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REPORT BY THE DIRECTOR-GENERAL ON ACHIEVING GLOBAL EDUCATION FOR ALL (EFA) BY 2015, INCLUDING THE FOLLOW-UP TO AND IMPLEMENTATION OF THE RECOMMENDATIONS OF THE MEETINGS ON EDUCATION IN DAKAR, GENEVA AND OSLO AND THE IMPACT OF THE CURRENT FINANCIAL AND ECONOMIC CRISIS ON THE DEVELOPING COUNTRIES IN THEIR EFFORTS TO ACHIEVE THE EFA GOALS

OUTLINE

This document presents the main obstacles, and their causes, to attaining the Dakar EFA goals by 2015, as well as ways of improving UNESCO's efforts to achieve them. It is being presented to the Executive Board at its 182nd session in accordance with 180 EX/Decision 7, by which the Board requested the Director-General to submit an analytical report on this question, and with 181 EX/Decision 58, by which the Board invited the Director-General to present to it a report on the follow-up and implementation of the recommendations of the meetings on education held in Dakar, Geneva and Oslo at the national, regional and international levels.

1. Since the World Education Forum (2000) in Dakar, Senegal, stronger political commitment on the part of governments and the international community has resulted in remarkable progress towards the achievement of Education for All (EFA). Globally, an additional 40 million children are enrolled in primary schools and progress towards gender parity has been made in nearly all countries. The most prominent advances are observed in those regions furthest from achieving EFA – notably sub-Saharan Africa and South and West Asia.
2. The deep financial crisis threatens to undermine this progress, particularly for countries that experienced steady economic development in the last decade. The economic downturn is likely to

limit the capacity of a large number of low- and middle-income countries and have a direct impact on education budgets and – more broadly – on all human development goals, from reducing poverty and fighting hunger to improving child and maternal health and sanitation. Simply put, the hard-won gains in education will not be preserved without a strategic and targeted focus on the most vulnerable populations.

This document provides an overview of UNESCO actions to further the EFA agenda at both global and national levels in light of the current economic downturn, illustrating in particular efforts to enhance quality, advance inclusive education, strengthen education systems and promote a holistic vision of EFA within a broader education and development context. Preliminary information on the impact of the financial crisis on developing countries is outlined in this document, with more detailed findings included in an information document submitted to the Executive Board at its 182nd session.

Global coordination – aligning of priorities

3. Every international meeting during the past year has stressed the importance of protecting the most vulnerable and investing in social sectors as a response to the crisis. The G20 London Leader's Communiqué (2 April 2009), the Chief Executives Board Communiqué (5 April 2009), the Thematic Debate of the 181st session of UNESCO's Executive Board (25 April 2009) and the outcome document of the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development (June 2009) all underscored this.

4. UNESCO continues to reaffirm the centrality of education for development and crisis recovery, calling for sustained and countercyclical investments in education in the context of the global economic downturn. These opportunities have included the United Nations General Assembly Thematic Debate on Education in Emergencies (New York, March 2009), the Forum for Arab Parliamentarians for Education (Cairo, April 2009), the Forum of African Parliamentarians for Education (Dakar, May 2009) and the 17th Conference of Commonwealth Education Ministers (Kuala Lumpur, June 2009). In the first half of the year, the Organization also collaborated with the Italian Chair of the G8 within the framework of preparations for the 2009 G8 meeting (L'Aquila, July 2009). Moreover, UNESCO hosted a meeting of the G8 Education Expert Group (Paris, March 2009) in order to press for a stronger message on education's crucial role in development during the G8 Summit.

5. As the United Nations agency charged with coordinating the drive to achieve education for all, UNESCO has stepped up its international policy coordination in the context of today's global crises. This coordination requires a common understanding of challenges, a shared vision of how to confront them, and trust between all partners involved in the process. As such, UNESCO took the lead in drafting a joint letter on behalf of the heads of the five EFA convening agencies (UNESCO, United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF) and World Bank (WB)). The letter was sent in April to all United Nations resident coordinators and country representatives, calling for enhanced inter-agency collaboration in support of national EFA efforts. The influential role of education for achieving the Millennium Development Goals (MDGs) was reiterated and steps for further collaboration at country level outlined. Dialogue was also initiated to develop a joint global advocacy plan of action and to improve coordination of advocacy efforts. UNESCO is also continuing to be a very active player in the EFA-Fast Track Initiative (EFA-FTI) processes.

