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P R O C E E D I N G S

MR. HAY: A very good evening, ladies and gentlemen, special guests, and welcome to this Ministerial Roundtable on Education.

I am quite struck by the number of people in the room today, surely a commitment to getting the many millions of boys and girls out of school, through that front door, into the classroom and a better life.

We've got an excellent lineup of Ministers and other important guests to walk us through this.

Before I hand over to our two co-chairmen--Paul Wolfowitz, President of the World Bank Group, and Donald Kaberuka, President of the African Development Bank--I'm going to turn it over to the Education Minister of Singapore, Minister Tharman, and ask him to give us a few brief remarks--and welcome to his country.

MR. THARMAN: Thank you. Thank you very much.

Let me just say that it is a pleasure for us to be able to host this. This is not a meeting that one conventionally associates with the IMF-World Bank Meetings, but it is in fact very important. Just in the last two or three days, quite apart from conversations with Mr.

Wolfowitz, in my conversations with finance people--central bankers, finance ministers, senior bankers--inevitably, in one way or another, the issue comes up about education as the way to the future in Asia, in Africa, in Latin America.

There is great interest also, I sense, about learning from each other. We face the same challenges by and large, but we've got different experiences in terms of how we go about the institution of education, how we go about funding it, how we go about increasing enrollment rates, how we go about developing curricula and assessment systems to raise standards of education. And I would like to commend the World Bank and everyone else involved for trying to get this dialogue going between regions that have not been talking too much to each other on issues concerning education. I think there is a lot that we can share together.

That's all I would like to say by way of opening remarks. Thank you for coming, and let me hand you now back to the chairman.

MR. HAY: Minister, thank you very much indeed.

Without further ado, let me hand the proceedings over, then, to Paul Wolfowitz.

MR. WOLFOWITZ: Thank you, and welcome to this discussion education co-chaired by my colleague, Donald Kaberuka, the President of the African Development Bank.

As I have wandered around these magnificent surroundings the last few days and go to sleep in my five-star hotel room, it has occurred to me that it is a long, long way from the conditions in which a billion people are living, trying to live, on a dollar a day, going to bed hungry, going to bed without adequate shelter, without schools for their children.

But something that is very appropriate about the surroundings that we are in is that it does say that progress is possible, spectacular progress is possible. And what struck me so much when I was in Korea earlier this year and got an excellent briefing on Korea's development success was how important public investment in education is and what a role it had played in building up the human capital of that country. And I think our Minister from Singapore would say the same thing about what has happened in Singapore.

Nothing is probably more critical to successful development as well as the personal development of the individuals who are invested in than education. For that

reason, I was delighted that a number of our shareholders helped with us to organize a meeting last April during the Spring Meetings in which several of us, myself included, pledged to commit our energies and our institutions to leading a major effort to scale up support for education. This Roundtable is a follow-up on that meeting, and I am delighted also that we are able to respond positively to the request from African Finance Ministers for a follow-up on the discussions on financing and development in Abuja that took place earlier this year.

I'm going to ask Donald Kaberuka after me to say a few words about the progress since that meeting.

I am also very pleased that we have with us the current and future co-chairs of the Fast Track Initiative/EFA in Germany to speak about the role that the Fast Track Initiative can play as a key mechanism to support education plans as well as to mobilized resources, and I also want to express my thanks to the European Finance Ministers, including UK Chancellor Brown, and to the Netherlands Development Minister, Agnes van Ardenne, both being tremendous champions of this cause.

The urgency could not be more clear. In Sub-

Saharan Africa, more than 40 million children do not go even to primary school, along with another 45 million in Asia, and far too many young people--130 million--between the ages of 15 and 24 can't even read or write.

The quality of primary education is a critical first step for poor countries to start on the road out of poverty and to transform their development prospects.

In 2002, the World Bank and the major education donors pioneered the first Global Compact on Education--what we call the Fast Track Initiative--to accelerate progress toward a quality primary education for all children by 2015. That Initiative is built on mutual promises. Developing countries agree to prepare sound national education plans and put strong policies and governance systems in place, and donors agree to provide increased long-term financial and technical support so that those plans can be implemented with confidence.

I think this Roundtable demonstrates that the compact between donors and developing countries is in action. We need a lot of work, though, to deliver on what we promise. We are seeing progress--20 countries with a total of 16 million out-of-school children have received FTI

endorsement. Between 2000 and 2005, the first ten FTI-endorsed countries enrolled an additional 3.5 million children in primary school. By the end of 2008, we are hopeful that 60 countries could be FTI-endorsed, enhancing opportunities for 70 million children who are now not going to school.

