific and Cultural Organization [UNESCO] and the United Nations Children's Fund); sector capacity development (e.g., with the International Institute for Educational Planning); skills development (e.g., with the International Labor Organization and the European Training Foundation); and regional cooperation in education (e.g., with SEAMEO and AUN). Partnerships with bilateral agencies supporting education in DMCs will also be forged, as appropriate, to increase in-country coherence of policy priorities and synergy in implementation.

ADB staff working in the sector will participate in global interagency working groups focusing on priority areas of ADB support in the sector. For example, in 2009, ADB joined a global strategic interagency working group on TVET. During regular meetings, working group participants share their experiences with TVET, disseminate results of the latest TVET studies, and plan strategic cooperation in TVET.

ADB is a member of the interagency steering committee of the Asia-Pacific Program for Education for Sustainable Development (ESD), which is coordinated by UNESCO. Based on its experience in the education sector, ADB can help build synergies between ESD and education interventions. For example, recent ADB studies on climate change have highlighted the crucial role of education in mitigating the effects of climate change—a component of ESD.⁹ ADB will also encourage DMCs to pursue a values-based approach to environmental education, in partnership with the United Nations Human Settlements Programme.

Nurturing and building on the benefits of external partnerships will be primarily the responsibility of regional operations departments, RSDD, SPD, and the Education CoP. The CoP and RSDD will lead the generation and dissemination of education-related knowledge.

⁹ ADB. 2009. *Understanding and Responding to Climate Change in Developing Asia*. Manila; and ADB. 2009. *Building Climate Resilience in the Agriculture Sector of Asia and the Pacific*. Manila.

Conclusions

Developing countries in Asia and the Pacific must substantially increase investment in education, and improve the quality and delivery of education services, in order to successfully compete in an ever-more interconnected region and globalized world. Recognizing the vital importance of this sector for building up human capital and generating inclusive growth, ADB has identified education as a core area of its operations.

The Education Sector Operations Plan is designed to meet the region's education-related challenges of innovation, inclusiveness, and integration. The Plan reflects ADB's commitment to increase and align its support in the education sector to meet the changing needs and priorities of its DMCs. It will guide ADB's programming of education assistance.

ADB will scale up its financing of loans, grants, and technical assistance. To achieve this, ADB will strengthen economic sector work. Country partnership strategies will give more attention to education. ADB will recruit more education specialists and improve the staff skills mix through enhanced staff development and knowledge sharing in the sector.

ADB will assist in the development of comprehensive education programs in basic and secondary education to meet international development targets. Decentralized approaches and partnerships with local communities will receive increased support. ADB will also support broad policy reforms and capacity development, as well as the adoption of social protection measures that help girls and disadvantaged students attend school. Support for strengthening the inclusiveness of education systems across all subsectors of education will be a high priority.

In response to growing demand from students completing secondary education and labor market requirements, a larger share of ADB's education sector portfolio will be in postsecondary education. Support to postsecondary education will help DMCs diversify and expand higher education, and ensure that TVET contributes to filling labor market gaps and meeting the needs of informal sector workers.

ADB will also assist DMCs in developing sustainable financing strategies across the sector. In addition, ADB will encourage regional sharing of good practices in education reform, as well as harmonization of qualifications frameworks to facilitate student and labor mobility.

ADB will increasingly use PPPs and other forms of cooperation with the private sector to improve the diversity, quality, and cost efficiency of education service delivery. Similarly, ADB will help DMCs scale up the use of ICT for the delivery of education services.

ADB will expand its analytical work to contribute to deliberations on education in the region. Diagnostic studies, in-depth research, and other knowledge products will be prepared to help DMCs formulate education policies.

ADB will cultivate external partnerships with other development agencies, education institutions, and private sector actors to exploit synergies and comparative advantages. Substantive

