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HARNESSING CORPORATE PHILANTHROPY TO EDUCATE THE WORLD'S
POOR

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P R O C E E D I N G S

MS. WINTHROP: Good morning, everybody. Welcome to Brookings. Thanks for joining us. I am Rebecca Winthrop, the director for the Center for Universal Education here at Brookings. And for those of you who don't know or are joining us for the first time, our Center is focused on improving education in the developing world. And we have a couple of major focus areas, one of which is looking at education resources and their effectiveness.

And within that, we are taking a particular look at corporate philanthropy in relation to education in the developing world. And this report that we're launching today is the first report of a three-year work stream on that effort.

I am really pleased to welcome a range of guests that we have with us today. We will have the program start off with Olav Siem, who is the director of the Education for All global partnership team at UNESCO. He will frame the event by talking a bit about the state of education in the developing world today, the needs, the gaps, and where he sees corporate philanthropy fitting into that large space.

Then we will have my colleague, Justin van Fleet, who is the author of the report, which is -- I hope you all got a copy. *Harnessing Corporate Philanthropy to Educate the World's Poor*. He will come up and give us a presentation, a short presentation, really highlighting the main key findings of our work. Justin is a PhD candidate and doctoral fellow at the University of Maryland. And it's been great working with him. He will join us as a post-doctoral fellow. Of course, you have to finish your dissertation first. He is under the ample and excellent tutelage of Steve Klees, who runs the International

Education Program there.

And then we have a series of fantastic panelists to talk about this issue of corporate engagement in corporate philanthropy with education in the developing world from different perspectives. Bilateral perspectives and geo-perspectives, a corporate perspective. We're really pleased to welcome Paula Luff, who is the director of corporate social responsibility for the Hess Corporation. Luanne Zurlo, the founder and president of Worldfund. And, of course, David Barth who is the director of the Office for Education at USAID.

So, again as I said, I'm quite excited, actually, about this line of work and about this report. There are experts in corporate philanthropy. I'm thinking of the Committee for Encouraging Corporate Philanthropy, as well as others, who do quite a bit of research and know quite a bit about the subject of corporate philanthropy and development.

And the best estimates we've had to date is that U.S. corporations give about \$7.7 billion to development. And 7 of that goes to the health sector, often in large in-kind contributions, which leaves about 700 million to be spread across all sorts of sectors; education, economic development, good governance, disaster relief, et cetera.

But what this study shows, interestingly, is actually that number is probably low. We found that there's probably about \$500 million that U.S. corporations give to education in developing countries, which is much higher than previously thought. And I think actually makes U.S. corporations altogether as an entity the seventh -- is it the seventh, Justin? The seventh largest aid donor to education and developing countries.

So again, that's an interesting finding. But the question then is, you know, what's going on with those resources? How effective are they? What's happening? How are corporate philanthropists engaging with the education-less?

So I look forward to the discussion, the rich discussion. And I think with that we'll turn it over to you, Olav, to kick us off. Thank you.
(Applause)

MR. SIEM: Thank you, Rebecca. Excellent ladies and gentlemen, on behalf of UNESCO's director general, Irena Bokova, it's really a great pleasure for me to welcome you to this event. UNESCO very much welcomes this initiative and the opportunity to work together with the Brookings Institution.

Two weeks ago, in Jomtien, Thailand we organized the annual High Level Group meeting on that occasion. In the meeting, there was a strong sense of an unfinished EFA agenda. But also, recognition of the fact that substantial progress has taken place since 2000. This illustrates that it is possible to make education for all happen.

The progress is uneven, both between countries and between the EFA goals. Although we've seen impressive improvement in primary access, this does not apply to the equality of learning outcomes. This was clearly reported in the meeting in Jomtien.

Realizing the urgency of increased efforts to address key challenges for the remaining four years until 2015, there was a strong commitment by Ministers to scale up efforts to reach the EFA goals. In the

meeting, there was a shared understanding of achievements and failures concerning EFA, both as country, region, and global levels.

It was particularly underlined that there was a need for stronger partnerships, information-sharing, and building on each other's experiences. There was a call from the Minister for stronger involvement of the private sector in the EFA movement, both with regard to better and more strategic use of new technology in education, but also bringing in education as a stronger partner in policy dialogue, particularly with regard to enhancing the quality and relevance of education.

