

Education Sector Portfolio 2010

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KfW Entwicklungsbank's Engagement in the Education Sector – Portfolio Analysis 2010

Ulrich Jahn and Doris Hammerschmidt

30 years' experience in the education sector

At KfW Entwicklungsbank we have been working to improve people's educational status worldwide for over 30 years, on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ). Together with our partner countries we develop country-specific solutions and bring our longstanding experience to bear. We always remain open to new approaches.

News from 2010

With our new education projects for 2010 alone we will be reaching around 3 million people. We have appraised 12 new projects, and concluded agreements worth just under EUR 126 million. Through Financial Cooperation we are financing infrastructure and equipment for schools, teacher training centres and vocational education and training centres. We are also involved in comprehensive financing arrangements for the education sector that include other donors, and consulting services.

More specifically, in 2010 for the first time we appraised the

financing of nomad schools to provide itinerant peoples in northern Mali with education. We also signed one of the largest financing agreements in the education sector: EUR 47 million are now benefitting that sector in Mozambique. In Afghanistan we expanded support for the national education plan, while in China we financed a university project using KfW funds.

Current projects

KfW Entwicklungsbank is currently operating 80 projects in 36 countries worldwide. Last year we deployed EUR 851 million, enabling us to reach 7 million people. Federal budget funds earmarked for education have increased continuously in recent years. Since BMZ considers education to be a key sector, we may anticipate continued financial support. In 12 joint financing arrangements with other donors (e.g. the World Bank, France, Denmark) we are helping to strengthen the education sector in 10 countries, under the leadership of the respective national education ministries. Our participation in

basket financing of this kind largely supports basic education in sub-Saharan Africa, as well as in Latin America and the Middle East.

Our goals and target group

Through these comprehensive basket arrangements we pursue the goals of improving access to education, especially for girls, raising the quality of teaching and the efficiency of educational administration, and promoting decentralisation. We also help increase educational quality by supporting the construction of teacher training centres and supplying textbooks. In some programmes parents and communities are also among the beneficiaries.

The target group of our education projects comprises over 7 million children, youths and young adults. Most of these (around 97 %) are primary and secondary school students. On average, 52 % of our target group – i.e. more than half – live below the respective national poverty line. Just under 80 % of our programmes encompass targeted measures to directly reduce poverty. A further 12 % contribute to poverty reduction at the sector and macro levels.

Boys and girls, and women, profit equally from our education projects.

EDUCATION PORTFOLIO ANALYSIS

In 85 % of all projects an indirect effect on gender equality is demonstrable, and five projects target girls explicitly.

Millennium Development Goals

Through our work in the education sector we are helping achieve

Millennium Development Goals (MDGs) 2 and 3. Providing children with access to primary education, and strengthening gender equality and the rights of women, are goals that we share. In the medium term education projects also help reduce poverty (MDG 1).

Portfolio analysis 2010

Shown below is an analysis of all current Financial Cooperation (FC) projects in the education sector. A financing agreement has been signed for each of these projects, which are at various stages of implementation.

The education sector – an overview

The table below indicates the number, volume and target group of all ongoing education projects, by region. Average values are also shown.

Education sector overall	Africa (SSA)	Asia	Europe	Latin America	MENA	Total
General figures						
Number of projects	27	23	2	7	21	80
Percentage of total portfolio	34%	29%	3%	9%	27%	100%
Total volume (in € million)	294	253	3.5	56	244	851
Of which KfW funds (in € million)		46				46
Target group						
Target group reached (in millions)	3.3	1.9	0.0017	1.2	0.7	7
Of which poor people (in millions)	2.2	0.7	0.0005	0.4	0.3	3.6
Of which women (in millions)	1.5	1.0	0.0008	0.6	0.3	3.4
Average values						
Average project volume (€ million)	10.9	11.0	1.8	8.0	11.6	10.6
FC volume per person (€ per person reached)	89	133	2,077	47	349	120

Since 2001, training measures worth EUR 9.3 million have also been implemented in all regions (except MENA).