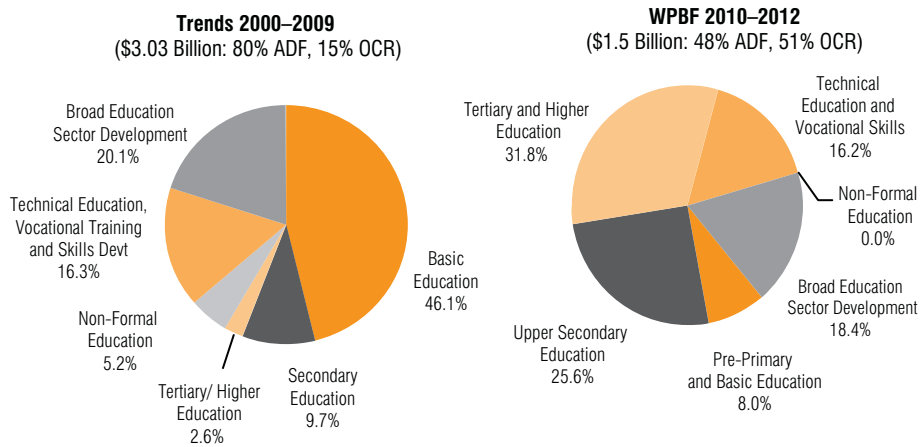
The Plan reflects ADB's commitment to increase and align its support in the education sector to meet the changing needs and priorities of its DMCs

partnerships will support policy reforms and long-term development in the education sector. In addition, ADB will seek to expand cofinancing with other development agencies.

The above actions constitute key steps for implementing the vision of Strategy 2020 in the education sector. The plan of operations provides guidance for country programming. It is accompanied by a results framework which serves as a tool for monitoring the progress of implementation.

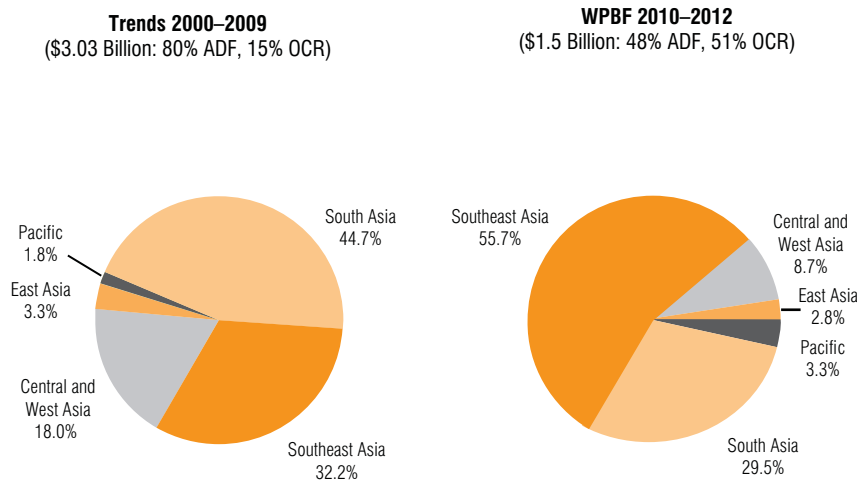
Trends of Loan and Grant Assistance in the Education Sector in the Past Decade, Programmed Education Loans and Grants in the Work Program and Budget Framework 2010–2012

By Subsector



WPBF = Work Program Budget Framework, ADF = Asian Development Fund, OCR = ordinary capital resources.
 Source: Operation Departments' pipeline submissions for WPBF 2010–2012.