Realizing that education has a challenge in reaching beyond the sector, there was also a request to bring in the private sector as a stronger partner in advocacy. We need a voice of the private sector in making the case for education.

Three priorities were very much evident in the meeting; quality, teachers, and lifelong learning. Also the fact that quality and equity are inseparable. Progress towards EFA's goals regarding inequalities is caused by different types of disadvantages. And it's usually the poor and the underprivileged that are losing out in terms of quality learning.

The role of teachers for quality enhancement was strongly underlined. There was a call to develop legislative frameworks in the implement comprehensive national policy supporting education, and teachers. Also, education systems to support lifelong learning, better transition between the different levels of education, and particular, also the transition between education and work. This was clearly manifest in this meeting. The critical importance of

building a solid foundation for learning by investing in early childhood development in the first years of primary education was also very much underlined.

The report presented today is very much welcome. It provides substantial new information on why we have not succeeded in bringing in philanthropy in the private sector stronger in the EFA movement. It is evident that compared to health, we are losing in this regard.

I think there are several reasons for this. One is that the basic education is seen as a public responsibility. The other one is the notion that there is little innovation taking place in education. The third is that investment in education is seen as needing a long-term perspective before you can measure the results of investments. Philanthropists want documentation that their investment is paying off.

I would say that all these notions are wrong. It is often the poor and the underprivileged population who are most dependent on private providers. There is a lot of innovation taking place that is not getting sufficient recognition, and it's possible to measure results by better monitoring and evaluation of investments.

The study today focuses on U.S. companies. I think if you've broadened the perspective to look into some of the emerging economies, you would see a slightly different perspective. In these countries, there is a strong awareness of the critical role of education and investing in human resources in the development process, and to bring about economic growth.

For instance, in India a local businessman a couple of months ago pledged \$2 billion U.S. dollars to the improvement of quality of the Indian education

system. I think this sum amounts to half of oversea development assistance to basic education a year. And as far as I know, is one of the major contributions to philanthropy.

From UNESCO's perspective, we would very much like to see this study being continued also to looking into some of the new economies. We have to realize that the global economy and the revolution in information technology has totally changed the traditional North-South relationship. A lot of innovation and creativity is now happening in the South. And at the same time, we have to realize that our partners in the South are no longer willing to accept second-hand solution and outdated technology. They want state-of-the-art knowledge and policy advice.

This is where the private sector can come in as a stronger partner. Some of the companies, like some of the big IT companies, are doing this already. But what maybe has been missing is to see this in the broader corporate social responsibility perspective. In Jomtien, the Secretary of Education from the Philippines reminded us that EFA is not about individual country achievement. It's a collective responsibility. If even one child is left out of school, or one adult remains illiterate, we are all diminished.

Unfortunately, we are far from reaching our goals. The meeting today is a great opportunity to bring in new partners in the EFA movement. I congratulate the Brookings Institution for taking this initiative, and look forward to the presentation of the report and the panel discussion.

Thank you so much for your attention. (Applause)

MR. VAN FLEET: Good morning, everyone. Thank you all.

Thank you, Rebecca. And thanks to all of you for showing up today. We appreciate it.

And what I hope to do this morning is answer the question, what are U.S. companies doing to support education in developing countries through their philanthropy? So that's a big question. We have spent a year trying to figure out the answer, and I'm going to condense that year study into 10 minutes for all of you. So I'm just going to paint in broad brushstrokes some of the main findings from the report, and hopefully you all leave with a full copy of all of the findings that you can look at later. And we'll discuss more of them during the panel discussion.

But what I'm going to focus on is how much money is going from U.S. countries to developing countries? Where is it going? What is it going towards? Who is implementing these education programs? How? And then finally, why are companies even engaged and involved in supporting education developing countries?

But before we go there, I know there are a few folks up here in the front who may have the answer to this question, what is corporate philanthropy. But for the majority of us, it's something that may be new to us. I just want to take a quick moment to introduce the concept of corporate philanthropy. What exactly am I going to be speaking about today?

And this is not our traditional foundation philanthropy that we're all accustomed to thinking about. Corporate philanthropy takes place at the intersection of business and society. So, at one point it's advancing societal goals, and today we'll talk about how it advances education goals. But at the

same time corporate philanthropy has a purpose of advancing business interests throughout the world.