6. Several UNESCO offices have already expressed their interest in building on existing inter-agency cooperation and have begun to translate the joint letter into action. In the Central Asian region, for example, the UNESCO Cluster Office in Almaty, UNICEF Astana, UNDP and WB are conducting a joint survey on the impact of the economic crisis on social services, including education, to use in revising national plans and strategies.

7. Coordination was also key for this year's Global Action Week (20-26 April 2009), an annual global advocacy campaign led by the Global Campaign for Education (GCE) and supported by UNESCO and other EFA stakeholders. This year's campaign, focusing on "Youth and adult literacy and lifelong learning", was marked by thousands of activities organized in all five regions and mobilization of nearly 13 million people worldwide.

Investing in social sectors – global advocacy for protecting public spending on education

8. At the national level, investments in safety-net and social protection programmes can protect the poor from the worst effects of the crisis and enable children to pursue education. Evidence from past crises and current research suggests that lower growth will put social-sector budgets under fiscal pressure, while reducing households' disposable income for education. Many countries are cutting social-expenditure budgets, resulting in freezes on new school constructions and teacher recruitment and salaries. Lessons from the East Asia crisis of the 1990s included, in poorer families, the withdrawal of older children from primary school and delayed entry of the youngest, often coupled with increases in child labour. At the same time, demand for public provision of education rose as parents pulled their children out of private schools. For wealthier populations, lack of employment opportunities led to increased pressure for secondary and tertiary systems as demand for more specialized training increased.

9. In parallel, governments could cut back on aid, as during financial crises of the 1990s (Scandinavian countries and Japan). Research by the EFA Global Monitoring Report (GMR) finds that 43 out of 48 low-income countries lack the capacity to provide a pro-poor fiscal stimulus. For many of these countries, international aid is imperative to enable educational development. The 22 % drop in aid to basic education in 2007 is of enormous concern for EFA, especially in the most challenged regions and countries. Steadfast support for achieving the internationally agreed development goals is more vital than ever. There should be no justification for reductions in national spending for and international aid to education. It is crucial that fiscal packages with a strong education focus be adhered to in developed countries (the United States has devoted over US \$100 billion to education in its economic stimulus package and the Minister of Education of Singapore predicts that, despite the downturn, education spending in Singapore will increase by 25% by 2013) and facilitated to low-income countries that have limited government capacity.

10. Any cuts in external financing will have direct impacts on enrolments. Ahead of the L'Aquila G8 Summit, the Director-General wrote to G8 Heads of State and Governments, urging them to maintain and increase aid to education. To this end, the EFA-FTI remains an effective delivery mechanism for assisting countries in achieving education for all. The estimated funding gap of the Catalytic Fund of \$1.2 billion for 2009 and 2010 is of great concern.

UNESCO's response at the national level

11. UNESCO is assisting its Member States in better managing national educational systems and translating a holistic approach to EFA into policy and practice. The Organization has assisted countries in preparing credible national plans that include pro-poor fiscal adjustments and scaled-up support for protection of education. As such, UNESCO has also facilitated the EFA-FTI process to secure funding in Haiti and the Central African Republic; has led the partner coordination group in formulating the sector strategy and preparing the EFA-FTI proposal in Cameroon; and is active in an increasing number of FTI Local Education Groups.

12. To help the Organization better align its work with country needs and existing initiatives, UNESCO National Education Support Strategy (UNESS) documents, now available at various stages of preparation for approximately 85 countries, provide UNESCO with evidence-based analytical frameworks for education cooperation with Member States.

13. UNESCO's Section for Education Policy Analysis and Strategies launched a survey for field offices to assess the impacts of the crisis on education. An evaluation commissioned by the GMR

is also under way to assess the costing needs and policy gaps in three EFA-challenged countries. The evaluation will analyse and review different policy and financing strategies associated with reaching marginalized groups and estimate external financing gaps (please see Addendum for further details).

14. The crisis also presents an opportunity for countries to strengthen governance, address corruption and improve efficiency. The OECD/DAC Working Party on aid effectiveness has called for support to partner countries in preparing action plans that incorporate commitments outlined in the Paris Declaration and the Accra Agenda for Action. According to the World Bank, effective national strategies will involve a combination of focused investment, financing for essential recurrent inputs and supportive policy change. Measures to protect the most vulnerable should be part of a systemic effort to develop a broad-based social security system and the overall poverty reduction strategy.

