

## 1 EDUCATION FOR ALL / FAST TRACK INITIATIVE

2 Saturday, April 25, 2009

3 MR. HAY: [microphone off]. [In  
4 progress]--model of a Paris-friendly, country-  
5 driven partnership that can help countries weather  
6 the economic storm that we see all around us this  
7 morning and previous months.

8 We're going to confirm the goals of the  
9 FTI replenishment process, which was agreed by the  
10 FTI Partners in Copenhagen last week, and many  
11 thanks, indeed to Ulla Tornaes for the very  
12 successful meeting in Copenhagen last week.

13 We're looking for an estimated \$1.2  
14 billion over the next 18 months. And let me just  
15 give a very big vote of thanks and confidence to  
16 DFID, which obviously did an excellent job leading  
17 the working group on the replenishment of the FTI  
18 Trust Funds, and the Secretary of State for  
19 International Development Douglas Alexander. He's  
20 obviously put his shoulder behind this notably, and  
21 we thank DFID, of course, Mr. Secretary for DFID's  
22 continuing financial and intellectual horsepower

1 behind the FTI.

2           And let's without further adieu, just  
3 introduce our panel and our speakers this morning,  
4 just in the order of speaking.

5           On my immediate right is Graeme Wheeler,  
6 Managing Director here at the World Bank Group.  
7 Graeme's going to start us off with a quick  
8 discussion on some of the key issues relating to  
9 the global financial crisis and what it could mean  
10 and may mean for the education sector and  
11 development.

12           Our wonderful host last week--or this week  
13 rather--earlier this week in Copenhagen, Ulla  
14 Tornaes. She is the Minister for Development  
15 Cooperation in Denmark, and the current co-chair of  
16 the FTI Fast Track Initiative.

17           She's going to give us an overview of the  
18 FTI, along with an update of some of the more, the  
19 most important decisions from Copenhagen last week.

20           Bob Prouty, the Acting Head of Fast Track  
21 Initiative, is going to give us a short technical  
22 presentation on some of the main challenges facing

1 us.

2           Mr. Douglas Alexander, Secretary of State,  
3 of course, for International Development in the  
4 U.K., is going to be responding to some of those  
5 issues, and then on his immediate right in the  
6 spirit of the new development effectiveness in  
7 making every development dollar count, he's going  
8 to be sharing his microphone with the Minister of  
9 Finance and Economic Development from Ethiopia, the  
10 Honorable Ato Sufian Ahmed.

11           And then on my immediate right--I'll be  
12 very glad to introduce him, is Louis--on my  
13 immediate left, of course. Had I been facing the  
14 other way, of course, that would be right--  
15 Commissioner--Louie Michel, the European  
16 Commissioner for Development and Humanitarian Aid  
17 is on my immediate left.

18           So without any further adieu, let's get  
19 underway. Time is short this morning, and let me  
20 ask Graeme Wheeler to give us a quick introduction  
21 of some of the global issues from the financial  
22 crisis impacting us today.

1           Graeme Wheeler?

2           MR. WHEELER: Well, thanks very much.  
3 Lynn Wheeler and I want to extend a very warm  
4 welcome to colleagues who are attending here. And  
5 let me reinforce Phil's comments about Ulla and  
6 Douglas and their teams and the critical role that  
7 they have played.

8           I wanted to make four points. And the  
9 first is that the crisis in industrialized  
10 countries is now spreading rapidly to the  
11 developing world. We're seeing that through lower  
12 export prices, reduced trade volumes, smaller  
13 capital flows, lower remittances, and tourism  
14 receipts.

15           You know, 18 months ago, when we were  
16 meeting here, the discussion was why was the  
17 developing world growing at its most strongest rate  
18 for four decades? And we would talk about the  
19 global transfer of skill enhancing technologies.  
20 We would talk about the catalysts of trade,  
21 capital, and investment flows and whether the  
22 developing world was decoupling from the developed

1 world.

2           How different things are today. We're  
3 seeing a revaluation of every asset across the  
4 globe. We're seeing major changes in the role of  
5 government; governments now as guarantors and  
6 lenders of last resort; cabinets agreeing to  
7 policies that two years ago they would have  
8 rejected completely out of hand.

9           And we're seeing stresses on balance  
10 sheets in the household sector and the corporate  
11 sector, the banking sector, and the government  
12 sector, as enormous portfolio shifts are taking  
13 place in those balance sheets.

14           In terms of the developing world, if India  
15 and China were excluded, then the forecasts that we  
16 have prepared in the Bank suggest that the  
17 developing world will not let all this year.

18           So, that's the first point: the crisis is  
19 spreading rapidly to the developing world.

20           The second is that this--this is  
21 potentially undermining the enormous progress that  
22 is being made on education outcomes. It's putting

1 them at risk.

2           Since 1990, we've seen some very  
3 impressive gains. If you look at primary  
4 completion rates in Sub-Saharan Africa, they've  
5 increased from 50 to 60 percent; in South Asia,  
6 they've gone from 60 percent to 80 percent.

7           We've seen very good progress in improving  
8 the quality of education, and in monitoring and  
9 achieving better learning outcomes.

10           But we know there are enormous, simply  
11 enormous, challenges. We know that half of the 21  
12 countries in Sub-Saharan Africa that have good  
13 quality data that half of them spend less than four  
14 percent of their GDP on education; and that the  
15 spending on education is likely to decline as the  
16 crisis spreads.

17           We'll see it in terms of teacher salaries  
18 getting delayed, teacher vacancies being unfilled,  
19 and children from poorer households and  
20 disadvantaged groups and girls in particular  
21 dropping out of school in order to augment family  
22 incomes.

1           And we know that once children drop out of  
2 school, a high proportion of them do not return.

3           The third point I want to make is that we  
4 need to move quickly to increase our assistance to  
5 education. The funding needs, quite simply, are  
6 enormous.

7           The estimates of the external financing  
8 gap for basic education from all sources of funding  
9 range from \$4 billion to \$11 billion a year.

10           On the World Bank side, we are stepping up  
11 our financial support and trying to improve our  
12 operations. We're reducing the time to prepare new  
13 grant agreements under the Catalytic Fund. Since  
14 the middle of last year, we've signed agreements  
15 with 10 countries for \$350 million worth of  
16 assistance.