And so it's really at this intersection that corporate philanthropy takes place. And depending on what type of business you are, you bring a unique set of assets to education. And you have a certain set of interests that are guiding your philanthropic principles and the way that you invest in education developing countries.

And there are different types of philanthropic investments that take place. So, yes, cash is one of those ways a company can invest. And cash can come in two streams; from the corporation itself, or from their operating foundations. But companies also bring a lot of in-kind products and services to the education sector. So, it's these products, services through in-kind contributions, as well as the way they engage and bring their employees to the table. So this can take place through employee volunteerism, through employee matching campaigns, through employee giving campaigns. So there are a whole host of resources -- philanthropic resources that companies are bringing to the table.

So to figure out what companies are doing in the education space in developing countries, this is what we did here at the University of Maryland and the Center for Universal Education. We did a lot of reading. So, we looked at all the Web sites and CSR reports and annual reports of U.S. companies to see what are they doing in their philanthropy portfolios? And then we conducted a survey. We surveyed all of the Fortune 500 companies and a handful of companies who are not Fortune 500 who are involved in education developing

countries.

And we had a pretty decent rate of return. So in terms of the companies we identified as giving to education, 46.1 percent response rate, which is pretty good in our sample here today. And then we also conducted a series of interviews with philanthropy leaders at different companies.

And what did we find out? Well, Rebecca beat me to the punch in her opening remarks. But we found that, yes; U.S. companies are the seventh largest donor to education developing countries. We project that U.S. companies give about \$500 million. So half a billion dollars each year to education programs in developing countries. And it really depends on which sector you're coming from in terms of how you play out in terms of the leadership board. So we find that the energy and technology companies are the companies that are giving the most, on average, to education developing countries. Followed by the consumer goods companies, financial companies, and material companies.

In terms of how that money actually breaks down, in our sample we find that 70 percent of the contributions are actually cash contributions to education. The other 30 percent is in in-kind products and services. And then if you look at the cash contribution, you try to find out what is the breakdown, we actually find that about two-thirds of that is coming from the corporation itself, and about a third of that is coming from the foundation. And about 1 percent is a hodgepodge of different types of employee engagement, and employee contributions that are going to education in developing countries.

So that answers our how much question. The next question is where? And by and large, what we find is that the locations where companies

are investing in the education systems are directed towards locations where companies have a market presence, or where their employees live and work. So there's a logic behind locations and the geographies in which companies are investing in the education sector. And when you look at the different types of corporate sectors, you can see -- you know, the energy companies in our sample tended to invest in Indonesia, Equatorial Guinea, Libya, for example. Technology companies were investing in India, China, Brazil, Mexico. So you can assume that there is some logical connections in the rationale of where companies are investing and what the companies bring to the table and what they do on a day-to-day basis in their business.

But when they aggregate that, this is what we find. If we look at this map, the darker countries are the ones receiving the largest proportion of companies investing in their education system. So, Brazil, India, China, and Mexico were the four countries receiving the largest proportion of corporations making contributions. South Africa came in 5th with also a relatively high percentage, around 50 percent of U.S. companies making investments in their education system.

But what we find in this is while education needs a great and -- in many countries around the world, including the United States and including these five countries that I highlight here. When you look at the most marginalized education systems, the areas of most need, we're actually finding that's not where corporate philanthropy is targeting their resources.

So what I have up here is a list just using one -- there are many different indicators we could have picked. But I looked at the education poverty

indicators. So this is the percentage of young people aged 17 to 22 with less than 4 years of education. So this is a general indicator of an education system. So, Central African Republic, Niger, Burkina Faso, Mali. These countries with the highest level actually have the lowest level of corporate investment.

If we look at Mali, for instance, 70 percent of young people ages 17 to 22 with less than 4 years of education. Recent studies are also showing that in the early years, after 2 years of education about 90 percent of young people were unable to read a single word of connected text. So this is -- there are great educational needs but yet we have 10 percent of U.S. companies actually making investments in the education system. So it is interesting to look at where education needs are, and then also where companies tend to make their investments in education.