Key statements:

- The current volume in the education sector amounts to EUR 851 million, 95 % of which is comprised of BMZ budget funds.
- Just under 90 % of the portfolio is benefitting Africa, MENA and Asia.
- 7 million people are reached every year, almost half of whom live in sub-Saharan Africa.
- Both poor people and women make up around 50 % of the target group.
- Up to two-thirds of the beneficiaries in sub-Saharan Africa, and around one third in Latin America, are poor.
- The volume of FC per target group member varies widely by region: from EUR 47 in Latin America to EUR 2,077 in Europe.

EDUCATION PORTFOLIO ANALYSIS

Sub-sectors

An overview of FC engagement in the sub-sectors of basic and secondary education, vocational education and training, and university education, is shown below.

Sub-sector	Africa (SSA)	Asia	Europe	Latin America	MENA	Total
Basic and secondary education						
Number of projects	24	10	1	5	19	59
Volume (in € million)	264.3	91.8	2	46.3	230.6	635
Percentage of number of basic and secondary education projects	40.7%	16.9%	1.7%	8.5%	32.2%	100%
Percentage of number of all projects	30.0%	12.5%	1.3%	6.3%	23.8%	73.8%
Percentage of total FC volume for education	31.1%	10.8%	0.2%	5.4%	27.1%	74.6%
Persons reached (in '000)	3,323	1,722	1	1,150	664	6,860
Vocational education and training						
Number of projects	3	11	1	2	2	19
Volume (in € million)	29.2	115.4	1.5	10	11.9	168
Percentage of number of vocational education and training projects	15.8%	57.9%	5.3%	10.5%	10.5%	100%
Percentage of number of all projects	3.8%	13.8%	1.3%	2.5%	2.5%	23.8%
Percentage of total FC volume for education	3.4%	13.6%	0.2%	1.2%	1.4%	19.7%
Persons reached (in '000)	17.6	60	0.65	3.9	13	95.2
University education						
Number of projects		2				2
Volume (in € million)		40				40
Percentage of number of projects		2.5%				2.5%
Percentage of total FC volume for education		4.7%				4.7%
Persons reached (in '000)		81				81

Key statements:

- Just under 75 % of the portfolio is dedicated to promoting basic and secondary education; this figure relates to both the number of projects and the total volume.
- Basic and secondary education is a priority area particularly in Africa and the Middle East.
- 68 % of the budget for vocational education and training goes to Asia.
- University education is currently being financed exclusively using KfW funds in China.
- With low per capita budgets (approx. EUR 92) large target groups are being reached in the basic and secondary education sector (compare with figures of approx. EUR 1,764 for vocational education and training and just under EUR 500 for university education).

Markers

The overview below shows figures on the markers for programme-based approaches, gender equality and poverty orientation of all education projects, by region. Programmes assigned the marker PBA 2 involve basket financing, while the marker PBA 1 indicates close alignment with the partner strategy and/or the use of country systems. All other projects are assigned the marker PBA 0. GG 2 is assigned to all projects whose principal objective is gender equality, while GG 1 is used for projects that pursue this as a secondary objective. Projects marked GG 0 do not pursue the goal of gender equality explicitly. Concerning poverty orientation, please see the text below.

Markers (number of projects)	Africa (SSA)	Asia	Europe	Latin America	MENA	Total
Programme-based approaches						
PBA 0	9	20	2	6	15	52
PBA 1	8				5	13
PBA 2	10	3		1	1	15
Gender equality						
GG 0	1	5			1	7
GG 1	25	14	2	7	20	68
GG 2	1	4				5
Poverty orientation						
Self-help-oriented poverty reduction	1	1		1	6	9
Other direct poverty reduction	20	15	1	5	13	54
Comprehensive poverty reduction at the macro or sectoral level	6	3		1		10
General development-policy orientation		4	1		2	7
Number of projects	27	23	2	7	21	80

Key statements:

- Around 35 % of education projects involve a programme-based approach; the majority of these projects are in sub-Saharan Africa (64 %) and MENA (21 %).
- 92 % of programmes promote gender equality directly or indirectly in all regions.
- 80 % of education programmes display a direct pro-poor orientation. No regional focus is evident.

Should you have any questions or require further information, please contact:

Ulrich Jahn
Education Sector Economist

KfW Entwicklungsbank
Health, Education and Social Security Competence Centre
Palmengartenstrasse 5-9
60325 Frankfurt am Main
Germany

Phone: +49 69 7431-2764

Ulrich.Jahn@kfw.de

www.kfw.de