17           We're improving our fiduciary systems and  
18 risk management. And this year, we expect to spend  
19 more on education than we've ever spent before. We  
20 expect our lending to increase to \$4 billion.  
21 Nearly half of that will be in IDA grants and  
22 credits.

1           And with partners help, we're  
2 strengthening our analytical work on financing gaps  
3 and other types of strategies to improve education  
4 results.

5           Now the fourth and final point I want to  
6 make is that we need to follow through urgently on  
7 last week's tremendously successful meeting in  
8 Copenhagen.

9           Now at that meeting, all partners  
10 committed to help countries to sustain progress  
11 towards the MDGs and towards Education for All.  
12 They committed to replenish the Catalytic Fund,  
13 with an immediate goal of raising \$1.2 billion to  
14 meet the external financing needs of FTI countries  
15 through to 2010, with additional replenishments to  
16 follow.

17           The need is urgent. To date, \$500 million  
18 in grants have been disbursed to 30 low-income  
19 countries. Over 95 percent of current pledges to  
20 the Catalytic Fund have been allocated. And only  
21 \$50 million remains on allocated.

22           But the expected demand through 2010

1 exceeds \$1.2 billion.

2           So, there are the four points I wanted to  
3 make, and we desperately need your help and your  
4 support to follow through on the tremendously  
5 valuable commitments that were made in Copenhagen.

6           So, thanks very much.

7           MR. HAY: Graeme Wheeler, thanks very  
8 much. A sobering account there of how the global  
9 economy is making its presence felt and also why  
10 investing in education and the Fast Track  
11 Initiative is such a winning return on that  
12 investment.

13           The Minister for Development and  
14 Cooperation in Denmark, Ulla Tornaes, I think it's  
15 fair to say we looked at Copenhagen as another very  
16 positive turning point.

17           I wonder if you can sketch out for us the  
18 progress. What was achieved in Copenhagen and how  
19 it paves the way for us going forward, please?

20           MR. TORNAES: Thank you very much. I must  
21 say that I've been looking very much forward to  
22 this breakfast meeting, knowing how important

1 education is and also the fact that education is an  
2 issue that is very close to my heart personally.

3           Before I became Minister for Development  
4 Cooperation, I actually served three and half years  
5 as the Danish Minister for Education, just to tell  
6 you that this issue is an issue, which is very  
7 close to my heart.

8           And, we, of course, all know that  
9 education has an indisputable positive bearing on  
10 economic growth and poverty reduction.

11           And this makes education very, very  
12 important.

13           We also know that the benefits of  
14 education will influence the development of both  
15 the individual and society as a whole.

16           We should never forget that the work we  
17 are doing is about getting more children in school  
18 and making sure that they remain there.

19           28 percent more children enrolled in  
20 primary school in FTI-supported countries between  
21 2000 and 2007 is a real progress.

22           And so is the reduction in gender

1 disparity, with an equal percentage of boys and  
2 girls now attending primary school in 15 FTI  
3 countries.

4           This is really a great progress.

5           I am privileged to have been appointed the  
6 first global champion of the UN Girls Education  
7 Initiative, and I am very proud of this.

8           And in that capacity, I want to  
9 particularly welcome the work FTI is doing to  
10 advocate for education of girls.

11           Investing in the education of girls is  
12 central to the achievement of not only MDG2 and  
13 three, but of all MDGs.

14           Investing in the education of girls at all  
15 levels of the education system provides the highest  
16 return in terms of the wellbeing and opportunities  
17 of future generations.

18           It is, therefore, absolutely important  
19 that FTI continues to support partner countries in  
20 their endeavor to overcome inequality through  
21 development of good policies and sector plans, with  
22 concrete initiatives addressing teachers and

1 parents.

2           Since it was launched back in 2002, FTI  
3 has evolved from a fairly small initiative with a  
4 few donors and partner countries to becoming a  
5 large international initiative with currently 37  
6 partner countries with endorsed education sector  
7 plans and 17 donors contributing to the Catalytic  
8 Fund.

9           US\$1.5 billion has been pledged, and only  
10 last year's allocations reached US\$343 million.

11           This is an impressive achievement, and I  
12 think we have to be proud of this.

13           However, it is a key challenge for FTI to  
14 ensure enough funding for the trust funds for the  
15 future, as was also mentioned by Mr. Wheeler.

16           FTI is currently facing a financing gap of  
17 US\$1.2 billion until 2010.

18           I would like very much to recommend to  
19 donors to increase their support to the FTI and use  
20 FTI as an aid effective instrument where  
21 coordination is done up front.

22           As low-income show their commitments to

1 make serious and long-term investment in education,  
2 even in these difficult times so must the  
3 international community.

4           The economic crisis hits much harder in  
5 the partner countries than among the development  
6 partners. And we know that social sectors are at  
7 risk in times of crisis.

8           It is, therefore, absolutely urgent that  
9 we as donors show our commitment and make funds  
10 available in support of the call for more funding  
11 for FTI, which has agreed with the new  
12 replenishment mechanism at the FTI meetings in  
13 Copenhagen earlier this week.

14           We are aware of the challenges that FTI is  
15 facing. The needs in the partner countries are  
16 many, of course. And it is important that FTI  
17 lives up to the name to be fast.

18           In some cases, after the approval of the  
19 applications by the Catalytic Fund Committee,  
20 disbursements have taken too long. No matter what  
21 the reasons are, this is not conducive for the  
22 credibility of FTI.

1           We have to do better.

2           Together the partner countries and the  
3 donors had a mutual responsibility to ensure that  
4 this process is not unnecessarily delayed. And we  
5 are confident that these challenges will be  
6 addressed, building on FTI's track record for  
7 developing and implementing innovative and  
8 practical solutions.

9           The scope for FTI is on primary education  
10 to contribute to the achievement MDG2 and 3. In  
11 April last year, the Danish government launched the  
12 Africa Commission.

13           The objective of the Commission is to  
14 improve job opportunities for young Africans--women  
15 and men.

16           The Commission has agreed to further  
17 develop five concrete initiatives. One of them  
18 focuses on the relationship between education and  
19 job opportunities.

20           The challenge is to ensure a much better  
21 link between the demand of the private sector and  
22 educational opportunities.

1           The Africa Commission will present  
2 proposals on developing demand-driven technical and  
3 vocational training. The education changes clear:  
4 primary education establishes the basis of  
5 knowledge and skill in a population and is  
6 indispensable for further education.

