

Implications for Countries and Donors

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At the World Education Forum in Dakar in 2000, the international community pledged that no developing country with a “credible plan” for achieving EFA would fall short of the 2015 goal for lack of external support. At the Monterrey conference on development finance in 2002, the donor community pledged increased development support channeled in a new and more selective framework to countries with both sound policies and a willingness to be held accountable for clear results. This study was written in the spirit of those commitments, to try to understand which policies are essential drivers of universal primary completion and what would constitute a credible plan for achieving the education MDG.

Our analysis of primary completion rates across a sample of 55 low-income countries showed that a relatively small set of key parameters are important determinants of primary education outcomes: overall spending on primary education; average class size; average teacher salaries; spending on inputs other than teacher salaries; and the rate of repetition. When the overall level of resources is adequate and the distribution is balanced, education systems have the basic ingredients they need to perform well. If resource allocation skews any of the core parameters too much in one direction or the other (for example, average class size of 10 or average class size of 70), other areas are forced into compensating adjustments that are almost always unhealthy. Many chronic problems of low quality, inefficiency, and inequity—for low-performing systems are always inequitable—can be traced to imbalances in these key elements, and the unhealthy adjustments that primary education systems make.

IMPORTANCE OF A FLEXIBLE APPROACH

As important as these core elements are, however, there are at least three reasons why this framework is not *sufficient* for a credible EFA plan, and must not be applied rigidly:

- System-wide averages do not guarantee an efficient underlying distribution.
- Target parameters may not be optimal in different country contexts.
- The overall level and mix of resources do not guarantee the transformation of those resources into quality schools and higher student learning.

AVERAGE VALUES

The analysis in this report hinges on system-wide average values for the core parameters. Yet a reasonable average value does not guarantee an efficient or equitable underlying distribution—particularly in large federalized education systems such as those of India or Nigeria. A system-wide average of 40 students per teacher

could reflect a very efficient underlying pattern in which teachers in urban areas working in double-shift schools teach more than 40 students each while teachers in sparsely populated rural areas working in multigrade schools teach fewer. Or it could reflect the exact opposite—an excess of teachers stationed in the desirable urban areas and a serious shortage of teachers and schools in rural zones, which is very commonly seen in developing countries. The two patterns will produce very different student learning outcomes and completion rate progress. Our analysis implicitly assumes the efficient and intelligent underlying allocations that would cause these core parameters to be associated with primary completion progress. But a credible EFA plan would have to make this explicit.

TARGET PARAMETERS

The target parameters used in this exercise can provide useful points of reference or benchmarks for all countries. But there will be many cases where they are culturally, institutionally, or financially inappropriate, and rigid adherence to any particular target values must be avoided. The ultimate value of this framework is as a guide to the direction of reform, not as a dictate regarding where it should end. In the case of Armenia, for example, the current pupil-teacher ratio of 13:1 and average teacher salary of 0.6 times per capita GDP are not conducive to a quality primary education system. Comparison with the reference parameters of 40:1 and 3.5 times per capita GDP points clearly to the directions in which the system needs to move. But it may be just as adequate and more feasible politically for Armenia to aim for a pupil-teacher ratio of 30:1 and an average salary of 2.5 times per capita GDP. From the standpoint of resource allocation, this balance is equivalent to our target parameters. The key is to recognize when the starting imbalance is untenable and then to move in the right direction.

TRANSFORMATION OF RESOURCES INTO LEARNING OUTCOMES

The “indicative framework” presented in this study can ensure that education systems have adequate overall resources and a healthy mix of core inputs. But it cannot guarantee the next—and crucial—step: the management of those resources to transform them into student learning. Paying teachers on average an adequate wage does not automatically produce the high standards, careful recruitment, quality in-service training, and performance management needed to turn those teachers into an effective force in the classroom. The 33 percent of total recurrent spending we target for spending on inputs other than teacher salaries is ample enough for an education system to cover many important needs—from design of a relevant curriculum to national student learning assessments to proper building maintenance—but there are also many ways such resources can be spent badly, with little impact on MDG progress.