I saw for myself recently in Ethiopia what a difference education can make. I visited a small village in the Amhara region in Ethiopia, met a young boy who had just received an award for being the best student in his first grade class. That boy was 12 years old. He had no chance to go to school before then, but he was making the most of the opportunity.

Getting him to school is the first step. The appalling level of the teaching materials those teachers had to work with is another challenge. We need to go for quality as well as quantity. But what was dramatic to me was the motivation of these young children to work hard to give themselves a better chance in life, and the willingness of their parents to give them the time to do it.

The good news, I think, is that that is not an isolated story. There is hard evidence that governments and

donors working together within the FTI partnership are succeeding. A new Development Committee Progress Report on FTI shows that progress is possible when political will, good policies, and the right financing are present.

In less than four years, FTI has turned development rhetoric into action, changed the way donors and countries do business, and it has, as I have already noted, delivered some significant results already. That includes 470,000 more children enrolled in Burkina Faso over the past five years; in Yemen, 80,000 girls entered primary school in 2004, 80,000 more than in 2000; since 2002, Niger has recruited an additional 3,200 teachers.

Those are examples of what can happen with well-structured plans and assurance of funding.

To improve quality and not just enrollment, FTI supports the provision of textbooks as well as the hiring and training of teachers.

Political momentum is growing. Developing countries are keeping their side of the education compact. Since we last gathered for the Bank's Spring Meetings, more than 20 African countries have begun to develop education plans, and I know that Mr. Baah-Wiredu will give us an

update and remind us that developing countries will be committing some \$50 billion of their own resources to these plans over the next ten years--roughly 60 percent of the total required.

Aid for basic education in the poorest countries has more than doubled over the past few years to \$3.4 billion. That is a big first step, but we need to see a further doubling over the next four years to reach the \$7 billion per year required to provide quality primary education to all children in all low-income countries.

The FTI provides a mechanism to help mobilize and deliver both plans and resources effectively. FTI endorsement should be viewed as a certificate of good investment value to donors. I really want to once again thank the UK and the Netherlands for the leadership they have taken to provide long-term and predictable financing. It is time, I believe, for all major donors to commit their fair share.

Consider that for the 20 FTI countries already endorsed, we are still \$1.2 billion short in external financing requirements. With more and more countries like those represented here this evening, developing long-term,

ambitious and achievable education plans, the demand for initial finance will grow.

We can't afford hollow promises. They need the support that is supposed to go with those plans. Without an increase in predictable long-term funding, developing countries will fall short in their efforts to hire and train new teachers, to build schools, to improve the quality of the education they provide, and to help the hardest-to-reach children into the classrooms

I hope that we can come forward today with specific actions that we'll take over the next 12 months to ensure that when we meet again in 2007, we'll have the solid long-term commitments that we need.

For our part, I am pleased to report that for the next two years, the remaining period of IDA14, World Bank support for education--let me say at all levels, not just primary--is projected to increase up to as much as \$1.5 billion each year of the next two years, well above the current level of \$900 million in this past year.

Fifty percent of that support will be IDA grant funding compared to less than 20 percent grant funding this past year, and funding for Africa will increase by more than

75 percent to \$610 million.

Our ability to deliver that, of course, will depend on actual country performance, but that is precisely what the Fast Track Initiative should help us achieve. We will continue to work to support the education plans that many countries have struggled to hard to prepare, and I count on our financing partners to enable us collectively to do even better with IDA15.

Let me just close by reiterating my personal commitment to mobilizing the Bank's energy on education and to ensure that education remains high on our agenda. Since we have just a short time here this evening, let me ask all of us to focus on the key lessons we have learned and set some clear objectives to deliver over the next 12 months.

Thank you.

Donald?

MR. KABERUKA: Thank you very much, Paul.

I think you have covered many of the issues, and to try to save time, I'll keep my comments to two.

Like you, Paul, recently, I visited Africa, and I was in Nigeria, and I visited a school in Northern Nigeria, a school of children of nomads. These are families who are

on permanent move, so the children are not able to go to school. And we financed a project which provided water and school facilities on these nomads' pathways, and now, many children of nomads are able to go to school.

I then visited Zanzibar, and I visited a school that we are financing which allows young girls who, by some accident, have fallen pregnant and left school. It allows them to come back to the school system. I found kids 17 years old in primary schools, but they were learning something. And I came back strengthened that we have to act together to provide these opportunities.

Now, after the meeting in Abuja, I am satisfied at the progress which many countries that were there have made in making credible multi-year plans. What I have been saying to others, Paul, is the following. Scaling up in education poses specific challenges. Some of them, we discussed in Abuja--macroeconomic management--but to ask a country to scale up without resources being stable, predictable, and long-term is difficult. This means salaries for teachers, materials, maintenance books, and equipment. And therefore, we have to think seriously about what this means for education.