7           But primary education in itself is not  
8 enough to prepare young people to contribute to  
9 development in a globalizing world. Knowledge,  
10 skills, and the application of science and  
11 technology are required.

12           These skills are required to secondary  
13 schooling, including technical and vocational  
14 education and training.

15           I think we need to get vocational training  
16 on a fast track, too. We need to put it on the top  
17 of the political agenda and we need to involve the  
18 private sector.

19           In my opinion, the FTI could play an  
20 important role in supporting countries in dealing  
21 with these challenges, both in terms of capacity  
22 development, technical assistance, and financing.

1           The other day the Minister of Education of  
2 one of our African partner countries quite rightly  
3 was saying to me, if we do not manage to focus more  
4 on secondary education, we will not fully benefit  
5 from all our investments in primary education. And  
6 I think she was very right in stating this.

7           But this being said, of course, I should  
8 emphasize that it does not mean less focus on the  
9 75 million children who are still out of school.

10           Let me conclude. A new FTI governance  
11 structure is in place. A new financing window for  
12 countries in post-conflict situations or in other  
13 types of fragile situations will soon be in place.

14           The effectiveness of FTI support is  
15 improved with alignment to national systems, and  
16 better coordination between partner countries and  
17 donors.

18           New accountability and quality assurance  
19 measures are also being applied. And not less  
20 important, more children have come to school and  
21 the gender inequality is being reduced.

22           This is an extraordinary achievement and a

1 good story worth telling. I think it's time to  
2 build on FTI's successes for the replenishment and  
3 the expansion of FTI. And I do believe that we  
4 also need to include secondary education, and  
5 especially technical and vocational training

6 On our part, Denmark will increase the  
7 contribution to the Catalytic Fund in 2009 by US\$10  
8 million to approximately US\$23 million U.S.  
9 dollars.

10 And we are committed to continuing this  
11 level of support in the years to come.

12 Thank you very much.

13 MR. HAY: Minister Tornaes, thanks very  
14 much indeed. I was especially grateful to hear you  
15 make the point about the cross-propagation, cross-  
16 pollination quality of education in terms of all  
17 the MDGs. In fact, it's hard to think of one which  
18 doesn't benefit from education. And delighted you  
19 made the point about the importance of secondary  
20 education, because, without it, FTI is the ultimate  
21 bridge to nowhere and despair.

22 So, thank you indeed, Minister.

1           Let's get a quick update on some of the  
2 technical aspects, and I say quick from Bob Prouty,  
3 who's the Acting Head of the FTI Secretariat.

4           Before I bring in Bob, let me just say I'm  
5 especially delighted to welcome the Prime Minister  
6 of Honduras, the Right Honorable Excellency Rebeca  
7 Patricia Santos. Wonderful to have you with us,  
8 Prime Minister.

9           So, Bob Prouty, please.

10          MR. PROUTY: Thank you, Phil.

11          One of the most outrageously powerful  
12 ideas of our new millennium is that all children  
13 will go to school and will learn to read and to do  
14 many other wonderful things.

15          Education is the anti-Pandora to put 1000  
16 ills back in the box.

17          The first 10 years of the new millennium  
18 will be the first decade in our lifetimes to end  
19 with fewer children out of school than at its  
20 beginning.

21          So far, while the number of children has  
22 gone up by about 1 million a year, the number of

1 children out of school has dropped by 4 million a  
2 year. So, we're getting ahead of the curve. Now  
3 the challenge will be to stay there, particularly  
4 in Africa where almost all of the population growth  
5 is occurring.

6           The FTI Partnership was designed to make  
7 this happen. It is producing results, in part, by  
8 targeting 83 percent of Catalytic Fund support to  
9 date to Africa; in part, by making education the  
10 leading sector to embrace the Paris and Accra Aid  
11 Effectiveness Agenda; and, in part, by focusing on  
12 policies that reach marginalized children and  
13 increase learning outcomes.

14           The Partnership is adopting a new target  
15 this year, that children be able to read with  
16 understanding within two years of schooling. This  
17 will be a sea change for many countries, but it's  
18 something we've been working with for several years  
19 now, and we think the goal is reachable.

20           We have much more catching up to do. We  
21 have much more to learn when it comes to better  
22 schooling, particular for children with

1 disabilities, for working children, for children in  
2 remote communities.

3           The Minister spoke about the efforts being  
4 made to improve gender inequities. We still have  
5 questions. Why, for instance, do girls in urban  
6 areas of many developing countries read better than  
7 boys? But in the countryside, they do far worse.  
8 We don't know.

9           Why does it help girls in the cities to  
10 have a female teacher? These girls are better than  
11 boys who have a male teacher. In the rural areas,  
12 apparently there is no such advantage. Again, many  
13 things that we are beginning to learn we don't  
14 know.

15           We couldn't even ask such questions just a  
16 few years ago, because we had no data. But now,  
17 thanks in part to the Partners in the FTI  
18 Partnership, we have the data and we're beginning  
19 to look for and find answers.

20           This will require focus. It will require  
21 funds, as you have heard, and it is by paying  
22 attention to these issues of quality and equity and

1 what comes after primary schooling that we will  
2 reach Education for All.

3           EFA will be one of the world's great  
4 achievements. I personally believe when it is  
5 reached, we will look back on it as one of the  
6 finest things we have ever done. I ask each of you  
7 to support each of the countries that has committed  
8 to it. I ask you to commit to watching their  
9 progress year by year and to push us as a  
10 partnership we're not moving fast enough and to  
11 take this on as a personal challenge.

12           And, again, I thank the Minister for  
13 pushing us to make sure the "fast" remains in Fast  
14 Track.

15           We know what the future holds for children  
16 without an education. We've seen it in the past.  
17 For them, today's economic crisis will be cradle-  
18 to-grave.

19           One of our NGO partners, the Save the  
20 Children Foundation, has a slogan, "rewrite the  
21 future." We can make that more than a slogan.

22           Thank you.

1           MR. HAY: Bob Prouty, thanks very much  
2 indeed for that powerful summary of where we're up  
3 to and what education can be the ultimate tractor  
4 beam, if you will, of development.

5           Let's get some quick responses. I'm mean,  
6 in a way, we've heard a number of pitches here that  
7 are very powerful about why investing in education  
8 is investing in development, a hugely potent  
9 investment.

10           Let's get some quick reactions appear.  
11 I'm glad to see he's removed his jacket, which  
12 means that he's all business now.