Even more important than mobilizing more resources for primary education is improving the management of resources: at the national level, at the school level, and in the classroom. At the national level, ministries of education must achieve greater equity and efficiency in resource allocation and personnel deployment between administrative support services and schooling delivery, across different regions and across schools. The share of resources absorbed into central adminis-

tration in many systems is very high, with little value added for system functioning or student learning. Across different regions, schools with similar enrollments often differ widely in the number of teachers deployed to them, with no formal rationale but with clear implications for system quality and equity. Similarly, expenditure tracking studies frequently find that only a fraction of the overall education resources allocated to schools actually reaches them, and often too late in the school year to be used productively. Finally, crucial central support functions are often handled poorly or are nonexistent. National systems to assess student learning and monitor progress at the classroom and school level are essential for holding education actors accountable and stimulating system-wide improvement, yet they exist in very few of the countries in our sample. Education statistics are rarely audited and often years out of date, and thus cannot serve as a tool for management decisions on an ongoing basis.

Management capacity at the school level is also crucial. The quality of school leadership makes the difference between an orderly environment where teachers perform and children can learn, and a chaotic environment marked by rampant absenteeism, poor school maintenance, disappearance of books and materials, and poor relations with parents and the community, as seen in all too many education systems. Simple and often costless actions such as assigning the best teachers to the early grades, adapting the school calendar to the needs of the community, or making sure that teachers show up on time and work a full week, can greatly boost student attendance and learning. Effective school-level management makes these happen.

Ultimately, it is management in the classroom that transforms education resources into student learning outcomes. Research shows that after controlling for student characteristics, learning outcomes can differ greatly even across equally endowed classrooms in the same school. What teachers do matters more for learning outcomes than any other single factor. Teachers must use class time effectively; they must make good use of learning materials; they must have the capacity to adapt their teaching practice to individual students' learning needs; and, above all, they must be motivated to devote time and hard work to proving that "every child can learn." In most of the countries in our sample, teachers' incentives, capacity, and practice are greatly in need of strengthening.

In short, good policies, innovative programs, and effective management in a great many areas must accompany a good core distribution of resources in a high-performing education system. Box 5.1 gives an idea of the wide range of management challenges a primary education system must address and outlines good-practice policies from across the developing world. These are aimed at ensuring that adequate resources translate into cost-effective expansion of schooling coverage, effective teaching and learning, and the flexibility in service delivery and other support needed to keep girls, the poorest, disabled, and other vulnerable children in school. A new World Bank paper (2002c), drawing lessons from a number of country case studies, provides more insights into what has worked and offers a set of principles to guide effective program and policy interventions. These are a crucial complement to the resource allocation framework we analyzed as elements of a credible EFA plan.

Box 5.1 Key Education Policy Options

GOAL	POLICY CHOICES	MEANS
EXPAND SUPPLY	Low-cost and carefully targeted expansion	<ul style="list-style-type: none"> • Lower-cost designs and construction material • Community-based construction • Streamlined preservice training (that is, shorter formal training, more hands-on training in classrooms, distance delivery) • Locally recruited teachers • Incentives for teacher deployment to remote and rural areas
	More cost-effective use of existing school infrastructure	<ul style="list-style-type: none"> • Double-shift schools • Multigrade schools • Teacher redeployment and efficient class size
	Greater private provision and financing of education	<ul style="list-style-type: none"> • Simple regulatory framework for private providers (that is, accreditation system and collection of basic statistics) • Grants to cost-effective nonpublic providers
	Tighter system management	<ul style="list-style-type: none"> • Planning for HIV/AIDS impact • School mapping (and later, more sophisticated education management information systems) • Review of role, selection, and training of school heads • Control of teacher absenteeism • Equitable funding across schools (per-student allocations)
IMPROVE QUALITY	Quality teaching	<ul style="list-style-type: none"> • Emphasis on literacy and numeracy skills and clear learning goals for students • Student-centered interactive teaching methods • Ongoing professional development in content areas and pedagogical skills • Teacher networks and resource centers • Quality teacher manuals • Mother-tongue instruction in initial years • Increased hours and/or days of instruction • Salary structure that rewards teaching performance and rural or difficult postings
	Quality instructional materials	<ul style="list-style-type: none"> • Local teaching materials • Timely and equitable distribution of low-cost learning materials (textbooks) to schools and students • Curriculum revision to improve relevance • Distance education (for example, radio education)
	Tighter accountability mechanisms	<ul style="list-style-type: none"> • Simple school monitoring and reporting system (including private schools) • Periodic assessment of student learning outcomes • Stakeholders empowered in school affairs
	Institutional strengthening	<ul style="list-style-type: none"> • Reinforced management functions (planning, budgeting, staffing) • Greater school autonomy
STIMULATE DEMAND; RELIEVE HOUSEHOLD CONSTRAINTS	Promote education of girls	<ul style="list-style-type: none"> • Targeted stipends for girls • Labor-saving technologies, water points, and school-based childcare facilities to ease girls' household work • Schools located closer to communities • Separate latrines for girls • Recruitment of more female teachers and administrators • More mothers involved in school committees
	Ensure school affordability	<ul style="list-style-type: none"> • Elimination of school fees • Textbooks and school supplies provided free • Additional stipends for poor households and AIDS orphans
	Make schooling attractive to parents and communities	<ul style="list-style-type: none"> • Parents involved in school councils with decisionmaking power • School calendar compatible with local economic activity • School environment improved with latrines, water, electricity • School health and nutrition programs • Early childhood development programs • Nonformal education programs for youths and adults • Community libraries (eventually Internet centers)