Children do not go to school and then be withdrawn from school once resources are withdrawn. This is an issue which we have to deal with--the importance of long-term, predictable, stable financing.

Now, we do appreciate that some countries have difficulties to make multi-year commitments. In that case, we think the international organizations, the World Bank, the African Development Bank, provide vehicles for stability, which we shall be bringing up in the next Replenishment.

We need to stay focused over the next few months on these issues, look at the plans, the credibility of the plans, and then match with what we think are credible long-term, non-volatile resources, so that they can begin credible programs of scaling up. Like the World Bank, we will stay mobilized, we will work together, to ensure that we make these programs realistic.

As I have limited time, I think I'll stop here for now. We are here to share progress. It is not a pledging conference. We want to hear the experience of countries who have produced the plans. We want to hear the experience from some of our Asian colleagues and exchange, and then we shall

agree on the next steps forward.

MR. HAY: Mr. Kaberuka, thanks very much indeed for that.

Let's bring in the Minister of Finance for Ghana, Mr. Baah-Wiredu.

Mr. BAAH-WIREDU: Thank you, Mr. Chairman.

Mr. Chairman, I am highly honored to present the summary of progress reports on developing and extending Ten-Year Education Plans of some African countries.

Chairman, as you are aware, in May 2006, we met in Abuja, and we had a Finance for Development Conference. Twenty-two African countries committed ourselves to preparing comprehensive and costed Ten-Year Plans to meet the Millennium Development Goals for Education. Seventeen countries--namely, Ethiopia, Gambia, Ghana, Kenya, Malawi, Mali, Mauritania, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Tanzania, Zambia, Sierra Leone, Liberia, and Zimbabwe--have submitted plans and progress reports so far. The education plans show a resource gap of approximately US\$80 billion to fulfill implementation. Of this, approximately US\$50 billion will be mobilized domestically. African countries are doing their part with their plans on

the one hand and with internal mobilization of resources on the other.

Mr. Chairman, the education plans cover an estimated 25 million children out of school, thereby embracing half of the children in Africa, and illustrate not only the scale of the challenge but also the scale of the opportunity.

Mr. Chairman, the common themes in most plans are as follows: 1) access and quality. Under that, we have nine years of basic education and enhanced efforts to improve girls' education, better assessment of learning, and reduction of our crowded primary schools.

2) Ambitious and long-term plans cover a wider program of basic education than just primary enrollment; a focus on universal completion of primary education and substantial expansion of number of teachers.

We also have the issue of innovation and creativity. All the plans that have been developed or extended put particular emphasis on innovative and creative ways in which the quality of education can be improved, and that includes incentives to attract teachers to remote areas, short, intensive courses for teachers, and direct

grants to schools.

Mr. Chairman, (B) covers financing. Projected expenditure gaps are significant due to major increase in primary enrollment and provision of infrastructure and other software items; costs of reaching the disadvantaged; transition to junior secondary schools. Additional costs are being met by more efficient deployment of resources, reforms in systems administration, decentralized management and funding, and finally, partnership with the private sector.

The financing gap of the plans ranged between 2 to 64 percent. For example, in Ghana, Ghana has a financing gap of about US\$2.4 billion over the ten-year period; Gambia, US\$125 million; Ethiopia, US\$2.4 billion; Rwanda, US\$251 million; Tanzania, US\$15.5 billion.

Mr. Chairman, the next steps. Early investment in assisting long-term plans is needed now. African Governors are committed to mobilize domestic resources, and that should start immediately. Development partners' action on commitments to provide long-term, predictable financial support must start now.

And Mr. Chairman, I just want to indicate that

Ghana's experience shows that the UK has actually given 105 million pounds to make sure that we commence with the education program, so thank you to the UK.

MR. HAY: Thanks very much indeed, Minister Baah-Wiredu.

Let me bring in the UK Chancellor Gordon Brown.

CHANCELLOR BROWN: Can I say, first of all, on behalf of Hilary Benn, our Development Secretary, and myself, that we congratulate the 15 countries who today have submitted their plans to ensure that there is universal primary education for all the children who, from my conference in Abuja in May, have worked to create both plans and funding proposals that would genuinely achieve universal primary education for all and achieve what I believe is one of the great causes of our time, that we could be the first generation in history that would ensure that every child in the world had the chance of basic schooling in our time.

I want also to thank the Netherlands and Sweden. I want to thank Norway and Canada, who have joined us in saying that, as donors, the way forward is long-term plans, predictable funding, a commitment to teacher training

because we know we will need 30 million teachers over the next few years. And that's why Hilary Benn, our Development Secretary, has announced that Britain will put up \$15 billion over the next 10 years as our commitment to ensuring the Millennium Development objective on Education is achieved.