So, what are companies investing in? I think there's this myth or this notion that it's in skills, training, and workforce development. And we find that, yes; in fact that is one of the heaviest resourced areas. So, STEM education, science, technology, engineering, and math, entrepreneurship education, workforce preparation. These are the areas that companies are giving the most amounts of money to.

But when we look at the frequency and the most frequently-resourced areas, it's actually primary and secondary education, and women and girls. So while they're not as heavily-resourced, there are actually more companies engaging in these different areas of education by topic.

Who is the money going towards? By and large, we find out that companies are giving to non-profit organizations. So about three quarters of

companies give to international non-profits, and to local non-profits. If we look at in countries the people that are working in education day to day -- so, the national-level ministries, the district-level, or the local government. So the people that are doing it at a system level, they're actually less likely to be recipients of corporate contributions. And so if we look at the national level, about 14 percent of companies make contributions to national ministries, and then it gets sort of lower as you go down the government chain.

So why non-profits? So this is one of the things that we were talking about in a lot of the interviews. Why do you make contributions to non-profit organizations? What's the value add? And companies find there are a handful of reasons that they find that non-profits are able to innovate with relatively small investments. They're able to achieve big impact at small, grassroots levels; they bring in an expertise that may not be in-house at companies. So we're talking about a lot of companies that have small-staffed philanthropy groups within the company that may need to draw on expertise from outside in terms of the education sector, and they find that non-profits can bring this to the table.

Companies also find that non-profits are a good partner because they can expand to areas where the company may not yet have a market presence. So if they're looking to expand into different regions, they can partner with a non-profit who is already on the ground there.

But not all non-profits receive corporate contributions. And I know a lot of you are from non-profits here today. You're maybe wondering, hmm, how do I get in on this if they're such large donors to non-profits? Well, here's some

of the things that came out in the interviews about what makes a non-profit actually attractive to a company that is looking to invest in education. And it really breaks down into three areas; implementation, culture, and addressing business needs.

And so in implementation, companies are looking for non-profits that have concrete plans and deliverables, reasonable administrative costs, strong track records. A lot of companies actually vet the non-profits with their on the ground contacts with their employees that actually work in different developing countries.

They're looking for a cultural fit. Organizations that understand how businesses work, what companies want to get out of philanthropy and why they're investing in education. And they also look for sort of this value add in terms of their business needs. So if you are a non-profit that has a U.S.-based staff that they can also tap into, if you have strong communications in the country where they're operating, that's good because you're actually the philanthropy arm of the company and you're representing the company, in a lot of cases. And some companies pointed out that they need non-profit companies who can communicate well on the company's behalf.

They are also looking for non-profits that can make other connections and contacts for the company that may not be related to the philanthropy, but related to the government or related to the business aspects of the company.

So now we look at how companies are investing in education. And this is where I come up with my three big liabilities of corporate philanthropy,

areas that could be improved. And really what we find in the study is that corporate contributions are relatively small, short-term, and uncoordinated.

So what do I mean by small contributions? Right here we have the distribution of contribution size by company. And most companies contribute annually less than \$1 million to education developing countries. There's a significant portion that give between \$1- and \$5 million, and then as you go up the scale in terms of amount there are fewer and fewer companies that are giving these large sums of money to education.

And in our sample alone, we tracked 50 companies giving to 114 different countries. Most companies averaged about 17 different themes of investment. So we're looking -- when you really divide that out, we're looking at a relatively small contribution.

In terms of the short-term nature of contributions, this is another liability of corporate philanthropy. In our study we found that about a third are one-time grants. Another third are less than three years. So we're looking at almost -- a little over 70 percent of the contributions that last less than 3 years on the ground. And as we all know, education is a long-term process and planning out one year, two years, three years is really difficult when you're trying to make a longer-term impact.

And the last liability of corporate philanthropy is the uncoordinated nature. I'm not saying this is actually unique to corporate philanthropy itself, but it's definitely something that is also endemic of corporate philanthropy.

If we look at this, slightly over half of companies do not coordinate their philanthropy with any other entity, aside from themselves. When we look at

developing country governments, about a quarter of companies coordinate with developing country governments. And about one fifth coordinate with donor governments. And this isn't actually making the contribution, this is just coordinating the contributions to education.