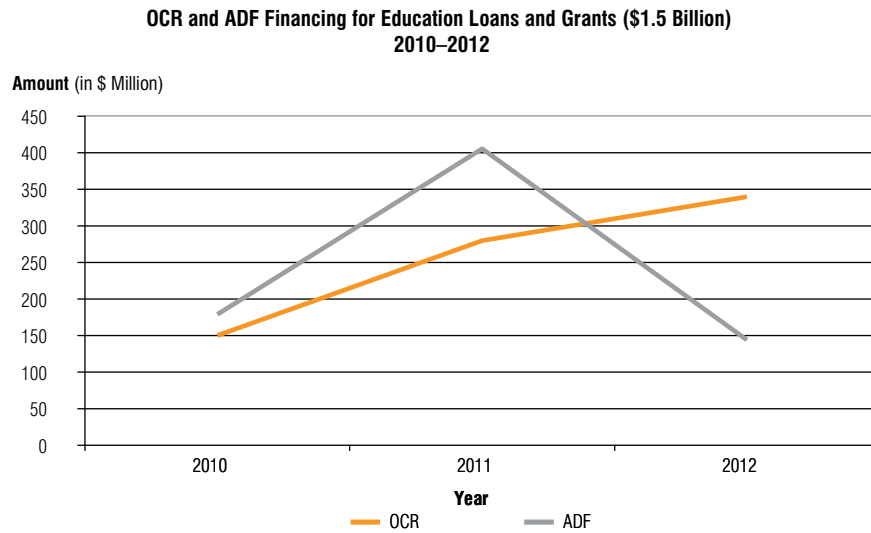
By Region



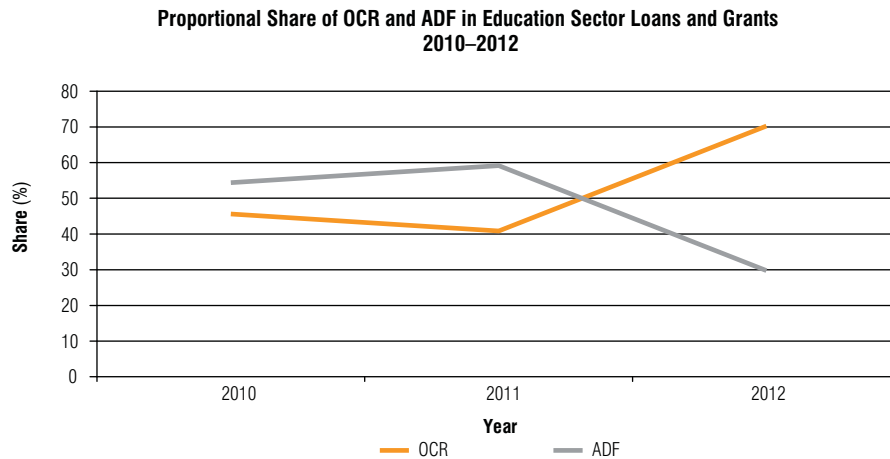
WPBF = Work Program Budget Framework, ADF = Asian Development Fund, OCR = ordinary capital resources.
 Source: Operation Departments' pipeline submissions for WPBF 2010–2012.

Appendix 2

Projected OCR and ADF Financing in the Education Sector in the Work Program and Budget Framework 2010–2012



WPBF = Work Program Budget Framework, ADF = Asian Development Fund, OCR = ordinary capital resources.
Source: Operation Departments' pipeline submissions for WPBF 2010–2012.



WPBF = Work Program Budget Framework, ADF = Asian Development Fund, OCR = ordinary capital resources.
Source: Operation Departments' pipeline submissions for WPBF 2010–2012.

Design and Monitoring Framework

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Broad and inclusive human resource base in the Asia and Pacific region supporting a wide range of social and economic development needs, including rebalancing of growth</p>	<p>Social and economic development improved</p> <p>Human resource base sufficiently broadened and strengthened to effectively support social and economic development needs in the region</p>	<p>Data on social and economic development, labor markets, human resources, employment</p>	<p>Assumption Comprehensive education reforms in DMCs are effectively consolidated</p>
<p>Outcome Comprehensive, balanced, inclusive education sector development, and relevant and sustainable education and training services in DMCs</p>	<p>Effective education policies and strategies, efficient education systems, sustainable financing and partnerships in DMCs, and effective regional and cross-border collaboration for education development among DMCs</p>	<p>DMCs' programs and implementation plans, and partnership and financing plans, for education</p> <p>National, subregional, and regional monitoring reports prepared by DMCs, education institutions, ADB, and other development partners</p>	<p>Assumption DMCs continue to recognize the importance of education for development of a broad and inclusive human resource base for social and economic development</p>
<p>Basic and secondary education</p> <p>TVET and skills development</p>	<p>Improved quality and equity, and increased progress toward universal secondary education in DMCs, to provide a strong and inclusive foundation for higher levels of education</p> <p>Strengthened skills training in DMCs; improved cost efficiency, flexibility, and labor market relevance of training programs, provided in partnership with and by private sector and industry in DMCs; improved policies and mechanisms to ensure labor market mobility and flexibility</p>	<p>National, subregional, and regional monitoring reports prepared by DMCs, education institutions, ADB, and other development partners; student learning outcome data</p> <p>National, subregional, and regional monitoring reports prepared by TVET institutions and networks, DMCs, ADB, and other development partners; skills and competency profile data; labor market data</p>	<p>Assumptions Development in the education sector in individual countries is aligned closely with their human resources needs and effectively supports DMCs moving up the economic ladder</p> <p>Risks DMCs do not effectively rationalize financing in postsecondary education through cost sharing and partnerships, and increasingly finance the expansion of postsecondary education by reallocating public financing from basic and secondary education; thus, sustainability of financing of the education sector as a whole is at risk</p>