CONSIDERATIONS FOR DEVELOPING COUNTRIES

The above are very important caveats. But they do not negate the fact that the first step toward a quality school system is to ensure adequate resources, allocated in a healthy balance across core system parameters. Without this, few other policy objectives and programs can be implemented or sustained.

Placing the EFA planning process within this type of policy and financing framework—with internationally agreed values or ranges for target parameters—would mean that countries would compare their performance on a set of key domestic resource mobilization and service delivery parameters to the benchmarks observed in better-performing education systems.

When a country's initial parameters deviate significantly from the benchmarks, a clear criterion for a "credible EFA plan" would be commitment to a gradual yet well-defined process of reform, to bring those areas of system performance into line. Progress would be evaluated annually, and in a very transparent manner, as the initial parameters, benchmark values, and appropriate annual targets for progress would be clear.

This kind of technical rigor, transparency, and financial discipline has been missing from EFA planning to date—which has in many cases consisted of "wish lists" of actions that are neither prioritized, realistically costed, nor, in many cases, physically feasible. The analytical framework proposed here would help ensure that policy actions, new investments in school expansion, domestic financing, and external assistance are sustainable and lead to progressive improvements in system functioning, measured against clear benchmarks. Key outcomes, such as the primary completion rate and learning outcomes (when standardized assessment systems in these countries become more widespread), would also be tracked. Sustained and predictable external financing would be the *quid pro quo* for steady progress in improving these core indicators of system functioning and progressive improvement in outcomes.

Some key implications of this approach for developing countries are as follows:

- The criteria for a "credible plan" would be less ambiguous and more technically rigorous.
- Countries' own commitments to achieving the MDG could be evaluated more transparently, as the allocation of a "fair share" of domestic fiscal resources to primary education.
- Steady improvement in service delivery would be a *quid pro quo* for continued external support.
- The EFA process would be focused more sharply on key outcomes, especially the primary completion rate, student learning progress, and gender parity, and more accurate and timely measurement of these would be required.
- Countries and their partners would both be accountable for ensuring that external funding catalyzes tangible progress toward universal primary completion and is not wasted in ineffective delivery systems.

- Countries' overall domestic resource mobilization and spending, not only education ministry spending, would become subject to transparent monitoring.

CONSIDERATIONS FOR THE DONOR COMMUNITY

The implications of this study for international development partners are equally strong. Our results clearly show that even with a maximum domestic effort, these 47 countries plus Afghanistan will not be able to achieve the education MDG by 2015 without:

- A significant increase in donor funding for primary education
- Better targeting of donor assistance to “EFA priority” countries
- A change in the mix of assistance
- Greatly increased efficiency of aid transfers
- Transfer of funds via new mechanisms; and
- More effective monitoring of progress, increased research, and faster diffusion of knowledge about what works.

INCREASED AID FOR PRIMARY EDUCATION

The average external financing needed for the 48 low-income countries we studied, including Afghanistan, at \$2.5 billion per year over the next 12 years (constant 2000 dollars) represents a significant increase over current aid for primary education to these countries. Although it is difficult to compile solid country-level data, we estimate that this is almost triple the level of external support for primary education these countries currently receive.

