Background
1. Since 1997 the Korean Educational Development Institute (KEDI) and UNESCO Bangkok have co-organized annual seminars focusing on education planning and management issues that are high on the policy agenda in Asian countries. The Korean Ministry of Education and Human Resources Development has sponsored the seminar since 1999 within the framework of the Korean Funds-in-Trust and with technical and financial co-sponsorship from UNESCO Bangkok. The seminar brings together senior officials from Ministries of Education and researchers from Asian countries for an exchange of information, knowledge and know-how regarding priority areas in education planning and management.

2. Themes such as Education Management Information System (EMIS) and international development assistance were covered in the past. Since 2002 the seminar has been devoted to themes related to the six EFA goals agreed upon by the international community at the World Education Forum. Early Childhood Care and Education (ECCE) was the seminar theme in 2002, followed by life skills in 2003, education quality in 2004, and secondary education in 2005. The 2006 topic concerned education finance with a special focus on financing national EFA plan implementation.

Participants
3. KEDI and UNESCO Bangkok invited national and international education planning and finance experts from Indonesia, the Philippines, the Republic of Korea and Viet Nam and from major donors (Asian Development Bank, DFID, European Commission and World Bank) involved in education sector financing and EFA to the seminar. Several invitees from Ministries of Finance cancelled their participation at very short notice, due to heavy workloads before the year-end. A list of participants is attached in Annex 1.

Proceedings and major conclusions (based on the final seminar statement in Annex 3)
4. The seminar consisted of four sessions. Session-1 looked at lessons learned from the Jomtien decade and recommendations by the World Education Forum, and overview of financing strategies to fund the implementation of national EFA plans. Session-2 reviewed externally supported funding mechanisms for EFA plan implementation and education sector development. Session-3 reviewed national budget planning processes. Finally, Session-4 looked at a medium-term expenditure framework (MTEF) for integrating the policy-planning-budgeting chain. The seminar agenda is attached in Annex 2.

5. **Session 1**: In an attempt not to see the Jomtien decade weaknesses repeated, the Dakar Framework for Action adopted by the World Education Forum in 2000 emphasized the need for the EFA planning process and the plans themselves to apply a number of principles to render them credible. These principles include setting the plans
within the national socio-economic development framework and linking them explicitly to the public sector finance planning and budgeting process. EFA plans were expected to be supported by proper financial plans negotiated and revised with central finance agencies such as finance and planning ministries.

6. A review of 21 EFA plans of the Asia-Pacific region revealed that 14 plans had no or minimal financial content. Of seven plans that have financial content, the quality and consistency is highly variable and none has a financial plan that accords with standard budget categories used in drawing up national medium-term finance plans, national medium-term expenditure frameworks or the national budget. Session-1 concluded that the absence of thorough financial planning for EFA implementation and engagement of EFA plans with national budget planning and execution processes was a key constraint standing in the way of good implementation of EFA in countries in the region of Asia and the Pacific.

7. Session 2 looked at funding mechanisms used by EFA donors to support EFA plan implementation and education sector development in Asia. Presentations related to the following. (i) Innovative approaches to education sector budget support by the Asian Development Bank; (ii) new financing methods applied by the EC such as Sector Policy Support Programme and Budgetary Aid, recommended in the Policy of the European Community for Development Cooperation and used in its support for education in Viet Nam; (iii) public expenditure tracking surveys (PETS) undertaken by the World Bank. (iv) Viet Nam provided a concrete case to study the application of new financing mechanisms related to Targeted Budget Support (TBS) for EFA implementation.

8. Experience from recent PETS showed that often only a small fraction of the public budget allocated to the education sector ultimately benefited the teaching-learning process in the classroom. In a weak public financial management environment headline budgets were not likely to be a good indicator of the actual allocations to schools. The seminar commended the use of PETS and stressed the importance of capacity building to institutionalize such surveys as a regular audit and result monitoring process in the education sector.

9. Session 3 looked at the state of development of budget planning in the three participating countries (Korea, Philippines and Viet Nam) and drew the broad conclusion that there was a danger of budget processes being over-complicated and over designed for the delivery of relatively small amounts of money, in terms of per pupil expenditure, to support EFA implementation. This over design could result in the alienation of education stakeholders from participating in the budget process, which in the longer run, would weaken the position of the education sector vis-à-vis finance and planning ministries. At the same time it could entail significant delays in disbursement due to a very long and complex preparation and authorization process, thus weakening the effective application of school based management.

10. Session 4 looked at the concept of MTEF and country experiences of developing MTEF in the Philippines and Viet Nam. The Philippines considers introducing MTEF; national authorities in cooperation with external partners, in particular the World Bank, are examining its usefulness and compatibility with
Philippine institutional contexts. Viet Nam finished a pilot phase of introducing MTEF in four sectors including education, but is still on the way to convert its experience into a fully fledged MTEF process.

11. UNESCO presented an outline of the website about education planning and financing in general and MTEF in particular. This website will be launched in early 2007 and will be a forum for those who are working on education and finance to share information and expertise about education policy analysis, planning, MTEF and financing. UNESCO received enthusiastic reactions from the national seminar participants and international agency representatives on the proposed website contents and structure, and constructive suggestions for its development.

12. Session-4 concluded, on a positive note, that the emergence of MTEF now piloted in several countries in the region offers a way forward for mediating the translation of EFA targets into financial resource requirements and then allocation of adequate public financial resources. The UNESCO website is expected to complement scarce and fragmented information resources about innovative financing mechanisms for education, including also MTEF.

Follow-up
13. The seminar concluded that the EFA Mid-Decade Assessment needed to review financial planning processes and particularly the apparent disconnection of plans drawn up by ministries of education and annual and multi-annual budget planning processes managed by ministries of finance, planning and other related agencies. It is also recommended that UNESCO ensure that EFA implementation planning during the second half of the Dakar period (i.e. 2008-2015) fully includes finance planning as a normal feature of the medium-term education planning process and the education plans which countries will draw up for that period. UNESCO should assist countries to acquire the modern planning capacity required for this purpose.

14. UNESCO Bangkok will inquire with KEDI the possibility of an inter-institutional cooperation in 2007 to produce a substantive report on the topic of education sector financing mechanisms applied to EFA, as a contribution to the EFA Mid-Decade Assessment and country-initiatives to increase resources for basic education.