So, this then comes back to the question why are companies giving to education developing countries in the first place? And there are a few different reasons and rationales that came out in the study. And I bring it back to the very beginning when I talked about corporate philanthropy having two goals. One is the social goal. Companies do want to support education. They want kids to go to school. But the other part is meeting these business goals.

I mean, there has to be a reason that companies are going to make these contributions to education. And if we look strictly at the business side for a minute, companies invest in education in areas where they can have market growth, where they project market growth, where they project new markets for their goods and their services. They invest in areas where they think education will lead to income generation for individuals that are their consumer base. With additional income they can purchase their products and services. They look to invest in education where they can use their products for new innovations, where they can actually use their products and their cash contributions to education to create demand in both the public and private sector for their goods and services.

And it also has a lot to do with image. Companies want to be seen as a good social player and a good partner in communities. So building community relationships, building brand image to their contribution to education is important. And then it also plays a role with their employees. And it's really

two sides. So if you look at employees based here in the United States, engaging them in philanthropy. Having them get involved allows them to feel good about the company. They can contribute also to the same things that the company is contributing to.

And it also allows companies to invest in the education of their employees in developing countries. So building out the workforce to their contributions to education in these different contexts in where they work.

And in the report, I highlight about 10 different opportunities to improve the effectiveness of philanthropy. And there are just a few that I'll highlight today. I think there's a real opportunity here to increase the effectiveness of multiple donors. So, like I said, we have 50 companies in the study giving to 114 countries. Most do not coordinate with any other entities. So I think there's a real opportunity here to see what other donors are doing, whether it be donor governments, whether it be other foundations, look at what governments are doing with their national education plans, and learning how those different investments could leverage one another to actually have a larger impact on the ground. So I think there's a real opportunity for that to take place.

I think it's really important to look at how we can broaden those areas of contribution beyond just resourcing the workforce development, but looking at who are the consumers? Who are the potential employees in different country contexts? And how can a wider expansion of how we invest in education actually support both societal goals but also the business goals at the end of the day.

And I think there's also a need to build networks for global education. So,

looking to other sectors. Looking to academia, looking to the non-profit sector, looking towards the donor sector and seeing how these different components can learn from one another, their experiences on the ground truly leverage knowledge and create a learning community to improve the effectiveness of contributions to education.

There's a chart in the report at some point where I list out sort of the liabilities and assets of corporate philanthropy. What are the highlights, what are the good things that come to the table, and what are the areas for improvement. And I think when we look at the assets for corporate philanthropy, I mean, companies link to economic opportunities for people in developing countries. They bring this high sense of innovation to the education sector. They bring all of these employees with really diversified and high-level skill sets. And they also bring cash and in-kind products and services to the education sector. So these are all great things that corporate philanthropy can bring.

At the same time, there are these notions of short grant cycles, low levels of coordination, and small-scale contributions. And to be honest, there aren't a lot of impact evaluation and metrics to really determine which of these innovations are effective on the ground.

So if there are ways that we can minimize some of these liabilities and maximize the assets of corporate philanthropy, I think there's some really great ways that we can create a win-win situation for both society and business through corporate investments in education.

And I think at this time what we'll do is we'll bring up the panelists and I'll turn it back over to Rebecca and we can try to answer that question, how can we

create a win-win situation for society and business? (Applause)

MS. WINTHROP: As we're finishing the last mic there, thank you very much, Justin, for that great sort of recap of the major findings of the report. And I think what we want to do is just have a discussion perhaps reacting to some of those findings.

And David, maybe we'll start with you. One of the things that jumps out at me is this lack of coordination, what might underlie sort of a mismatch or a lack of communication or inability for constructive engagement between corporate sector who want to invest in education, and perhaps education-less and people who are already in the education community doing their life work on that. You know, from a USAID perspective, from a bilateral donor perspective, do you want to perhaps make some comments and reflections on that?

MR. BARTH: Sure. Well one, Justin, I think you've contributed something very important to this discussion. It as something that as an agency we've been talking about for some time. Since 2001 I think we've got maybe 3,000 partnerships with 1,000 unique different partners. We believe in the model.

Clearly, on this question of coordination it's not all bad news. I think we've made -- I think the corporate sector has made major contributions, transformative investments. Doesn't mean that we're maximizing our potential in this. And so, it strikes me as particularly critical that we all come to an understanding about the respective strengths we bring to a partnership. And that involves a certain amount of effort in terms of reaching out. The corporate partners need to reach

out to the other donors, including the U.S. government if we happen to be in this country doing this kind of work. We need to be much more attentive to the relative strengths of what the corporations are looking to bring to a partnership.