If the numbers are disaggregated regionally, the even greater disparity between current levels of assistance and estimated needs for Sub-Saharan Africa becomes clear. For the 33 African countries that account for \$1.9 billion of the overall \$2.4 billion per year gap (excluding Afghanistan), estimated disbursements of official development aid for primary education over the last three years have averaged only about \$500 million per year. New commitments have averaged little more than \$600 million per year (table 5.1). In other words, the annual external disbursements to these countries would have to almost quadruple. For the 13 countries outside Africa with projected financing gaps, the estimated needs would average \$586 million per year over the period, almost 50 percent higher than the estimated current level of disbursements of about \$400 million per year.

BETTER TARGETING TO “EFA PRIORITY” COUNTRIES

The preceding analysis shows that, although our financing gap estimate is lower than some previous global estimates, it would nonetheless require a substantial increase in donor funding for primary education in these countries to fill it—and a fourfold increase for Africa. This will not be easy to achieve. On the country side, although the scenario for accelerated MDG progress we model explicitly assumes that institutions and policies in the education sector (and fiscal management more generally) gradually become stronger through implementation of reforms and shifts in resource allocation, there is no question that institutional “capacity gaps” currently constrain the level of assistance to many of these countries.

Table 5.1

Official Development Assistance to Basic Education in Sub-Saharan Africa, by Donor, 1998–2000

(commitment basis, millions of current U.S. dollars)

Donor	1998	1999	2000
<i>International Development Association</i>			
Total education	1,201.5	534.8	468.7
Africa education	372.3	194.1	159.7
Africa basic education	218.3	131.0	58.8
<i>Other multilateral development banks</i>			
Total education	1,274.7	773.7	1,335.5
Africa education	868.9	309.5	1,041.3
Africa basic education	28.2	110.6	116.2
<i>Development Assistance Committee countries</i>			
Total education	4,459.2	5,014.3	3,541.6
Africa education	2,328.4	1,259.2	1,405.6
Africa basic education	422.2	418.4	378.8
<i>All donors</i>			
Total education	6,935.4	6,322.8	5,345.8
Africa education	3,569.6	1,762.8	2,606.6
Africa basic education	668.7	660.0	553.8

Note: The World Bank (IBRD and IDA) reports flows to “primary education,” whereas the Development Assistance Committee (DAC) of the OECD reports flows to “basic education.” DAC countries and African Development Bank regional classifications cover continental Africa and not Sub-Saharan Africa, as reported by the World Bank. Therefore the regional totals are approximate.

Sources: World Bank Business Warehouse; OECD DAC Database.

But the current low level of external support for primary education may also reflect relatively unfocused commitment to the MDG on the donor side. When our estimated gap of \$2.4 billion per year is compared against *total* assistance for education reported by international donors and multilateral banks, which averages about \$7 billion per year, it looks relatively small (annex table D.1). That assistance—for all levels of educational development and all developing (low- and middle-income) countries—serves many different, and potentially important, purposes. But, very clearly, it is not today giving priority to the countries where achievement of the MDG is at greatest risk without external support. Only about 20 percent of donor assistance for education is currently channeled to basic education (annex table D.2).

At Dakar, the international community pledged that no developing country’s EFA progress would be constrained for lack of external support. If that commitment is to be upheld, the development partners will need to either:

- Mobilize a significant real increase in funding for primary education, channeled largely to Sub-Saharan Africa, or

- Achieve an equally dramatic reallocation of existing assistance, from other levels of education to primary education, and from middle-income countries to low-income, especially African, countries.

A CHANGING MIX OF ASSISTANCE

According to our analysis, close to 60 percent of the external financing requirements for these countries over the next 13 years will be of a recurrent nature. Although recent data show that World Bank/IDA disbursements to these countries for primary education have begun to approach this mix, it is not clear that this is true for other donors. Assistance from all external partners has traditionally given heavy priority to capital investments, such as school construction or equipment. A clear message of the simulation results is that if donors want to see the MDG of universal primary completion attained, a relatively high share of external assistance will have to be channeled to recurrent budget support. And for greater gender parity and supporting HIV/AIDS orphans, in particular, recurrent budget support for stipend programs will be critical.