13           So, let me bring in Douglas Alexander is  
14 obviously Secretary of State for International  
15 Cooperation in the U.K.

16           MR. ALEXANDER: Phillip, thank you very  
17 much for that introduction and let me just say by  
18 way of introduction, it is very good to be among so  
19 many friends here at a meeting that I think will be  
20 judged to be both timely and important.

21           As Graeme's presentation reminded us at  
22 the outset, we are here today to affirm a cause, a

1 belief, a commitment to stop what began as a  
2 banking crisis becoming a human development crisis  
3 in partner countries across the world.

4 I really just want to offer four responses  
5 to the presentations that we've just heard;  
6 firstly, emphasizing the importance of donor  
7 countries meeting the commitments that we have  
8 made; secondly, to say a word in terms of the  
9 success of FTI as an initiative; thirdly, to share  
10 with you my concerns and my fears over the threat  
11 that is posed to the FTI's progress by the kind of  
12 economic downturn that we've seen at the moment;  
13 and, fourthly, just a brief word on the necessary  
14 resources that Ulla touched on and the reforms that  
15 we want to see to take forward the success that has  
16 already been garnered by the initiative.

17 Firstly, the importance of affirming the  
18 commitments that we have made as donor countries.  
19 All of us are aware that our constituents in OECD  
20 countries are facing rising costs of living,  
21 greater financial pressures, and that our finance  
22 ministers are facing real fiscal pressures.

1           But in the United Kingdom this week, we  
2 had our annual budget. And I'm proud to say that  
3 we affirmed the older commitments that the United  
4 Kingdom had previously made. My own department  
5 will see an 11 percent rise in its budget next  
6 year, as we make progress towards our stated aim of  
7 0.7 percent by 2013.

8           And that comes against the backdrop where  
9 Gordon Brown, our Prime Minister, announced back in  
10 2006 that the United Kingdom would provide eight  
11 and half pounds sterling for education in the 10  
12 years up to 2015.

13           Now as part of that long-term pledge, a  
14 further 50 million pounds was granted by the United  
15 Kingdom to the FTI in New York last September. And  
16 this was in addition to the £150 million we had  
17 committed over the previous three years. And I can  
18 assure you that those sums of money reflect the  
19 fact that as the United Kingdom we are proud to be  
20 one of the major funders both of the FTI and also  
21 of its Secretariat.

22           On the FTI, I think amongst the global aid

1 architecture, the Fast Track Initiative stands out  
2 quite clearly for its ability to mobilize and to  
3 orchestrate a truly international effort to promote  
4 country-led processes and to deliver the kinds of  
5 results of which Ulla spoke and that we've heard  
6 about from Mr. Prouty.

7           FTI countries in Africa have delivered a  
8 52 percent growth in enrollment compared to 23  
9 percent increases in non-FTI countries between the  
10 years 2000 and 2006.

11           And a majority of FTI countries are  
12 projected to get almost all children into first  
13 grade or primary school by 2010, a vital step  
14 towards the pursuit of MDG Goal 2.

15           This progress is, therefore, very real,  
16 and we can take immense pride in the work that has  
17 been achieved. All of us are aware that the  
18 potential development gains, some of them  
19 permanent. A child in primary school will always  
20 benefit from the education that they have enjoyed  
21 in recent years is now under threat in the face of  
22 the global financial crisis.

1           That is, in part, because there is no  
2 pressure on many developing countries' budgets  
3 themselves and all history teaches us that  
4 education is one of the budgets that are most  
5 vulnerable to being cut back, and also because  
6 there are now no increased pressures on the aid  
7 budgets.

8           And that's why I think the work that Ulla  
9 and her colleagues did in Copenhagen last week is  
10 so important.

11           In terms of resources, I can assure you  
12 that the United Kingdom stands ready, therefore, to  
13 participate fully in the replenishment effort of  
14 which Ulla spoke; the need, as she described it, is  
15 urgent. Demand is likely to outstrip current funds  
16 available very soon, and I would urge all of the  
17 partners represented around the table to provide  
18 long-term and predictable funding for FTI.

19           As well as providing those additional  
20 resources, we must, however, also act to ensure  
21 that the FTI continues to deliver as effectively as  
22 possible.

1           The international community has, in recent  
2 months, made very significant efforts in  
3 comprehensive reform of FTI, addressing key issues  
4 such as governance, replenishment, and  
5 responsiveness, particularly in the area of fragile  
6 states, where there are very particular challenges.

7           And I can assure you that the United  
8 Kingdom has been willing and came to work with  
9 other partners in the reform process and is taking  
10 forward the work of the replenishment tasks team,  
11 which reported in Copenhagen at that meeting last  
12 week.

13           The United Kingdom is also set to provide  
14 a DFID Advisor from my department on secondment to  
15 the FTI Secretariat in order to strengthen and  
16 accelerate the true country-led nature of FTI's  
17 work, which has been such a big part of its  
18 success.

19           I think the willingness of the FTI to make  
20 those changes is actually a measure of both of its  
21 credibility and its effectiveness already as a  
22 successful organization which is implementing a

1 successful process of change.

2           To maximize the credibility of the  
3 replenishment efforts that we are looking forward  
4 to, I think those reform efforts need to intensify,  
5 and we need to ensure an even more improved  
6 disbursement profile is delivered.

7           And I'm very pleased with Graeme's  
8 residence here that the Bank has fully engaged in  
9 addressing this issue very seriously indeed.

10           However, accelerating disbursement is not  
11 the sole responsibility of the Bank. Greater  
12 attention needs to be paid to the speed of in-  
13 country processes as well as cash flow management  
14 and better anticipation of timing, numbers, nature,  
15 and the magnitude of the countries submitting  
16 funding requests.

17           So, on the half of the United Kingdom, I  
18 would urge all parties to engage in a concerted,  
19 genuinely international and multilateral effort to  
20 deliver more, better allocated, and effectively  
21 orchestrated multilateral and bilateral aid to  
22 education.

1           The FTI has been and I believe will remain  
2 a critical part of this effort.

3           Let me conclude with this observation:  
4 the Prime Minister, who appointed me to the  
5 Cabinet, was not actually our present Prime  
6 Minister, Tony Blair, but our previous Prime  
7 Minister--sorry, it was not Gordon Brown, but was  
8 our previous Prime Minister, Tony Blair.