But what we are looking for is a wave of action from other countries. We have had a signal today from 15 countries. But I believe there are many more countries who will want to make that signal in the months to come. They are ready. They are determined. They know that the issue is long term. And now it is our duty to find a wave of action across the world where other countries join in providing the funding that is needed to implement these plans.

I want to particularly draw attention to the need for free primary education. It must be universal but it must be free. I was in Kenya more than a year ago and I found that in the week that Kenya had made primary education free for its children, 1 million children who had not had schooling turned up to be registered for school, just one signal of the demand for education when it is

available free of charge. And from Kenya, Tanzania, Uganda, Malawi, Zambia, we know that more than 1 million children in each of these countries were added to the education roles when education was made free.

So part of our commitment to funding is to make it possible for primary education to be both universal and free. And I hope that we can move this forward quickly in the next few months.

Now what have we got now? With President Wolfowitz' announcement of the extension of the Fast Track Initiative, we have got the World Bank leading as the development bank, willing and able to move this forward. We've got country ownership of the plans that have been put forward that are before us and will become even more developed in the next few months.

We've got recognition that this must be long-term and cannot just be a short-term initiative on the part of people who are prepared to provide funding. And then we've got a commitment to work together to make sure that there is a chain of hope that links the richest donors in the richest countries to the poor children looking for the chance at education for the first time.

And I think that this announcement that of the \$80 billion that is needed for primary education, \$50 billion will come from the funds and the finances of the country themselves, puts an extra responsibility on us to raise the additional money that is necessary to make these plans happen.

And so the next stage for me is that there is a pledging conference that is held early in the new year, where other countries are invited to join all of those here today who are able to make pledges so that the plans that have been produced by the countries that are here and the plans that will come in the future are backed up by the long-term financing that is necessary.

I was in Abuja at the conference in May and saw the enthusiasm of finance ministers as well as education ministers for this to happen. I went to a school just outside Abuja. And when we talked to the children, we asked them what they wanted to do. And they wanted to be engineers and scientists. They wanted to be teachers and they wanted to be doctors. Some wanted to be president. None wanted to be finance ministers.

[Laughter.]

MR. BROWN: But the ambition of these children and the potential that you could see, and yet the reality that even children at school had teacher pupil ratios in some of their classes of 150-to-one, dilapidated buildings, roofs caving in, know that the investment that we need to make is both substantial and urgent. The commitment must be long-term this time and it must be predictable and sustainable funding and finance. And the combination of the World Bank with country ownership, donors prepared to commit to the long-term, and the public support for this project that I believe can be in every country and in every continent of the world means that this is our chance. We cannot let this moment slip.

All of you who are here today know that if we make it work this time we can indeed achieve the Millennium Development Goal. And I hope, from this meeting today, to our pledging conference in January, to a commitment to more long-term plans, to the World Bank support and the support of all the donor countries that we can get, we will make this Millennium Development objective realizable in the years ahead and achieve that dream of universal primary free education for all our children.

MR. HAY: Mr. Brown, thanks very much, indeed.

Let me turn proceedings over to Agnes van Ardenne, the Development Cooperation Minister for the Netherlands.

MS. VAN ARDENNE: Thank you very much.

I think I'm more or less the same dreamer as Gordon Brown is because I think we can achieve that Millennium goal to send all of the children to school, to primary school, to get primary education in order that they have more skills to contribute to their country, to their people, to their families.

And I'm very happy and I'm very much impressed by the fact that, as spoken by our minister of Ghana, that there are now long-term plans, long-term programs on which we could contribute, we can cooperate with. We are all fully aware that achieving quality education for all requires more than buildings of classrooms to receive children, boys and girls. Classrooms, after all, don't teach. We need teachers. And teachers, they should be trained. And they can only be hired if their salaries are available for more than just a few years. So long-term predictability, financing for education, these are key

words for the next coming years.

The Netherlands has always been a staunch supporter of the Education for All Agenda, as you all know. By 2007, we will be spending 15 percent of our total ODA on basic education alone. This translates into some 640 million euro per annum.

In addition to that, I will be increasing the budget for post-primary and higher education from 60 million euro to 110 million euro per year, in order to support a balanced approach to education sector development. Primary education is important, but secondary and tertiary education is also important. So we want to expand our efforts, not only focused on primary education but also on the rest of the educational development.

Virtually all of our commitments in the countries with which we have a bilateral partnership cover a period of four to five years. Our silent partnership with DFID in support of the Ghana Education Plan is an example. We are cooperation in a variety of fields. We are exploring ways to further enhance predictability. And in response to the persisting finance gap in FTI-endorsed countries, I have decided to increase the 2006 contribution to the Catalytic

Fund by 100 million euro, reaching a total of 150 million euro for this year alone. And we want to expand it in the next coming years, also on the basis of that 150 million euro a year.