Of course, donors will be reluctant to go this route without clear acceptance by countries that their entire budget—and domestic resource mobilization effort—will be on the table for discussion and monitoring. This is already happening in the PRSP and PRSC processes that most of the countries in our sample are engaged in. Uganda is a good example of a country whose receptivity to greater budgetary transparency—and outcome monitoring—has been directly associated with a large increase in the share of development assistance channeled to the country as budgetary support.

GREATER EFFICIENCY OF EXTERNAL SUPPORT

There is a related and overarching need for more efficient transfers of development assistance. The average annual gap we estimate can be considered as the minimum cost of achieving EFA under the most optimistic (although gradual and achievable) scenarios of policy reform and efficient aid flows. Another way of conceiving of the \$2.4 billion is as the net or “core resource transfer” that would be needed. But it is clear that \$2.4 billion in reported donor assistance does not today equal \$2.4 billion of core resource transfer to recipient countries.

For example, we estimate that roughly \$286 million per year (2000 constant dollars) would be needed on average over the period by the 33 African countries in our sample to address the impact of AIDS on their education systems. A significant part of this derives from the projected need to provide subsistence support (food, cash, clothing) to AIDS orphans to prevent them from dropping out of school, a cost we estimated at \$50 per orphan per year based on data from some existing programs. This represents the actual transfer to the child, without any specific provision for the overhead and administrative costs required to channel support. But it may be noted that various donor/NGO programs of this nature operating today generally cost \$100–\$150 per child in order to achieve the equivalent of a \$50 net transfer to the beneficiary. Although these programs usually include counseling

and other services that cannot be classed simply as overhead, it does give a sense of the margins that can exist between the “core resource transfers” we costed and the total costs of assistance.

Similarly, the unit construction costs we assumed are lower than those many donors report. If the aid-financed construction of a fully equipped classroom in Africa costs close to \$24,000, as reported by some donors, it should be realized that only \$8,000 of that amount (the unit cost we used for African countries in the sample) would count against our estimated capital financing gap. On the other hand, involving communities in school construction has been shown in many countries to lower unit costs, and this could result in lower capital costs than we estimated and effectively narrow the gap. However, as we assumed that virtually all school construction over the period would be financed externally, shifting more systematically to community-based approaches would require flexibility on the part of donors.

Finally, a significant share of donor assistance typically supports technical assistance contracts, consultancies, study tours, seminars, and other activities. No matter how laudable or even crucial these may be for inspiring education reforms or building capacity, they cannot be counted directly against the “net” resource needs we estimate. The costs that enter into our financing gap, outside of construction needs, are very largely the core, local cost requirements for running a primary education system.

It is impossible to say with any precision what equivalent “gross” level of development assistance would be needed to fill our estimated \$2.4 billion net gap. It could conceivably be 50–100 percent higher. But the efficiency of transfers varies considerably across donors. And the readiness of international partners to move in coming years toward greater use of pooled assistance and direct budgetary transfers in the context of SWAPs, PRSCs, or other program lending could greatly improve the efficiency with which each dollar of future external assistance offsets the estimated financing gap in these countries.

NEW TRANSFER MECHANISMS

A renewed push for EFA by 2015 will require major changes from business as usual for both at-risk countries and their development partners. The policy and financing framework laid out in this report could afford a basis for gauging countries’ commitments to EFA and guiding service delivery reforms. The quid pro quo for monitorable improvements in service delivery quality and efficiency and for key results such as increasing primary completion rates and student learning would be adequate, sustained, and predictable levels of financing from international partners.

The stability and predictability of external assistance is crucial if countries are to take on recurrent expenditures (such as hiring of additional teachers) that are not easily compressed when external support fluctuates. On the other hand, it is not easy for bilateral donors, subject to their own political processes and budget constraints, to make long-term funding commitments. Greater use of pooled donor assistance and direct budget transfers in the context of SWAPs and other

programmatic support could help match donor assistance more effectively to countries' core financing needs and ensure a more stable and predictable flow of funding.