9           When he was asked almost a decade ago now  
10 what was his top priority in office, what were his  
11 top three priorities, he replied, "education,  
12 education, and education."

13           I think a decade on from that observation,  
14 we are still in a position where, as the  
15 presentation that we've just heard reminded us, all  
16 of us recognize that investing in education in  
17 partner countries is probably the single biggest  
18 investment we can make in our shared future. The  
19 threat to that continued investment is real.

20           But I would simply reflect that when I  
21 left London to come to this meeting, I left behind  
22 my own children, a 7-year-old and a 4-year-old.

1 What I want for those children is what I want for  
2 every child.

3 We've made huge strides with 40 million  
4 more kids in school since 2000.

5 Those children will benefit permanently  
6 from the work the FTI has achieved. But if we're  
7 going to get the other 75 million children, who on  
8 Monday morning will have no classroom to attend and  
9 no teacher to teach them, then the replenishment  
10 effort is going to be absolutely fundamental.

11 I commend Ulla and Graeme for their work  
12 in convening this meeting. I hope that we will  
13 reflect in the years ahead that it was a moment  
14 where we regalanized the international effort,  
15 recommitted ourselves to that most basic of basic  
16 services, and looked back at it being a key  
17 milestone towards a successful and comprehensive  
18 replenishment round.

19 Thank you.

20 MR. HAY: Secretary of State Alexander,  
21 thank very much indeed. Let's go to someone who's  
22 in the unique position of being on the other end of

1 the FTI, being a recipient and a beneficiary of  
2 these efforts to get each and every girl and boy  
3 into school and give them a quality education by  
4 2015.

5 Let me bring in the Minister of Finance  
6 and Economic Development from Ethiopia for his  
7 quick response, of course, His Excellency Ato  
8 Sufian Ahmed. Minister?

9 MR. AHMED: Thank you very much.

10 As so rightly said, I am on the receiving  
11 side. I think I also--my thoughts reflect also the  
12 situation in most of African countries.

13 The importance Ethiopia placed in  
14 education for national development and poverty  
15 reduction is evident from the education and the  
16 training policy and the strategies that we adopted  
17 way back in 1994.

18 The policy focuses on increasing access to  
19 educational opportunity with equity, quality, and  
20 relevance. This was also the basis for the  
21 formulation of successive, multiyear nationwide  
22 education sector development program as a part of a

1 20-year education sector indicative plan, with the  
2 long-term goal of achieving universal primary  
3 education by the year 2015.

4           So far, impressive results have been  
5 achieved. I just mentioned two or three. The  
6 primary school gross enrollment has increased from  
7 19 percent one, nine percent in 1992, to over 97  
8 percent by 2008.

9           Net primary enrollment has also increased  
10 from 27 percent in 1997 to over 84.4 percent in  
11 2008.

12           The number of children in school has more  
13 than tripled, from 3.8 million in 1998 to well over  
14 15 million in 2008. And, of course, Ethiopia has a  
15 population of close to 80 million now.

16           Over the decade, gender and the role of  
17 urban disparity have been also significantly  
18 reduced. The gender parity has improved  
19 significantly with a ratio of 0.93 in the lower  
20 primary cited in 2008.

21           This progress is being implemented by  
22 increased community awareness toward girls'

1 education.

2           We realize that increasing the coverage of  
3 education is only part of the battle and that the  
4 push to increase coverage has been accompanied in  
5 recent years also by a national program to improve  
6 the quality of integration, to keep children in  
7 school, and reduce dropout rates and to ensure the  
8 relevance of the curriculum.

9           The encouraging results in education have  
10 been achieved through massive nationwide efforts.  
11 Public spending in education has increased by 170  
12 percent in real terms in the last decade between  
13 1998 to 2008.

14           This is a reflection of the commitment of  
15 the government towards education.

16           The government's treasury resources and  
17 the external finances are the major source of  
18 financing our education sector development program.  
19 I wanted to take this opportunity really to thank  
20 the partners who assist in financing. And I think  
21 it was a worthy investment.

22           The community has been contributing

1 through school construction in terms of labor,  
2 material, and the money. But most importantly,  
3 community participation has also helped increase  
4 the financial contribution, but also promote a  
5 sense of ownership and participation in the school  
6 management.

7           We think Ethiopia is well on track to  
8 achieving the goal of universal primary education  
9 by 2015.

10           As we approach the 100 percent enrollment  
11 level, it becomes harder to reach those who have  
12 been left behind, like the pastoral communities,  
13 those who live in remote areas, and the very poor.

14           We are addressing this by launching the  
15 program of special intervention.

16           Ethiopia is a primary example of a Fast  
17 Track Initiatives that have made great progress.  
18 We have very strong donor collaboration on the  
19 ground, a public funding mechanism aligned with the  
20 country's own priorities and the financial system,  
21 as, Minister, probably you know.

22           Challenge remains. Reaching the

1 disadvantaged ,improving the qualities are a  
2 challenge, but in my opinion the greatest challenge  
3 is the financing, particularly given the current  
4 global economic crisis.

5 Domestically, we already start feeling  
6 shortfalls in our tax collections because of the  
7 global economic crisis.

8 There are also emergency needs that  
9 compete with education, like food crisis. So, at  
10 this time, there is a temptation really to divert  
11 resources from education to this.

12 Externally, commitment of donors have  
13 never been materialized, even before the crisis--  
14 the commitment to [inaudible at 00:39:05] date.

15 Given the current global economic reality,  
16 realization of donors' commitment appears really  
17 remote.

18 If that have been, it will be really  
19 unfortunate to see that. Therefore, I would like  
20 to call upon donors to contribute to Education for  
21 All Fast Track Initiatives. I thank you very much.

22 MR. HAY: Minister, thanks very much

1 indeed for that assessment from the ground and  
2 issuing homework, if you will, to the donors to  
3 step up and honor those commitments of doubling  
4 ODA.

5           Now Louis Michel took his jacket off,  
6 because he told me he brought saddlebags of FTI  
7 gold from the European Commission. I said that was  
8 wonderful so but down here at his feet.

9           So, Mr. Commissioner, the floor is yours.

10           MR. MICHEL: Thank you, President.

11           Dreaming is always a very nice adventure.  
12 In fact, not gold with me, not yet.

13           Thank you very much, and I would like  
14 especially to thank Ulla and Douglas and all those  
15 who have organized this meeting, and which gives me  
16 the opportunity to share some considerations with  
17 you on a very important issue, of course.