Our efforts in following years will be at a similar high level, also on a long-term basis. By doing this, we help create the opportunity to fill than merely reduce the financing gaps in more countries. Moreover, we enhance the predictability the Fund can offer to partner countries by making multi-year allocations.

I hope that the FTI progress report enhanced that more G-8 countries will follow suit and contribute substantial resources to the Catalytic Fund, while also increasing their bilateral funding to education. Together, we can make a difference. And only then Africa's children will not have to wait another half century before they all get the chance to go to school and get the education they need.

I have also visited a lot of schools and met a lot of children, boys and girls. But also the parents, mothers and fathers. They have a strong desire to send their children to school to give them a better future than

most of them have. Today, 1.5 billion people are ages 12-to-24 worldwide, 1.3 billion of them in developing countries, the most ever in history.

In most countries, in most developing countries, the number of young people is peaking or will peak in the next 10 years. I read it in the World Development Report 2007. This policy, based on the next generation, is crucial for the future of the world. We can invest in primary education. We can invest in tertiary education, and so on. We have to do it because Paul Wolfowitz wrote in this report that investing in young people strongly contributes to the Bank overarching mission of fighting poverty, the Millennium Development Goals.

We can do it. We can do it all together. So why not should we start today?

Thank you, very much.

[Applause.]

MR. HAY: Minister van Ardenne, thank you very much, indeed, for that.

Let me turn it over now to the Vice Minister of Finance for International Affairs, Mr. Hiroshi Watanabe.

MR. WATANABE: Thank you, Chairman.

I have no doubt that primary education helps individuals bring out latent faculty, and that dissemination serves as a foundation of a Nation's socioeconomic development. On the other hand, continued securement of funds and resources are necessary because of the recurrent nature of education expenditures.

Therefore, it is important to provide assistance which is designed with a long-range perspective to promote self-sustaining development.

Let me introduce you to one anecdote which our Prime Minister Koizumi frequently mentions. In Japan in 1869, one of the local governments suffered in extreme poverty caused by the famine. Another local government couldn't bear to see it, and they donated 100 big sacks of rice. The local government that received the rice did not consume it, but it sold it and utilized the proceeds for establishing the schools.

This anecdote shows how much emphasis the Japanese people have traditionally placed on education.

Meanwhile, we have to admit the fact that not all countries can achieve self-sustaining educational development. With such a backdrop, Japan is considering

making a contribution to the Fast Track Initiative, which among other things provides support for national education strategy formulation in developing countries that have a strong commitment to ownership of primary education reform. It has been put into the budgetary process.

Having said that, I would like to make a few comments about three issues raised in the Progress Report for the Education for All Fast Track Initiative that is planned to be submitted in the Development Committee tomorrow.

Regarding the issue of how to secure predictable and adequate donor funding, I think it is important for both developing countries and donors to have a long-term funding perspective in realizing sustainable education development. At the same time, we need to put some weight on solving underlying problems that cause hindrance over access to resources, such as lack of absorptive capacity of recipient countries.

Regarding the issue of balancing quality of education and access to education, we seem to have no choice but to put the primary focus on access to education in view of Millennium Development Goal 3, Universal Primary

Education by 2015. However, we need to keep in mind the importance of quality of education and monitor its improvement all the time. Quality of education needs to be enhanced in the mid-term.

For improving the quality of education, it is conceivable to measure not only outputs, such as completion rate, number of pupils per teacher, and percentage of education budget, but also outcomes, including academic ability and career path of the graduates. Best practice based on this measurement needs to be disseminated.

Regarding the treatment of large-population countries, I think it is inappropriate to exclude them from the Fast Track Initiative. However, resources available for the Initiative are not unlimited. Therefore, the mobilization of domestic funding is perceived to be a precondition, and based on this, we need to think of some feasible measures, such as limiting the support only in particular projects implementing in poverty area of these respective countries.

Anyway, education will bring the children not only the skills and the knowledge but also dignity.

Thank you very much.

MR. HAY: Mr. Watanabe, thank you very much indeed.

It is my pleasure now to bring in the Finance Minister for the Russian Federation, Mr. Alexei Kudrin, who tells me he will speak in Russian, so I suggest you get your headphones and your translation device there. If you'll give us just a few seconds, Minister, to do that-- the floor is all yours.

MR. KUDRIN: [Interpreted from Russian] Russia being part of the G-8 also co-chairs the FTI, which is the Fast Track Initiative in Education. We value this Initiative highly as part of our progress toward achieving the Millennium Goals.

Earlier this year, Russia became a co-donor of the FTI and has made commitments. We have already appropriated \$7.2 million to that, and I would like to appreciate the World Bank's overview of this Fast Track Initiative.

