5th Meeting of Collective Consultation of NGOs on EFA (CCNCO/EFA)
Dhaka, 22-24, 2010

Global Financial Crisis
Implications for NGOs Working on EFA

The Asia- Pacific Regional Report

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Purpose of the report

• to present an overview of regional patterns of the financial crisis’ impact on education;
• to illustrate how the crisis has affected activities and capacities, including funding, of NGOs active in education;
• to highlight the role and responses of NGOs in protecting the gains in EFA, especially for the marginalised groups;
• to make recommendations for NGOs regarding measures to fulfil their role.
Main Sources of Information

Case studies, response to questionnaire and other materials from:

- Campaign for Popular Education (CAMPE), Bangladesh,
- Civil Society Network for Education Reforms (E-Net Philippines)
- Innovative Forum for Community Development (IFCD), Nepal
- Pakistan Coalition for Education (PCE),
- National Society for Education Reforms (NCE), India,
- Asia South Pacific Association for Basic and Adult Education (ASPBAE)

Also:
- UNESCO quick survey and UIS study on the impact of global financial crisis on education financing, 2009
- EFA Global Monitoring Report 2010
- IDS study, *Voices from the South: The Impact of the Financial Crisis in Developing Countries*, 2008
The Nature of the Crisis -1

• The global financial crisis of 2007-2009, originated in the industrial economies of the north, and has drawn into its vortex the developing countries.
• Countries in the Asia-Pacific region are affected in varying degrees and different ways, depending on their structure of economies and level of integration into the global economy.
• The financial crisis and its actual and potential fall-out threatens the re-doubling of efforts needed to intensify and accelerate progress toward EFA.
The Nature of the Crisis -2

• The crisis is not a new phenomenon in the region. There is a continuing crisis of massive poverty, food shortage, growing social inequalities and effects of climate change.

• The recent crisis has aggravated vulnerabilities of people already subjected to natural disasters, floods and cyclones, conflicts and effects of climate change. The world-wide food price hike of 2007-8 severely strained family incomes, reversing recent reductions in poverty.

• The structural nature of the financial crisis arising from an insupportable pattern of consumption in the industrial north financed by huge savings in emerging economies of East Asia and the surpluses of oil-rich West Asia remains unrecognised. This root of the crisis suggests that its full impact is yet to be felt by developing countries and is long-lasting.
The transmission of impact

The impact of the crisis has been manifested in the Asia Pacific countries through various channels of transmission or economic “pathways”:

- Exports
- Foreign investment
- Exchange rate
- Interest rates
- Remittances
- Foreign Aid

The actual and potential fall-out for resources and capacities in the public sector, households and non-governmental organizations has stymied the intensification of efforts needed to accelerate progress towards EFA.
Need for Broad Policy Discourse

These experiences in Asia underscore need and opportunities for a broader policy discourse for NGOs in the region, involving national governments and other EFA partners on:

• **Counter-cyclical spending**
• **Appropriate social protection mechanisms**
• **A new financial architecture for education**
NGO Priorities

At this time of crisis, the well-being of children must be at the forefront in policy makers’ minds.

1. Increased public investment in children, strengthening early intervention and prevention services for families.

2. Maintaining and increasing support for the most vulnerable.

3. Intensifying efforts to implement the Convention on the Rights of the Child.

4. Challenging and limiting the narrow perspective of international and national financial establishments that neglect the human impact of the crisis.
Recommended Actions

*We re-affirm key EFA/GMR 2010 recommendations:*

- A review of implications of the global economic downturn for financing development targets before 2010 MDG Summit;
- An emergency pledging conference during 2010 to mobilize additional aid for education;
- Monitoring national budgets to pick up early warning signs of fiscal adjustments that may affect education financing, with UNESCO supporting involvement of national stakeholders’ and NGOs in this initiative.
- Increased concessional financing through bilateral, aid, World Bank’s IDA, and regional banks’ windows and necessary replenishment of these facilities.
- Scrutiny of IMF’s and other IFI’s loan criteria to ensure consistency with national poverty reduction and EFA priorities.