18           As regards the education Fast Track  
19 Initiative, I would like to consider it first from  
20 the aid effectiveness angle. The processes it has  
21 spawned, especially at the country level, have been  
22 duly recognized for their aid effectiveness capital

1 at the Accra Conference in September 2008.

2 I feel we could do more on division of  
3 labor, and you all know my session about that. And  
4 the crisis makes the pursuit of this goal all the  
5 more relevant.

6 I've particularly news to give to you and  
7 information. To give you a more general example,  
8 according to preliminary results of a forthcoming  
9 European Commission, if the EU were to apply the  
10 Accra Agenda to the full by 2015, this would  
11 translate into savings of \$5 billion to \$7 billion  
12 a year or \$25 billion to \$35 billion that could be  
13 used more effectively to support underfunded  
14 priorities. In a time when we are all looking for  
15 additional money, I think if we could start with  
16 this kind of behavior, it would help a lot.

17 And I don't speak about the simplification  
18 for developing countries if we would work better,  
19 in a better divided labor manner.

20 By combining its action on a country level  
21 with its dialogue at the global level more  
22 assertively in the line of the Accra Agenda for

1 Action, I am confident that we can achieve some  
2 good results.

3 Now the Fast Track Initiative demonstrates  
4 successful application of a combination of several  
5 sources of funding. In this context, I would like  
6 to recall the importance of country ownership.

7 We have just heard some telling Ethiopian  
8 examples, which, in my view, highlight the  
9 relevance of options for support, which also  
10 address long-term considerations.

11 I am strong believer. Each time I got the  
12 opportunity to remember that, I am a strong  
13 believer in budget support, because it is aligned  
14 with appropriation, and it also strengthens the  
15 capacity of the state to deliver in social issues.

16 Through country programming, the EC, based  
17 on a sound dialogue at the national level, is a  
18 major actor to FTI-endorsed countries. We give  
19 support directly to the education sector or  
20 indirectly through general budget support, as I  
21 said.

22 And the 90 we have, we contributed for the

1 FTI with an amount of €63 million on the nine TDF  
2 and for €27 million you're investing in people, for  
3 a total of €90 million, and for the future I can  
4 promise you that we will deliver in the framework  
5 of the mid-term review.

6 We have a big opportunity there.

7 We are presently tackling education from  
8 the macro angle, through support to the development  
9 of effective and feasible education policies in the  
10 countries we work with, which I see personally as  
11 essential functions of a state.

12 Why effective? Because investments in  
13 quality ultimately pay. Why feasible? Because the  
14 salaries of teaching professionals need to be paid  
15 and the building and running costs of educational  
16 facilities and provision of supplies need to be  
17 covered.

18 Now in the context of ensuring the funding  
19 for FTI countries, it is imperative that we take  
20 account of the need for predictability of aid so as  
21 to permit governments to engage in long-term  
22 policies, with a special focus, as it was said, on

1 the gender policies and on the access for girls to  
2 schools, which has a lot of very nice consequences  
3 on other issues.

4 In this respect, I draw attention to the  
5 Commission's MDG contracts, which address this  
6 predictability concern directly through a multi-  
7 annual commitment to provide budget support, as  
8 announced on 8 April, taking into account the  
9 budgetary pressures faced by your partners.

10 As a result of the global downturn, we  
11 intend to frontload €3 billion worth of budget  
12 support in order to allow our ACP country partners  
13 to ensure social spending.

14 In terms of FTI deliverables, I cannot but  
15 salute the FTI contribution to the substantial  
16 improvement in access to education. Enrollment in  
17 primary school in Sub-Saharan Africa increased by  
18 36 percent between 2000 to 2006. However, this has  
19 not been managed by similar gains in learning  
20 outcomes and more attention must be given, as was  
21 said before, to the quality of education, which I  
22 understand that's mobilizing means to support the

1 use of innovative teaching instruments; for  
2 instance, such as digital blackboards and  
3 supporting the development of curricula that make  
4 sense in the countries concerned.

5           The days of "nos ancetres le Gaulois" must  
6 end.

7           We must find ways to achieve better  
8 results in post-primary provision. I fully agree  
9 with what Ulla said about that. Technical  
10 education and professional training will contribute  
11 more effectively to developing a cadre of youth and  
12 adults trained and capable to participate in the  
13 economic and social development of their country.

14           And we must keep our sights on countries  
15 affected by conflict and ensure that children as  
16 well as others out of school are able to access a  
17 good quality education.

18           But ladies and gentlemen, these all are  
19 important issues. And as a former teacher, and  
20 they resonate very strongly in my mind. But the  
21 real question will remain, however. And what is  
22 that question? Will we or not be able to convince

1 the donors just to fulfill their commitment and  
2 even to increase the support to education by  
3 endowing our ODA with additional means.

4           So, I think we will have to campaign  
5 strongly for that. That is the reason why I'm so  
6 impressed by what the British did yesterday, the  
7 decision that was taken there. It's really a very  
8 strong leadership you have taken, Douglas, and I  
9 have a very appreciative opinion about that,  
10 because if some countries are taking the lead  
11 strongly, all the most [inaudible at 00:47:24] will  
12 follow.

13           So, congratulations for that. And  
14 congratulations to Ulla also for personal  
15 commitment in all this issue.

16           CHAIRMAN: Louis Michel, thanks very much  
17 indeed. Nice to Stefano Manservisi, alongside you,  
18 on your left, as well.

19           Let's go now to the floor and get some  
20 quick comment. Let me just say sometimes than a  
21 moderators take exaggerated powers to themselves  
22 and I've promoted the Finance Minister from

1 Honduras to Prime Minister, education being, of  
2 course, all about potential and aspirations.

3 So, Minister, I don't want her cell phone  
4 to go off shortly from the Prime Minister. So, let  
5 me absolve you from that burden right now.

6 And let me, having said that, then offer  
7 you a chance just to make a quick observation to  
8 the panel, if you would, please?

9 Oh, we're actually going to--you'll speak.

10 MS. SANTOS: To translate? Yes.

11 MR. HAY: Yes, please.

12 MS. SANTOS: No, I will speak in Spanish,  
13 but I think Ms. Veronica Aguilera [ph.] will  
14 translate.

15 MR. HAY: Thanks very much.

16 MS. SANTOS: [Speaking Spanish]: I would  
17 like to take this opportunity to let you know that  
18 three years ago I was sitting on the other side of  
19 the table, in the side of the--I worked with the  
20 World Bank, with the social sectors, and in  
21 particular with the education sector.