I have decided that this review has recognized progress toward achieving our Goals, which should be based on national development strategies. Of course, today, we need to place an emphasis on the quality of education.

This program is occasionally criticized for its great coverage combined with a clear shortage of skilled teachers and training manuals. This is why our better Initiative is not matched with better quality. Therefore, we would like to focus on better quality of education.

In St. Petersburg, at a recent G-8 Summit meeting, we placed a huge emphasis on better quality of education. We want to add an international dimension to this program for this program to cover many countries, and this will take a unified and coordinated methodology and a system of indicators. We took the initiative of setting up an international monitoring system for the quality of education which should be headquartered in Moscow, with various branch offices in CIS countries and in African countries, and we plan to appropriate in excess of US\$60 million before the end of this year.

Thank you very much.

MR. HAY: Thank you very much indeed.

Now I am going to hand proceedings over to the gentleman on your immediate left, Mr. Louis Michel, the European Commissioner for Development and Humanitarian Aid; and of course, the European Commissioner is the current Co-

Chair of the FTA.

Mr. Michel?

MR. MICHEL: Mr. President, as Co-Chair, the Commission is of course very committed to the content and the process of this Initiative which has been a successful catalyst for raising both domestic spending and donor financing for education.

The good news is that an increasing number of countries have endorsed the education plans and are showing their commitment to change the situation. On their side, the donors have been able to align and harmonize their efforts around these education plans, agreed on common approaches in delivering their support.

In my opinion, harmonization is a key element. You know that the European has taken additional commitments in Paris, and we have a particular responsibility to ensure progress in this harmonization agenda. Several decisions have been taken in this respect at the EU level. More importantly, the Fast Track Initiative has clearly demonstrated that it is possible to make progress in countries committed to sector reforms in education, as illustrated by the positive impact of the Initiative on

increasing access to primary education in particular for girls.

The bad news is that on the one hand, we are not fulfilling our promises in terms of disbursing what we have committed, and on the other hand, that we are not providing security and predictability of our external support.

I completely agree with Gordon Brown. It is, of course, a long-term process that we need, and enhancing predictability is a critical factor for securing investments in education.

I think the moment has come to reconsider the way we are providing assistance. Budget support is certainly an appropriate instrument in this respect, and the intention of the Commission is to increase significantly the use of this instrument, but budget support remains volatile because of the conditionalities attached to it.

Our idea is to put in place a new instrument that is more long-term, with less conditionality, focusing on results and ensuring every year a minimum level of assistance to support education. So, what I am aiming at is a kind of MDG contract where the support to education

will not be undermined by the stop-and-go approach too often linked to budget support.

Beyond the willingness of the Commission to increase our support to education through this new instrument, my intention is also to use part of the resources that I have earmarked to support governance for additional funding for education. In order to give an incentive to good governance, we will mobilize 3 billion euros for the countries in Africa, the Caribbean and the Pacific. Part of these resources can be used for education, which is, after all, part and parcel of the governance issue. I want to link those.

I heard the donor community in the framework of the increase of ODA decided in New York last year to deliver their promises on the Fast Track Initiative, and we of course invite them to be flexible and innovative in the instruments they use to ensure predictability in their support of the Fast Track Initiative. In any case, the Commission will support this Initiative very strongly.

MR. HAY: Louis Michel. Thanks very much indeed, Commissioner.

Before we break up tonight, let's hand the

proceedings back to Paul Wolfowitz for a quick minute for him to sketch out next steps, if you will.

MR. WOLFOWITZ: Before we do that, let me just ask if there is anyone who was not on our scheduled speaker list who wants to make a comment.

Hilary?

MR. BENN: Just very quickly, Paul, and I apologize for having been late. I simply wanted to welcome in particular the Bank's leadership and your personal leadership on this issue, Paul, because as the contributions we have just listened to demonstrate, this is a very practical problem, and we are trying to put in place a practical process for dealing with it. And what is the practical problem is there aren't enough teachers, there are not enough classrooms, there are not enough toilets, there is not enough clean water supply, there are not enough books. Fees get in the way of children going to school, and the quality needs to improve, because it is not just about numbers, it is also about quality.

What this process is about--and I welcome the step forward that today's meeting represents--is how we can match. The commitment, we have heard very clear, and I

welcome very much what Mr. Baah-Wiredu had to say about the progress that our partners have made in putting their plans in place, and we have got to match that, as we know, with our long-term commitments.

Just to give one example, out of the long-term commitment that the UK has made overall to invest in education, Mozambique, where Gordon Brown and I launched that proposal back at Easter, we have just made a 10-year commitment to the Government of Mozambique--150 million pounds over 10 years. They have a plan, and their plan is going to get another million children into school by 2010, build 12,000 more classrooms, train an extra 10,000 teachers a year, and try to improve teacher training.