15. UNESCO is acting to strengthen monitoring and analysis of the crisis through close collaboration between the Education Sector and the UNESCO Institute for Statistics (UIS), as well as with other partners, including the EFA convening agencies, to set up efficient monitoring mechanisms to track developments.

Dakar – Geneva – Oslo. Focus on quality enhancement and inclusive education

16. It is also imperative that the success of education programmes and investments be measured both quantitatively and qualitatively, with an emphasis on learning and development outcomes. In all countries, education quality and relevance are debated and the ability of education systems to adequately equip learners of all ages with the necessary knowledge, values, competencies and skills to face the challenges of today's and tomorrow's world is being questioned.

17. The concept of "inclusive education" is mainstreamed in many UNESCO activities, founded on the rights-based approach to education. Responding to the needs of the underserved and marginalized populations was highlighted in the outcome documents of the Seventh High-Level Group Meeting on EFA (Dakar, December 2007), the 48th Session of the International Conference on Education (ICE) (Geneva, November 2008) and the Eighth High-Level Group Meeting on EFA (Oslo, December 2008). Discussions and outcomes of ICE recognized the importance of a broadened concept of inclusive education to address the diverse needs of all learners. The follow-up processes of these major education conferences at global, regional and country levels are framed by UNESCO's existing work on equity and inclusion in both formal and non-formal settings, including through policy advice, technical support, capacity development activities and advocacy to ensure relevance of learning to personal, social and economic needs.

18. Recommendations from all three of these meetings urged policy-makers to make equity a priority in education. The Oslo Declaration encouraged the development of education interventions that target low-performing regions, schools and individuals, focusing on innovative strategies needed to reach the most disadvantaged groups. This built upon the Dakar Communiqué, which notably encouraged countries to undertake a mapping exercise to determine more precisely the characteristics of excluded groups.

19. At the global level, the Organization developed the UNESCO Policy Guidelines on Inclusion in Education in early 2009 to support countries in developing and implementing policies, and an operational guide on "Six Steps to Abolishing Primary School Fees" was published by UNICEF and the World Bank, after consultations with educational experts, including several from UNESCO's International Institute for Educational Planning. These guidelines will be complemented by a database of innovative good practices, "inclusion in action", that will be prepared in the coming year in collaboration with the IBE network on Curriculum Development and external partners. A policy brief on Early Childhood Care and Education (ECCE) and Inclusion was also developed in

May 2009 that will feed into preparations for the World Conference on ECCE (Moscow, September 2010).

20. Moreover, UNESCO Headquarter's field offices and institutes are promoting policy dialogue and disseminating key messages and outcomes of these conferences to policy-makers, educators, researchers, curriculum specialists and teacher trainers through e-fora, regional seminars and workshops, research papers, online publications, guidelines, training modules, learning resources and evidence-based practices. The "road maps towards inclusion" prepared during the 13 ICE preparatory meetings and conferences provide a solid foundation for this work. Recent initiatives include the following:

- the Basic Education in Africa Programme (BEAP), currently being piloted in the Gambia, Ethiopia and Côte d'Ivoire and soon to be extended to the United Republic of Tanzania, provides a framework to address equity, in particular through the question of competency-based curricula;
- a workshop for the Arab Region on "a broadened concept of inclusive education" was jointly organized by UNESCO Beirut and UNESCO-IBE (July 2009);
- in the Latin America and the Caribbean region, an Observatory was set up by UNESCO, in cooperation with the Organization of Ibero-American States (OEI), to promote and monitor inclusive education policies and develop guidelines to assist countries in identifying excluded groups and indicators that assess the quality of inclusive practices in schools;
- UNESCO Bangkok and UIS worked closely together in the Asia and the Pacific region to enhance Member States' capacity to identify out-of-school children, as well as those who are attending school but not learning, including during the 10th Regional Meeting of National EFA Coordinators (May 2009); and
- UNESCO offices in Moscow, the Ministry of Education and Science of Armenia (MOES) and UNESCO-IBE are collaborating to prepare for an ICE follow-up meeting for the CIS region on "EFA, enhancement of quality education and curriculum development" (Yerevan, Armenia, 29-30 September 2009).