I know that a number of the corporate partners we've worked with sometime struggle with the -- let's say the opacity of working in the education sector. You're talking about governments that work on rather murky finances and some timelines that don't always match what a corporation is used to. That's our business. We know that and we know that world, and so we like to think that we can bring something to that conversation to help that conversation as it targets investments wisely.

And on the flip side, we really have a need -- I often joke that we're not the U.S. government. We're not the greatest venture capitalists in the world. Sometimes we do okay, sometimes not. There are skills that the private sector has that we don't, and that's in terms of bringing innovation and bringing a little more business modeling to how we approach a sector that has traditionally not had such rigor to it.

So the conversation is enormously important. We believe in partnership in all its models. I mean, we can co-fund activities; we can fund them in parallel. But it has to start, at least, with a conversation. And so from our perspective that's the most important first step.

MS. WINTHROP: All right. Paula, what about you? From the corporate perspective, did this ring true? What have been your experiences? I know Hess has done a lot of investment over time.

MS. LUFF: Yes, and a lot of different kinds. I think I'd like to just

step back for a second and talk about your definition of corporate philanthropy, which I thought was helpful.

Corporate philanthropy isn't just a monolith, right? Companies give money and resources along an, I'd like to say, continuum that runs from the tactical to the strategic. So from the tactical side you've got small grants in local communities that might be one-time grants to build a relationship or to position the company as a good citizen. Or, corporate volunteerism where you want employees to engage in the community. They're good ambassadors for the company, but increasingly the people who work for companies want to work for places that share their values, that support their community involvement, and it's an important recruiting tool. So that's on the more tactical side.

Then you have, you know, along that continuum more and more strategic and larger social investment, until you get to something like the program we're partnering AED on in Equatorial Guinea and with the Ministry of Education, where you're really investing a large amount of money with clear objectives and strong partnerships to move the needle on something that is both a business constraint and a social issue, that's a priority of that local constituency.

Those are different kinds of investments, and I think they are less community relations and much more tied to business strategy, either global business strategy or local business strategy. Where companies are now trying -- many companies are trying to move from just being economic players to really doing what Michael Porter -- and I know you are all familiar with his work -- calls, creating shared value. Where you're creating business value and social value.

The reality is that if you're not creating business value it is very

hard to sustain internal support in a corporation for social engagement. And so you've got to do both.

MS. WINTHROP: And what about you, Luanne? As someone who works in the civil society realm, on the ground, who also mediates between governments as sort of the traditional education donors and also works a lot with corporations? You know, from your perspective what are some of the hurdles that need to be overcome to move forward some of these sort of barriers that people have talked about?

MS. ZURLO: Well, David mentioned a couple. There are a lot of hurdles, and I think that's where the well-functioning NGO sector has to play such a critical role.

I'm going to try to step back and answer this as completely as possible, starting with -- I thought you had a really good stat, Justin. About 51 percent of local corporates deal with their projects on their own. And I call that -- in Latin America -- I know Latin America so I'm going to only speak to Latin America, primarily Brazil and Mexico. And that is, you don't have as well-developed of an NGO sector such that corporates feel like they have to go it alone for that and a number of other reasons. And I think that creates a real block against sustainability. And to get to the sustainability side, you need to necessarily work with the government. In the case of education, at least.

And what we've found is, until you could bring an innovative or project or intervention that really works into the public sphere, you're not going to be able to A, scale it effectively and, B, sustain it.

So then that brings a whole other slew of problems. You have the

corporates and you have the government. And that book -- like Venus and Mars? That's how it is. You've got one mindset and culture and language and time reference which is very different from another. And like I said, that's where I think the NGO can bridge that.

I think another challenge -- but you need longevity. And so you can't do it on a one- or two- or three-year grant cycle, it takes many years. You need to be able to -- so you need patience, which sometimes corporates don't always have.

But the other challenge that's one that I think probably is maybe the most profound one. And that's a functional or programmatic challenge. And that is, in Latin America the key educational challenge is quality focused on the teacher, as you mentioned. And the real needs are capacity building. Building up the quality of the teacher and the principle. And that's an extraordinary difficult task with a whole set of issues.