So I think it shows that if we ally the resources that our partners can raise for themselves--and they will make a very significant contribution, as we have heard--together with us turning our pledges into bits of money that people can rely on, that's in the end what this is all about, because if you don't have that, then you can't plan, but if we do do that, we can make real progress.

Thank you very much.

MR. WOLFOWITZ: Thank you.

The Minister from Nigeria and then from Liberia.

MS. USMAN: I just want to say that having seen the waiver of governance dividends that have come out of a lot of the anti-corruption activities of most reforming countries in Africa--by the way, I'm the Minister of Education from Nigeria.

Having seen the dividend of cleaning up government, I think the next important activity within reforming countries would be education. And what I see is that part of the decay of infrastructure of governance also really hits education particularly.

I became Minister of Education just two months ago. And what I've seen of the delivery vehicles for giving education as much as possible, whether it's quality education or simple education that's wide coverage, is the fact that most of these institutions are decadent. They suffered from the content for knowledge that followed poor governance.

And so to that extent, nobody who makes a development plan for education can avoid making a comprehensive in-depth reform of the structures, whether they be ministries of education, whether they be

[inaudible] that aid the ministry in delivering education policies. So ties to every country's education plan must be a very robust and ambitious plan of reforming the structures and the delivery mechanisms for education.

And I think that for this particular set of countries that have been reforming, investment in education is really what would show the other countries that are not yet reforming that there's value to reforming and then investing in human capital. Because ultimately, it's better than gold or oil or gas.

MR. WOLFOWITZ: Thank you for that.

Ms. Sayeh.

MS. SAYEH: Thank you, Mr. Wolfowitz.

Let me say that what the Nigerian Minister said resonates very much with us, even though we are at the initial stages of the reform effort that we need to sustain over a long period of time.

Liberia, as you know, is just emerging from many, many years of conflict. Clearly, the education sector, as with everything else, has suffered during that time. The education sector, in addition to being a source of hope for the young generation of Liberians that we hope to now give

a chance to, has also suffered from all of the bad governance that has characterized Liberia in recent years. So that people actually buy their way through schools, those who can actually get their foot through the door buy their way through schools.

We have only 40 percent of our school-aged children who are actually in primary school. Of course, there's a lost generation, if you will, that did not have that opportunity at all to go into school. Of those 40 percent, only some 25 of those complete primary education.

The quality of education is atrocious, as with many of the services that are being provided currently.

We are beginning what we can do on our own to start to tackle those problems. I think Mr. Wolfowitz, Mr. Benn, and Mr. Kaberuka, all of them very recently saw the state of the education infrastructure in Liberia. In the first 150 days of our efforts, we tried to use our own resources to start to tackle school reconstruction effort that is substantial to try to get textbooks back into school. But the effort remains a huge one, to be sustained over many, many years.

We are in the process, we were in Abuja with the

other finance ministers and wanted very much to make it possible to deliver a plan here today. But of course, capacity is also a big challenge for us. And we've not been able to do so.

We will be working very hard on one over the course of the next year. We hope to make a progress report to our partners in January/February, when we're calling a donors meeting for Liberia, just so say we very much welcome this effort and this focus, in particular in the post-conflict challenges in education.

Thank you.

MR. WOLFOWITZ: We have to wrap up here quickly but I see three speakers. Could I ask you to say something briefly, the Minister from Uganda.

MR. SURAMA: Thank you very much, Mr. President, for the distinguished personalities here.

I would like just to say how grateful Uganda is to the international community for the support you've given us. Our HIPC, we are the first country go on the HIPC debt forgiveness, and we used those resources to introduce universal primary education in 2001. Enrollment rose from 2.5 million to 7.8 million now. We are extremely grateful.

We have come, of course, in to the problem of what to do with the children who are now coming out of primary school. The pressure is enormous. And we've had to--my president is a risk taker. And he has declared beginning January of next year the new entrants in secondary school will be able to go without paying fees because they cannot afford to pay fees. So we hope to use some of the MDRI funds to cover some of this expense.

We were excited in Abuja when Chancellor Brown announced this 15 billion 10-year plan program, and although we are not in the list that Minister Baah-Wiredu announced earlier, I want to assure him that I'm carrying the 10-year plan which the Minister of Education gave me. I didn't know where to submit it to, but now I think I know where to put it.

There are programs of infrastructure and so on, but I would like to encourage everyone that these programs can be overcome. Initially, some of the children were studying under trees. But in the course of time, we built the schools and most of them are under shelter. I think we should not be afraid to get this program because such problems, they can be overcome.