22 Now I'm on this side, and as Minister of

1 Finance. And I'd like to welcome the Minister from  
2 Nicaragua. So, it's no wonder that the ministers  
3 from finance from the Latin American region are so-  
4 -Central American region are so interested in  
5 education.

6           And I'd like to confirm that we see that  
7 all resources spent on education are well spent  
8 resources. In our practical experience with the  
9 Fast Track, we have been able to see how the  
10 Education for All has allowed us to, in a way, use  
11 the EFA as a trigger for all of our indicators in  
12 education to improve.

13           What we have seen is that not only have  
14 our basic education indicators improved, but also  
15 our early childhood, or pre-basic education, and  
16 our secondary education indicators have also  
17 improved thanks to the EFA.

18           It is very evident that early  
19 interventions with children has had a positive  
20 impact on retention of both girls and boys. In our  
21 pre-basic education level in three years, we've  
22 seen an increment of enrollment of 20 percent, with

1 from 41 percent to 61 percent enrollment.

2 We have almost 100 percent enrollment in  
3 basic education, and on the EFA goal of completion  
4 of primary education in 2005, we had an 81 percent  
5 completion rate; whereas today, we have an 87  
6 percent primary education completion rate.

7 In terms of equity of education for boys  
8 and girls in our schools, thanks to the Fast Track,  
9 we've been able to see both--we have an equal  
10 enrollment of boys and girls.

11 With these positive signs we've seen in  
12 education, we are concerned by the global economic  
13 crisis, which is not only a financial crisis, but  
14 now threatens sectors and improvements such as the  
15 improvements we've made in education.

16 Therefore, the influx of funds that can  
17 come from donors at this time to initiatives such  
18 as the Fast Track are not only--they're not only  
19 more important now, but are also more strategic.

20 Thank you.

21 MR. HAY: Minister Santos, thanks very  
22 much indeed. You are reminding me about why

1 Education Ministers are always so grateful and  
2 energized when they have finance ministers of your  
3 caliber and conviction as key supporters in  
4 cabinet.

5 We know things don't go very far, very  
6 quickly without the finance minister on board.

7 So, thanks very much indeed.

8 Let me also call on another key supporter  
9 of the Fast Track Initiative from the Global  
10 Campaign for Education. Let me ask Imad Sabi from  
11 Oxfam International in the Netherlands for a quick  
12 reflection. And you may have to share the  
13 microphone indeed.

14 MR. SABI: [Off microphone.]

15 MR. HAY: Indeed. Making the aid dollars  
16 go further--

17 MR. SABI: Yes.

18 MR. HAY: --with fewer microphones.

19 MR. SABI: Thank you.

20 The Global Campaign for Education has been  
21 calling for the replenishment round of the FTI for  
22 some time. So, we are pleased it is happening.

1           We need more donors doing more. The  
2 Catalytic Fund currently relies on a very small  
3 pool of donors. The U.K., Spain, and the  
4 Netherlands make up over 70 percent of total  
5 pledges.

6           But we mustn't forget that the Catalytic  
7 Fund financing is just a small part of the overall  
8 picture, where much greater effort is also needed.

9           The Catalytic Fund is not currently active  
10 in countries where the majority of out of school  
11 children live.

12           We at GCE are concerned that the G8 donors  
13 in particular are failing to live up to their  
14 responsibilities, to increase bilateral aid. The  
15 G8 collectively gives less than 20 percent of their  
16 fair share of the \$16 billion required to achieve  
17 Education for All.

18           For us, this is a scandal, especially  
19 considering that bailouts to banks alone have added  
20 up to \$375 billion so far. We feel we need to  
21 stress time and time again that education is a  
22 long-and short-term strategy for ending the

1 economic crisis.

2           There has been important gains made, but  
3 they remain fragile. And we urgently need to  
4 defend them and build on them. And we at the  
5 Global Campaign for Education hope that this is  
6 just the start of a more ambitious and bold effort  
7 to raise resources for education and look forward  
8 to further phases of replenishment that take into  
9 account the greater need out there.

10           We also look forward to the appointment of  
11 the new independent chair of the Fast Track  
12 Initiative, and trust that the new independent  
13 chair will address themselves urgently to  
14 advocating that donors, especially the G8  
15 countries, fulfilled their commitments while also  
16 ensuring that we have a global architecture in  
17 place fit for the purpose of guaranteeing mutual  
18 accountability for achieving Education for All,  
19 including partner countries, donors, international  
20 institutions, including the World Bank and the IMF.

21           Thank you very much.

22           MR. HAY: Imad Sabi, hanks very much

1 indeed for that, and I hope we can look to the  
2 Global Campaign for Education with their continuing  
3 leadership on this for many years to come--2015 and  
4 beyond. So, thanks very much.

5 I know that ministers need to be in other  
6 places very quickly, but an international meeting  
7 would not be considered complete without hearing  
8 from the Netherlands, of course, who were in the  
9 basement when the Fast Track Initiative was created  
10 and made being.

11 So, very quick response from the  
12 Netherlands. Very nice to see you this morning.

13 NETHERLANDS: I will be very brief indeed.  
14 In the interest of time, I would just like to share  
15 the remarks that others have made about the  
16 importance of education for meeting the MDG, so I  
17 will spill no further words on that.

18 And I would like to congratulate Minister  
19 Tornaes for her appointment as the first global  
20 champion on the UN Girls Education Initiative.

21 I think the importance of the issue of  
22 girls education deserves that we all follow your

1 example and become champions as well.

2           Just three very quick points. Like you  
3 said, the Netherlands remains fully committed to  
4 the objectives and the principles of FTI. We are  
5 pleased with the new governance structure that will  
6 be effective from the 1st of July, as the previous  
7 speaker also referred to.

8           And the Netherlands will make a  
9 contribution to the trust fund that finances the  
10 Secretariat and the new independent chair.

11           We are also very happy with the increased  
12 attention for education in fragile states. We've  
13 been doing some pioneering work with other partners  
14 in this area, which I feel is extremely important.