Both parts of this compact would require client countries and international partners to collaborate in new ways. Countries would need to accept benchmarks for system performance and a non-bureaucratic yet participatory way of involving development partners in monitoring budgets and progress. Donors would need to forego many of the trappings of the way aid is channeled today in favor of resource transfers that would permit them to monitor only overall outcomes, and not their national share of procured inputs. Whether this flow of assistance could be coordinated across agencies as they currently operate or would merit a specific new mechanism for pooling EFA support in new ways cannot be said. It is clear, however, that whether existing or new arrangements are used, they must be made to function better, with lighter and more effective coordination and with an increase in the efficiency with which resource transfers effectively meet countries' financing needs.

GLOBAL RESEARCH AND KNOWLEDGE DIFFUSION

A potentially important byproduct of a more technically rigorous (and data-intensive) EFA planning process could be a deeper and wider base for global research on how primary education systems improve. An internationally accessible database of key expenditure and service delivery variables for a large number of countries would clearly result from any mainstream adoption of the policy and financing framework proposed in this report. Verified and internationally comparable data on these parameters and education outcomes could be a major boon to education researchers. Under the most optimistic scenario, this could produce a deeper understanding of how to accelerate primary completion rate progress that would benefit those countries currently furthest from the MDG. Although the costs of EFA monitoring, data collection, international research, and global and local activities to diffuse new knowledge are not included in the estimated financing gap, these investments in the global public good should be considered core responsibilities of the international community.

THE EFA FAST-TRACK INITIATIVE

Building on the above framework, a new compact for primary education designed to accelerate global progress toward the education MDG was endorsed by the Development Committee of the World Bank and the International Monetary Fund in April 2002 and by the G-8 in its action plan for education at the June 2002 summit in Kananaskis, Alberta, Canada. The new compact, called the EFA Fast-Track Initiative, is the first global proposal to emerge since the Monterrey conference that aims at accelerating MDG progress using the Monterrey framework of increased development support in exchange for increased accountability for results. The new initiative is supported by all major bilateral donors for education and by UNESCO, UNICEF, the World Bank, and the regional development

banks, all of which have jointly formed the EFA Fast-Track Partnership. At the heart of the Fast-Track Initiative are:

- A commitment by developing countries to accelerate efforts to achieve universal primary education cost-effectively, within a transparent global accountability framework (the EFA indicative framework outlined in this study); and
- A commitment by donors to provide sustained incremental financing (as much as possible on a grant basis), where credible plans to accelerate progress in primary education exist.

In June 2002, a first set of 18 low-income countries was invited to join the initiative and to submit their EFA plans, including baseline “indicative framework” indicators and annual targets for 2003, for donor financing. The 18 countries (box 5.2) are diverse regionally and in terms of their proximity to universal primary completion; together, they account for an estimated 18 million children without access to education. This first set of countries was invited to consider committing to the Fast-Track Initiative on the basis of two simple and transparent criteria: (a) they have formally adopted national poverty reduction strategies (PRSPs) that integrate their education plans into overall national development priorities; and (b) they have education sector plans in place. The rationale for these two criteria is that having these elements in place should allow the Fast-Track Initiative to catalyze measurable progress more quickly. It should be noted that the initiative is aimed at accelerating MDG progress in, and learning lessons from, countries that are currently on track to reach the goal as well as countries that are off track. The first group of countries includes one—Vietnam—that has virtually achieved the goal and others such as The Gambia and Uganda that are considered on track. In countries such as these, the aim of the Fast-Track Initiative is to help countries reach the goal more quickly and in the process generate lessons and demonstration effects for other countries.

A second set of five high-priority countries was also invited to join the initiative, but with a different status initially, as they did not yet have sector plans and/or national poverty reduction strategies in place. These “Big Five” countries are deemed high priority because they account for the largest numbers of children without access to primary education globally—about 50 million of the 113 million children in total estimated to be out of school. The spirit of the Fast-Track Initiative is that country commitment to sound sector programs integrated into a broader poverty reduction strategy as well as commitment to appropriate policy actions in line with the EFA indicative framework are important for effective use of development resources.

Box 5.2

First EFA Fast-Track Group, 2002

Albania
Bolivia
Burkina Faso
Ethiopia
The Gambia
Ghana
Guinea
Guyana
Honduras
Mauritania
Mozambique
Nicaragua
Niger
Tanzania
Uganda
Vietnam
Republic of Yemen
Zambia

Analytical Fast-Track Countries

Bangladesh
Democratic Republic of Congo
India
Nigeria
Pakistan

“Analytical Fast-Track” support aims to help these countries reach that status. India is the first of the “Big Five” countries to meet the two criteria, and the government is considering participation in the Fast Track.