We thank you very much.

MR. WOLFOWITZ: Thank you.

I know the Minister from Kenya wants to speak. Be brief because we want to hear from Mr. Hoffmann from Germany, also. I'm sorry, one more.

MR. KIMUNYA: Thank you very much.

I just want to bring a dimension to this as one of the countries that have migrated lots of children from out of school into school through the declaration of the universal primary education. In fact, the number is within one day of schools opening their universal free primary education, we had over 1.6 million children getting into school who were not. Currently, we have 7.6 million children in primary schools, fully funded by the government.

And I also want to bring in the extra dimension of the budget that that brings in. I've had to put in 25 percent, actually 26 percent, of the total budget into education this financial year. It's costing us on education alone just about 1 billion euro in this financial year.

In terms of assistance from outside, we are

talking of just about 5 percent, of which 2 percent is in loans and only 3 percent is in grants, despite the support that had been pledged.

So the point I'm making, I'm very encouraged to see the support being pledged around the table. But we have suffered from disruption of that support. And you cannot put children in school and because of other issues that have nothing to do with the children, those children get the suffering of reduction in aid.

I think that's a point I would like to just underscore here on behalf of the African countries who are bearing this burden. We have had to reallocate resources to make sure the children remain in school.

So as we make the pledges, I would like to really ask if you are not committed, let's not make the pledge. Let's not make people get that decision, to put their children in school because it's very painful when you see the children suffering. There's no infrastructure. There's no teachers. And there's a big pledge that was made that education be funded and people have prepared their plans based on those pledges.

I'd like to single out the UK government

specifically for being consistent in their support to the Kenyan program. They've come out very clearly, regardless of the issues that were being raised, but have been very consistent in supporting our Kenyan program.

Thank you very much.

MR. WOLFOWITZ: Thank you.

Mr. Hoffmann.

MR. HOFFMANN: Thank you very much.

I will try to be extremely brief. Let me only say that next year, when we will co-chair the Fast Track Initiative, we will be very glad to do so. And most certainly, we are very well aware that we are talking about two elements there: the quantitative element funds, making them available; and on the other hand, also on the qualitative side because we are very well aware that capacity development plays a very tremendous role.

And I think every one of us is also very aware that when we have this very special emphasis on primary education, that we know we mean the educational sector by and large. Because who has been in primary education wants to go to secondary education. And if you want teachers, you will have to focus also on tertiary education, no doubt

about that. And if you really want kids to love to go to school, you have to give them any kind of perspective that they afterwards have a job. So you have to talk also about vocational training.

So I think what we have to see very clearly here that we need a holistic approach, where the World Bank was always extremely good at. So I think all of those who have a very special emphasis on primary education will see this in the perspective of the overall PSP approaches that we have in many cases so that we really get kind of a balanced approach with a very strong emphasis on primary education.

Thank you very much.

MR. WOLFOWITZ: Mr. Flores-Loaisiga, we'll give you the last word if it's a short one.

MR. FLORES-LOAISIGA: [Interpreted from Spanish]
Thank you.

What I wanted to say was that the initiative of Education for All in Nicaragua has had a significant positive impact. It has been implemented for two years now, and it has reached a lot of children. Approximately half a million children have been given school lunches and, in terms of tax policy, GDP has gone up by two points in

terms of the allocation to education over the last two years, so a significant increase in the contribution. Net enrollment in primary schools this year has come close to the Millennium Development Goal figure.

I am very pleased to hear the message being given out today around this table that there should be secure mid- to long-term funding for such programs which will play such a role in the long-term development of countries, particularly HIPC countries. What I did want to say is that if there is predictable and secure funding, then, I think that for countries such as Nicaragua and other countries in Latin America, this will also help deal with the indebtedness, and it will also help subregional organizations to develop.

There is an aim within the Latin American region, not only of national governments but of civil society, too--very much so in the case of Nicaragua--which is to have a national development plan, a national education plan, which involves general consultation across the country. But achieving all the MDGs requires predictability in the mid to long term, and that will also help to deal with the problem of indebtedness.

Thank you.

MR. WOLFOWITZ: I think we'll have to close. I hope you have found this productive. I certainly heard some good news around the table, and I think that most importantly, we want to move ahead to the donor conference that Chancellor Brown put in front of us, and maybe, Gordon, I'll ask you and Minister Michel to work together to find an appropriate place and time early next year where we would organize this. Perhaps it would also be a time to review some of the implementation issues, Michel, that you referred to, and to think about delivery mechanisms that will work even in challenging governance environments like the ones that we described in Liberia.

Thank you all for coming this evening, and let's keep working at this. I can't think of anything more important.

Thank you.

[Whereupon, at 7:17 p.m., the Roundtable was concluded.]