21. UNESCO is also actively present in several global initiatives that address issues of inclusion, including the Global Task Force on Child Labour and Education, the United Nations Girls' Education Initiative (UNGEI), the Interagency Task Force (IATF) on Adolescent Girls, the EFA Flagship Programme on the Right to Education for Persons with Disabilities and the UNAIDS Inter-Agency Task Team (IATT) on Education. UNESCO has been working with the members of the Global Task Force on Child Labour to provide coordinated support to ten selected countries to cope with the impacts of the crisis on education and to ensure adequate response measures to child labourers. Likewise, the Organization contributes through the IATF on Adolescent Girls to push for practical action towards fulfilling marginalized girls' rights as children and as young women.

Investing in teachers – entry point to strengthening education systems

22. Countries that are able to maintain and build up the skills level of their work forces during the recession will be better poised to take advantage of the opportunities that a recovery offers. In this regard, investing in teacher professional development/training and in infrastructure – such as public buildings for education – could represent a major opportunity for addressing both employment and development challenges. The ILO states that several countries, including China and Saudi Arabia, have already announced significant increases in education spending, including school construction, as part of rural development programmes. Mexico also intends to increase

investment in education, especially in labour-intensive infrastructure, as a means of creating jobs and investing resources in economic development.

23. UNESCO supports the development of appropriate teacher policies, with a strong focus on the gaps and needs of sub-Saharan Africa, through the UNESCO's Teacher Training Initiative for sub-Saharan Africa (TTISSA). A TTISSA pre-service teacher training review is currently underway, with plans to conduct regional policy research on the perception of teachers with regards to EFA in Africa, particularly with respect to girls' participation in education, and to produce a toolkit that uses a rights-based approach to pre-service teacher training. Similarly, in Asia and the Pacific, pre-service teacher training reviews will be conducted in select countries to analyze rights-based dimensions of policies, curricula, methodologies and materials. Regional policy research on the quality and status of female teachers and their impact on EFA will be conducted, focusing on girls' participation in education.

24. Immense challenges remain to reduce the 18 million teacher gap necessary to achieve Universal Primary Education (UPE) by 2015. Since teacher salaries account for the bulk of education spending in all countries, they are vulnerable to cuts and delays in tight fiscal conditions. To address these issues and more, the Oslo Declaration endorsed the creation of the International Task Force on "Teachers for EFA", a voluntary global alliance of EFA partners working together to address the "teacher gap". UNESCO provided technical support, in line with its EFA mandate, and convened two meetings of the International Task Force in Paris in March and June 2009. These meetings contributed to designing the structure of the International Task Force and its activities. It was agreed that the Task Force's dedicated secretariat would be housed at UNESCO Headquarters, financially supported by several bilateral and multilateral donors, with the aim of implementing the time-bound activities of the Action Plan. Financial arrangements and a recruitment process for the secretariat are under way, and it is expected to be fully operational as of September 2009.

Holistic view of EFA and beyond

25. All six EFA goals are important for raising education standards but the economic crisis heightens the risk of only focusing on a select number of goals, leaving millions of children, youth and adults on the margins. All of the EFA goals, however, are connected, and should be viewed within a broader education and development context. The international community must strive to ensure that education systems encourage equity and inclusion, quality learning, flexibility and innovation – the foundations for providing global education for all. Increasingly, the EFA agenda stresses issues that go beyond UPE such as technical and vocational education and training (TVET), sustainable development, and capacity development. Reports from field offices indicate that investments in early childhood development and literacy programmes are particularly vulnerable in a period of economic recession. To increase their relevance in the context of current global constraints, adult and youth literacy programmes could be more closely linked to micro-finance, income-generation and life skills. Technical and vocational education and skills training for youth and adults could be upgraded to help stem youth unemployment and to include entrepreneurial education. Participation, research and social responsibility in higher education should also be addressed not only because enrolments at the tertiary level are steadily increasing, but also because of this sector's strategic role in meeting global challenges, including education for all.

26. The Oslo Declaration highlights the need for a more intersectoral approach between education, health and nutrition in order to achieve the EFA goals. School feeding programmes enable children to learn better, as well as being incentives to attend school. In this context, UNESCO has been engaging with UNICEF, the World Bank, the Food and Agriculture Organization (FAO), the World Health Organization (WHO) and the World Food Programme (WFP) to further explore opportunities to collaborate on integrated initiatives for young children. The 2010 World Conference on ECCE will be a key platform to seek greater international support for this work. As the World Bank states, additional resources can also be channelled to targeted

programmes such as food distribution, school meal programmes, provision of free school uniforms, clean water and sanitation facilities in schools to ensure security and privacy, especially for girls.