continued on next page

Table continued

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Higher education</p> <p>Comprehensive education sector-wide development reforms</p>	<p>Higher education expansion sustainable and financing rationalized in DMCs; equity and qualitative diversification in higher education improved in DMCs, including higher education for indigenous science and technology capacity, and innovation, to support economic development and competitiveness</p> <p>DMCs' capacity improved to govern the education sector; and planning, management, and system efficiency in the sector improved to support lifelong learning</p>	<p>National, subregional, and regional monitoring reports prepared by DMCs, higher education institutions and networks, ADB, and other development partners; higher education students' learning outcome data; labor market data</p> <p>National education sector policies, plans, budgets, and decentralized system monitoring documents</p>	
<p>Inclusive education</p>	<p>Policies and implementation for inclusiveness and equity throughout the education system improved, in all subsectors, in DMCs; previously excluded disadvantaged groups increasingly included in education in DMCs</p>	<p>National, subregional, and regional monitoring reports prepared by DMCs, education institutions, ADB, and other development partners on equity and inclusiveness in education</p>	<p>Assumptions DMCs will increasingly involve a wide range of stakeholders in education development</p>
<p>ICT for education</p>	<p>ICT for education policies and strategies improved in DMCs; use of ICT for improving education quality and delivery increasingly embedded across the education sector, in all subsectors, in DMCs</p>	<p>National, subregional, and regional monitoring reports prepared by DMCs, education institutions, ADB, and other development partners on ICT for education</p>	<p>DMCs recognize the importance of partnerships in improving labor market relevance of education and training and service delivery</p>
<p>PPPs in education</p>	<p>Government agencies' capacity in DMCs strengthened to formulate policies and regulatory frameworks for PPPs; private sector investors' capacity improved to address education sector challenges and explore the potential of education "markets" and partnerships with public education; capacity of education and training institutions in the public sector improved to work with private sector and other nongovernment partners</p>	<p>National, subregional, and regional monitoring reports prepared by DMCs, education institutions, ADB, and other development partners on PPPs in education, and PPPs' contribution to improve labor market relevance and sustainable financing of education and training</p>	<p>Education systems will effectively support each individual to reach his or her full learning potential</p> <p>DMCs pursue regional cooperation and cross-border collaboration to support education reforms in the region</p>

Table continued

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
Regional cooperation and cross-border collaboration in education	Capacity of DMCs and regional and subregional education networks and institutions strengthened for regional and cross-border collaboration in key areas of education development; where relevant, qualifications standards harmonized, and they support labor mobility	Monitoring reports prepared by DMCs, education institutions, regional and subregional education development networks, ADB, and other development partners on regional cooperation and cross-border collaboration	

Activities with Milestones	Inputs (enabling measures) at ADB
<ul style="list-style-type: none"> • Delivering the ongoing programmed pipeline • Implementation inputs (enabling measures) for establishing a solid basis for assistance in the future, beyond 2012 • Activities helping DMCs consolidate key development priorities in the sector: <ul style="list-style-type: none"> ○ further reforms in basic and secondary education ○ reforms in postsecondary education (i.e., TVET and higher education) ○ sector policy, management, and system efficiency, sector-wide ○ sustainable financing strategies, sector-wide ○ inclusiveness of education systems, sector-wide ○ leveraging PPPs in education, sector-wide ○ scaling up and embedding the use of ICT for education, sector-wide ○ regional cooperation and cross-border collaboration in education and skills development 	<p>Improved</p> <ul style="list-style-type: none"> • country programming (RDs, including RMs) • financial and human resources (RDs, RMs, SPD, OCO, PSOD, BPMSD, Education CoP) • knowledge management and partnerships (RDs, RMs, RSDD, SPD, Education CoP)

ADB = Asian Development Bank, BPMSD = Budget, Personnel, and Management Systems Department, CoP = community of practice, DMC = developing member country, ICT = information and communication technology, OCO = Office of Cofinancing Operations, PPP = public-private partnership, PSOD = Private Sector Operations Department, RD = regional department, RM = resident mission, RSDD = Regional and Sustainable Development Department, SPD = Strategy and Policy Department, TVET = technical and vocational education and training.

Source: Author.

Education by 2020: A Sector Operations Plan

Education is one of the five core operation areas of Strategy 2020, the long-term strategic framework of the Asian Development Bank (ADB) for 2008–2020. This publication guides the implementation of the vision of Strategy 2020. The plan identifies key educational challenges expected to confront developing countries in Asia and the Pacific in the coming years, and proposes ways for ADB to meet those challenges. ADB support of education sector priorities will contribute to meeting the development challenges of innovation, inclusiveness, and integration in the region, and will strengthen the human capital base in developing member countries—an essential prerequisite to long-term economic stability and inclusive growth.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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