15           Secondly, I would like to underline the  
16 points that Minister Tornaes also just made about  
17 the fast--in the Fast Track Initiative. In the  
18 next few months, we hope to see further progress in  
19 turning allegations into disbursements and in Excel  
20 array of disbursements under existing grants.

21           As you've said, the Netherlands has been a  
22 very, very strong supporter of the FTI, both in

1 terms of approach and strategy and in financial  
2 terms. And I think we shared with you the concern  
3 earlier that we have been unable to fully disperse  
4 the pledges that we've made under FTI.

5 And in times of economic crisis and stress  
6 on our budgets that makes our contribution  
7 vulnerable so that's why I would like to sort of  
8 underline this point again.

9 Finally, one word on the effectiveness. I  
10 think the remarks by Commissioner Michel were very  
11 compelling on that point, and I think we should  
12 also see that when we move to the second phase  
13 replenishment, we should, as partners, continue to  
14 refine and review our instruments in order to  
15 enhance the effectiveness of the instrument.

16 Thank you very much.

17 MR. HAY: Jocke Brandt [ph.] from the  
18 Netherlands. Thanks very much indeed.

19 Okay. Let me just hand over very quickly  
20 to Minister Tornaes or a couple of very quick  
21 farewell remarks. I know she has places to go,  
22 along with the other ministers.

1           So, Minister Tornaes, please.

2           MRS. TORNAES: Thank you very much. And I  
3 would like to thank you all for attending this  
4 breakfast meeting. I think this has been a very  
5 good way of reminding one another and ourselves  
6 that when we work together, we can actually achieve  
7 good results and we can change things.

8           So this, I think, is a very, very good  
9 outcome of this breakfast meeting.

10           I would also like to thank the speakers  
11 for very strong words on the FTI and on education  
12 as such and of education as a very important means  
13 to fight poverty; and also of the strong words to  
14 the support of the FTI. This was very good to  
15 hear.

16           It was very good to hear a concrete  
17 example from Ethiopia with the experiences--with  
18 good experiences in terms of the enrollment rate.

19           But, of course, we all know that there is  
20 still a long way to go. The 75 million children  
21 that are still not in school have been mentioned  
22 several times. The issue of quality of education

1 has also been mentioned, which is, of course, an  
2 issue that we have to deal with as well is  
3 teachers' education--of course, also of great  
4 importance to make sure that the quality of the  
5 education is of a standard that we--of the standard  
6 that we would like.

7 I very much see this meeting as the start  
8 of the replenishment process of the FTI, and I  
9 would very much like to see more donors on board,  
10 and I think Douglas and I and others, I mean, we  
11 have to do whatever we can to convince other donors  
12 that they should take part of the FTI and support  
13 it also in terms of financial means.

14 I also think that the outcome of the  
15 meeting in Copenhagen in the beginning of the week  
16 is also a good platform for the future work in  
17 relation to the replenishment of the FTI.

18 So, I think at least my overall conclusion  
19 in relation to what are we facing right now is a  
20 positive one. I think we have good results. We  
21 have a good infrastructure. So, we just have to go  
22 forward and try to convince others that they should

1 be on board.

2 I very much agree with what Louis Michel  
3 was saying on the FTI as, I mean, this is really  
4 what Accra was all about. And it shows that when  
5 we court made things, we can, as I was saying also,  
6 achieve good results.

7 You were touching upon this from the  
8 Netherlands that we have to consider whether we  
9 should keep on our bilateral programs in the FTI  
10 countries in the education sector. Maybe it would  
11 be a good idea just to stick to the FTI in the  
12 countries and not have parallel bilateral programs,  
13 but this is, of course, something we have to  
14 consider.

15 But that would be fully in line, as I see  
16 it, with the Accra agreement.

17 And then I personally hope that I have--  
18 how can I say--put a little seed into the whole  
19 discussion about vocational training and the need  
20 for more focus on secondary education, and  
21 especially vocational--technical and vocational  
22 training, which I believe is what is the largest

1 need, especially in Africa.

2           Finally, I would like to thank Mr. Wheeler  
3 for organizing this meeting together with us, and I  
4 really think that we have had a very good  
5 discussion and some, as I was saying, strong words  
6 in support of the FTI is a good platform for the  
7 future work of the FTI.

8           Thank you very much.

9           MR. HAY: Minister Tornaes, thanks very  
10 much indeed. No wonder they've made you the new  
11 champion for girls education. Very fast, final  
12 comment from Graeme Wheeler.

13           MR. WHEELER: Well, thanks very much  
14 indeed, Phil. And thanks so much for colleagues  
15 for attending the meeting.

16           As Douglas said, this meeting is timely  
17 and important. He talked about Tony Blair's three  
18 top priorities--education, repeated--the biggest  
19 shared investment we can make--the 40 million  
20 increase in the number of children in schools this  
21 decade--about 75 million not in school and Monday.

22           Bob reminded us when we look back in year

1 six, as we are older, that this Education for All  
2 Initiative will be probably the finest thing that  
3 we've done.

4 We've heard a lot about challenges. Ulla  
5 talking about girls education, secondary education,  
6 vocational training. The Minister of Finance and  
7 Development for Ethiopia--the problems of  
8 exclusion, the funding, the competing needs.

9 He talked about the diversion of resources  
10 to the fuel crisis. Others have talked about new  
11 entrants to education--for young students not being  
12 matched by educational outcomes, et cetera.

13 We've also heard about the need for  
14 improved governance around the FTI process, turning  
15 allocations into disbursements, the importance of  
16 country ownership.

17 But the real question, as Louis Michel  
18 said, is we've got to increase our funding and  
19 support for education. I think we should all be  
20 inspired by what Douglas has been able to achieve  
21 in DFID. The 11 percent increase in funding is  
22 truly impressive, incredibly impressive.

1           And as Ulla said, this is just the start  
2 of the replenishment process. But my goodness,  
3 what an important mission we have.

4           So, thank you.

5           MRS. TORNAES: Thank you.

6           [Applause.]

7           MR. HAY: Well, ladies and gentlemen,  
8 thanks very much indeed. A big thanks to Ulla  
9 Tornaes, Graeme Wheeler obviously, Douglas  
10 Alexander, Secretary of State Ato Sufia Ahmed,  
11 Louis Michel, who's gone to the ATM to get the  
12 money out for FTI. Everyone's got their homework.  
13 Class dismissed.

14           [Whereupon, at 9:42 a.m., the meeting was  
15 concluded.]