Looking ahead

27. It is more important than ever to adhere to a global long-term vision characterized by a commitment to reduce poverty and inequalities, advance social justice and better match skills with labour market needs. The time is propitious to reaffirm the right to education, promote cultural understanding, tolerance, peace and sustainable societies. Investments in global poverty reduction and education can support recovery, and further advance progress towards the achievement of EFA. Continued investment in human resources and the development of innovative and technological advances will be crucial for counteracting the crisis, and for economic recovery. The crisis should be viewed as an opportunity to demonstrate stronger international understanding and cooperation in the field of education. In this regard, it is important to ensure effective monitoring of the impact of the crises on human development goals. This is a time to act and to prove that investing in education can lead to recovery and real change.



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**Effects of the global financial and economic crisis on education finance
in Member States as of 30 September 2009**

1. **UNESCO has been monitoring the impact of the global financial and economic crisis on the education sector in its Member States.** Although it is too early to assess the full extent of the effects of the crisis, the Organization has been using a variety of means to fulfil its monitoring role, including a quick survey in 50 countries launched in March 2009, case studies for 25 countries and the review of information produced by other agencies and institutions.
2. **The global recession triggered by the financial crisis is having widespread and multiple effects on all countries.** Developed countries have been hit hardest, but developing countries have been seriously affected through different types of resource flows and transmission channels.
3. Decline in demand in advanced economies affects most other countries, although its effects depend on the economic structure, composition of trade and related policies. Remittances, which represent an important income source for many developing countries, are declining.¹ Net private capital inflows dropped to US \$707 billion in 2008.² Eastern Europe and Central Asia are suffering

¹ The World Bank forecast that remittance flows to developing countries would decline by -7.3% for 2009.

² Representing 4.4% of developing countries' GDP.

the most, accounting for 50% of the decline in capital flows. There are signs that aid, which is critical for economic growth and achieving the Millennium Development Goals (MDGs) in many developing countries, may backtrack.

Impact of the crisis on public education finance

4. According to the EFA Global Monitoring Report, country education development status, measured in terms of the EFA Development Index (EDI), is strongly correlated to country-income levels, although there are some exceptions depending on countries' social and cultural traditions. **Many low-income countries with low EDI status may not achieve the EFA goals by 2015.** Analyses show that budget situations in these countries vary during crises, with two broad categories of countries emerging: countries which continue to increase their education budgets at a similar pace as in the past, often by borrowing and with foreign aid; and others which have already cut their expenditure, reflecting the limited fiscal capacity of these countries affected by the economic crisis. **Most middle- and high-income countries are on the list of middle-to-high EDI countries.** Many of them have been affected significantly by the global crisis: a few countries (notably in Eastern Europe) made budget cuts, while many others were able to maintain their public expenditure on education.

5. **Observation from analyses of education budgets reveals three broad categories of countries**, in terms of whether domestic revenue (especially from taxation) has been: (a) marginally affected by the crisis, with no or little perceptible impact on education expenditure; (b) affected, but the government was able to maintain education expenditure on its own, with foreign aid or by borrowing from domestic and/or international source; and (c) affected, and budgets were cut.

6. Countries in **category (a)** appear to have economies relatively isolated from global markets, with remittances from abroad showing robust resilience despite the global crisis. **Category (b)** countries – protecting education expenditure despite the impact of the crisis – are found in a diversity of contexts. However, two subcategories emerge. These include: (i) countries where education budgets are being protected mainly using domestic resources. These are mostly found among middle- and high-income countries, including diversified economies, important commodity- and oil-exporting countries (that accumulated sizeable financial reserves in past years) and many advanced economies; and (ii) the group of countries where education budgets have been protected mainly through increased foreign grants and/or by borrowing from abroad and that are found mainly among low- to middle-income countries lacking sufficient domestic fiscal space. **Category (c)** includes a variety of countries that were compelled to cut their expenditure on education, often by freezing salary increases, cutting salaries of contractual teachers or delaying investment in non-salary expenditures.

7. **Broadly speaking, many governments appear to have been protecting expenditure on social sectors, including education budgets**, even with the anticipated risk of substantial fiscal deficit and debt burden in the future. Although domestic revenues declined and government budgets were cut in 2008 and 2009, education expenditure tended to resist in a number of countries, even though the increase has been far weaker than in previous years.