In countries that have plans in place, the Fast-Track process involves a complementary in-country analysis to benchmark the education system’s performance relative to the EFA indicative framework; to appropriate annual targets for their country context; and to refine estimates of the external financing needs for accelerated progress in primary education, consistent with the implementation of appropriate reforms and the country’s medium-term expenditure framework. Although for the first set of countries these adjustments and targets have been set out in “Fast-Track proposals,” it is expected that the process of identifying priority policy actions to align system functioning with the indicative framework benchmarks will increasingly become a natural part of the development of a PRSP and a credible education sector plan and separate FTI proposals will not be needed. The first FTI proposals have represented a more comprehensive assessment of financing needs than we costed, as they include rehabilitation requirements. The estimated expansion needs, however, may be compared with the financing needs estimated in this study.

An important part of the process is also careful assessment of the physical and institutional capacity to execute increased primary education investment and expenditure. The Fast-Track Initiative in all cases implies a major expansion of the management challenge for systems that are generally perceived to be weakly managed today. But this cannot be an argument against such expansion; it simply means that attention to capacity building and institutional support must be an equal part of the partnership effort.

Finally, the estimated needs are compared with the pipeline of existing donor commitments for primary education in each country, including general budget support under PRSCs or other multisector programs. It should be recalled that the financing gaps estimated in the present study are gross financing gaps, with no adjustment for the current level of external assistance to the primary sector.

As of March 2003, ten of the first 18 countries invited to join the Fast-Track Initiative submitted proposals for consideration. The Fast-Track partners committed, upon verification of the estimated financing gaps, to ensure that these gaps are filled for the next three years, contingent on the countries’ continued progress in executing the accelerated program and improving sector functioning in line with their indicative framework targets. The partners also agreed to meet every six months to consider additional country proposals, review implementation, and harmonize their education assistance to Fast-Track countries. Intensified collaboration among donor representatives at the client country level is a key part of this process.

For their part, Fast-Track recipient countries are committed to annual monitoring of their progress against indicative framework targets. Key outcomes such as the net intake rate into first grade for girls and boys, the primary completion rate for girls and boys, and student learning achievement will also be monitored, although it is understood that these outcome indicators can be slow to reflect progress.

CONCLUSION

Without a substantial acceleration of progress in as many as 86 developing countries, the Millennium Development Goal of universal primary education by the year 2015 will not be met. The good news is that many of these countries *could* meet the goal, if they could achieve and sustain the same rate of primary completion progress averaged by the best-performing developing countries over the 1990s. We know from country experience that it can be done.

We also know, from country experience, the key building blocks for a healthy system of primary education. We know what constitutes a broadly adequate level of resources, and how to balance two key elements of the resource mix: (a) spending on teachers and (b) the equally crucial spending on complementary inputs, supervision, and support needed to make teachers effective in the classroom.

Domestic commitment to universalizing primary education is the first key. As countries from the Republic of Korea in the 1960s to Zimbabwe in the 1980s to Brazil in the 1990s have demonstrated, when political will is mustered, primary completion progress can accelerate quickly.

But for the 48 low-income countries with the world's lowest completion rates, even maximum commitments of domestic resources for primary education plus steady progress in reforming service delivery will not be enough to ensure achievement of the education MDG by 2015. A resource gap of at least \$2.5 billion per year in these countries will threaten their achievement of the goal in the absence of external assistance.

Mobilizing this amount of increased aid should not be an insurmountable challenge for the international community, but it will require very significant changes in donor priorities and the mechanisms through which aid is channeled. Accompanying increased financing with support for capacity building and implementation is also important to ensure that donor and national resources effectively produce the desired results.

The new compact for accelerating progress embodied in the EFA Fast-Track Initiative—if launched successfully and expanded steadily to include all of the at-risk developing countries—could provide a framework in which countries' steady progress in improving core indicators of education system functioning and progressive improvement in outcomes would be the quid pro quo for sustained and predictable budgetary support from international partners, channeled in new and more flexible ways. Few global goals have been as consistently and deeply supported as the notion that every child in the world should have the chance to complete primary school. With global effort, it could become a reality.