8. For a variety of reasons (e.g. political reasons, fear of social unrest, the desire to sustain purchasing power, etc.), teachers' **wages seem to have been more resilient than other budget items in the education sector (non-salary current and capital expenditures); in addition, primary education has tended to be better protected than post-primary levels.** Advocacy for protecting spending on EFA subsectors and its monitoring by civil society and international agencies might have played a role in this regard. Technical and vocational education and training and higher education are more likely to be subject to budget cuts, partly because they usually consume more non-salary current and capital spending, or because their autonomous status means they are less dependent on government finance.

9. Cuts to already-low non-salary budgets could be critical to the quality of education, especially if they affect students directly through reduction of such elements as teaching and learning materials, grants to schools, school maintenance, meal services, school health, etc. In other countries, **capital expenditure has increased, benefiting to a greater degree post-basic education levels** through construction of new schools, universities, laboratories, etc. Some governments are seizing the crisis as an opportunity to further improve higher and technical education as a means of strengthening the role and the relevance of education and skills development for economic recovery and expansion.

10. The budgets for 2010 will post more realistic figures, reflecting the reduced revenue collection in the previous year. Agencies and countries are projecting economic rebound from late 2009. Exit strategies are being contemplated in some countries, through reducing budget deficits that were aggravated during the crisis period. **How education budgets will fare in 2010 faced with a probable decline in government budgets is a matter of strong concern.**

Government responses in education

11. In the face of the global financial and economic crisis, **four broad categories of policy responses** can be distinguished, **although they are often interlinked**: (i) counter-cyclical measures, as governments increase education expenditure or the share of education in government expenditure; (ii) targeted social measures that explicitly protect the most vulnerable, including targeted social safety measures in education and reprioritizing in favour of basic education; (iii) reform-oriented measures that aim to seize the crisis as an opportunity for improving cost-efficiency, relevance and governance; and (iv) budget cuts, which some countries have evenly distributed across all education subsectors. In a few countries, the crisis did not produce particular policy measures.

12. Counter-cyclical measures have mainly been found among middle- to high-income countries with good fiscal capacity that allows them to increase education expenditure, even by borrowing, drawing on reserves or through deficit spending. A few low-income countries have also adopted such expansionary policy. Depending on the country's long-term vision and priorities, some countries focused their stimulus package interventions on the education sector.

- Armenia: Due to the economic recession, there was discussion of a budget cut of 30% over the 2009 budget (representing a decrease of 10% from previous actual expenditure). A recent decision was that there would be no cuts to the State budget; such protection is possible due to support from the international and bilateral agencies.
- Chile: Although the country's economy was affected by the crisis, the government decided to increase its education expenditure in 2009, drawing on its contingency fund.
- China: The central government increased its budget for education by 45% in 2008 and by 24% in 2009 as compared to previous years.
- Egypt: Since education is considered a national priority, the government devoted an important part of its stimulus package to the education sector, particularly for school building.
- Namibia: Most of its stimulus package has been allocated to the human development sector, and particularly the education sector. This allows education to remain the largest sector in the government budget.

- Singapore: Despite the downturn, the government will continue spending on education and accelerate some major strategic initiatives. For the 2009 financial year, the education budget has increased by 5.5%.
- Some South-Eastern Asian countries increased educational spending: the Philippines increased the government budget, including education; Thailand increased the 2009 financial year education budget by 15% from the previous year, aiming to support the government policy of 15 years' free education; Malaysia used the stimulus programme to provide additional funding for expanding school facilities.

13. Some countries have been able to deploy targeted **social measures**, protecting the most vulnerable or reprioritizing their spending on education in favour of specific education levels.

- During the crisis period, Argentina maintained the social programmes designed after the 2001 financial crisis that aim at providing economically disadvantaged pupils with scholarships, sustaining school canteens, and providing free textbooks.
- Australia established the Community Response Task Force, a coalition of non-profit organizations and the Australian Government to deal with the impact of the crisis on vulnerable Australians.
- In Ghana, the government has clearly indicated that whereas cuts are possible in some economic sectors, health and education will continue to receive appropriate support.
- Mongolia launched free school meals and textbook programmes as part of its efforts to retain schoolchildren from vulnerable backgrounds.
- Thailand's stimulus package includes cash transfer to low-income people.
- The American Recovery and Reinvestment Act of 2009 includes an education component³ providing fiscal relief, block grants, new funding for school districts to support special education, school modernization and repair programmes, and the expansion of grants for students from low-income families.
- In several Latin American countries, pro-poor programmes have been strengthened.⁴

14. A few countries introduced additional measures within the framework of a broader reform process, often with support from international agencies.

- Moldova: The government is proposing anti-crisis measures, with World Bank support to develop a strategy for school network optimization that aims to reduce the share of non-professional staff as well as maintenance costs.
- Tunisia is investing more in education by continuing the programme of massive recruitment of new teachers as part of its strategy to improve education quality and reduce the pupil/teacher ratio.

15. Other countries have not implemented any particular counter-cyclical measures as they have not been particularly affected by the crisis, operating incremental increases in the education budget or evenly distributing expenditure cuts across subsectors when there is a noticeable impact of the crisis on government revenue.

³ 11.4% of the total package.

⁴ e.g. Oportunidades in Mexico, Bolsa Família in Brazil, Solidaridad in the Dominican Republic, Programa de Asignación Familiar in Honduras, Red de Protección Social in Nicaragua, etc.

16. **Available information suggests that, for the moment, governments have tended to protect education budgets.** This is illustrated by the share of education expenditure in government finance that is being kept constant or even increased in many countries and across all regions. Stimulus packages, including increased social transfers in the education sector, have been announced not only in developed countries, but also in some developing countries. Furthermore, in many developing countries, education is increasingly seen as part of a long-term investment designed to restore and sustain economic growth and development.

Uncertain prospects of development aid to education

17. **Country analyses report some changes already.** ODA appears to have been maintained in most countries for which data was available. However, the crisis is expected to take its toll on country programmable aid (CPA); its cumulated loss for the period 2008-2010 is estimated to be around 7 billion in 2007 US dollar prices. The biggest loss is projected for 2009 (\$4.8 billion). Assuming that the CPA allocated to education would be 7.2% (as was the case in 2007), the potential loss of education CPA would amount to some \$350 million for 2009 alone.

18. To date, **multilateral aid appears to have increased during the crisis period** in many countries, while **the prospects of bilateral aid are rather mixed**: in some countries, no significant changes have been reported in relation to earlier aid commitments, while in others a decrease in bilateral aid is already observed or expected in the future.

Impact on education provision: early signs

19. **The global financial and economic crisis is expected to exert negative effects on education in many countries.** Some country case studies already indicate that vulnerable households face difficulties in meeting school costs; children are being moved to cheaper schools or to those institutions that provide food or material support. There are a growing number of reports of increased absenteeism, school drop-outs and increases in child labour.

20. **Country studies indicate that, in some countries, educational quality and equity are being jeopardized in public schools and that a lower demand for education is anticipated** due to a decline in household income and a foreseen increase in the direct and indirect costs of education. Private schools are initially appearing to suffer more than government schools as a result of the current crisis.

Conclusions

21. **Monitoring the effects of the economic crisis on education in Member States must continue.** Although it is too early to grasp the full extent of the impact of the financial and economic crisis on education, preliminary findings suggest that, to date, there is no obvious indication that education budgets are being cut any more than in other sectors in many countries. However, there are signs and accounts of the severe impact of the crisis in some countries and communities. It is feared that the aftershocks of the financial crisis will be long-lasting, particularly in social sectors, for the most vulnerable people.

22. **UNESCO will continue to reiterate the central role played by education** in economic growth, technological advances, poverty reduction, improvement of health, income growth, promotion of equal opportunities and progress in democracy. Member States will be urged to persevere in their efforts and reminded that education is one of the most viable channels for economic recovery and sustainable development. Governments are encouraged to resist the temptation to curb public spending on social services, particularly education, and the international community is urged not to reduce its development assistance support.

23. **Despite the difficulties caused by the crisis, governments in developing countries have been deploying efforts to protect education budgets. Accordingly, the international community will have to maintain and increase aid to education, especially for the EFA subsectors.** Developing countries are being affected by a financial and economic crisis for which they are not responsible. It is feared that international aid, already insufficient before the crisis, will decline. There are already signs that some donor countries are backtracking on their earlier aid commitments. As developing countries are trying hard to protect education budgets, they should not be thwarted in their achievement of the EFA goals by a lack of resources.⁵

⁵ The Dakar Framework for Action – Education for All: Meeting Our Collective Commitments, adopted by the World Education Forum, Dakar, Senegal, 26-28 April 2000.