And one of the challenges with that is, it's not necessarily clear what the corporate skill set role is to make a third grade teacher more effective in his or her classroom. And so, you know, in that respect it's not clear how they can engage on a more direct basis. At a higher level, high school or tertiary level, they are clearer with the employees. So I guess that's an intractable problem.

And that's where, I think, in some respects the financial side is so critical with the long-term referent time frame and the ability to partner work with an NGO or an organization that knows how to capacity-build in an effective way.

MS. WINTHROP: Paula, what -- in sort of response to that, could

-- I know you guys are working in various programs at primary level.

MS. LUFF: Yes.

MS. WINTRHOP: And over the same period of time. So, I'd be curious to hear a little bit about what's gone on within your company to make that happen, what were the decisions -- is it just the nature of your business and you think that wouldn't be possible for other companies who have a different type of industry? Or, is this really a fundamental shift between, you know, people who look at corporate philanthropy, as you said, as just a community relations tool versus a corporate social investment that has this shared interest?

MS. LUFF: I think there's been a huge quantum leap forward in the field of corporate philanthropy in the last 10 years. And I think 10, 15 years ago it was okay to just hand out checks and shake hands to get photo ops. I think companies understand that stakeholders expect them to be part of solutions. That our job isn't just the Milton Freedman deliver value to shareholders proposition anymore, and it hasn't been for a long time.

I think some industries learned that the hard way, like my former industry, pharma, through HIV and other issues. And others just learned it over time.

In the case of my company, Hess, it's an unusual company because it is essentially founder-led. The chairman's name is on the door, and his father founded the company. It's a Fortune 100 company, but small for an oil company. We're about a fifth the size of Exxon. And so I think that part of it is a values thing, and part of it is, quite frankly, our management believes that if we can be an excellent technical partner to a host government or a business

partners and leave the place better off for having been there, then that's a competitive advantage for a company of our size. And it's the right thing to do, but it's also the right way to operate and a way to differentiate ourselves. And so that's part of the culture.

With respect to Equatorial Guinea, it's a country that everyone loves to hate so I'll just put that out right now. It's a small country in West Africa. It's easy to achieve a national impact because it's very small, about a half million people, maybe a little more. When an oil company goes into a country and is actually in production, we're there for a really long time. And so I think in the extractive industry, our time -- our sense of time horizon in investment isn't a three-year grant cycle. Because we're generally somewhere for 10, 15, or 20 years. And so I think it's a different sense. And from a development perspective, an advantage.

What we did was have initially high-level discussion with the government. And we said, look, we would like to make a contribution either in education or health. Can you please identify areas where you think we'd add value, and then let's start talking about how we can do that? We are an oil company. We have engineers but we don't have teachers, to your point. We have people who know how to do strategic planning, who know how to set objectives, but aren't pedagogs. But we do have access to institutions, organizations around the world that can be helpful in that regard.

And so they thought about it and came back and said that a real major objective for them was achieving universal quality primary education. And we said, great; let's talk about how we can help you and what kind of technical

expertise we can bring in to be helpful. Together, we chose AED as a technical partner. We're in the fifth year of program implementation, and quite frankly we're not focusing on building buildings or painting schools, although refurbishing schools was part of it.

We're really heavily focused on teacher training. On figuring out, how do you institutionalize teacher training once you've gone through a two- or three-year training cycle. How do you get the Ministry of Education and the teachers, colleges, and the universities to make in-service and pre-service training something they actually do as part of the education system.

And you know, building the capacity of the Ministry of Education to do things like gather data and use it for planning, and running the education system. Equatorial Guinea is a country that is pretty thinly-staffed on the civil service side, which makes things like sustainability and institutionalizing a program and turning a project into the way things are run particularly challenging. So while it may not be photogenic or sexy, we believe that building capacity is probably the greatest contribution the private sector can help make in any field, whether it's health or education.

MS. WINTRHOP: And I'm still left wondering if you're a company that's not in a place for 25 years and needs the good support of that community, and probably national support, like extractive industries -- if you're going to move to that far end of the spectrum. Because that's really what the education sector needs.

I mean, David, I'd be curious to hear your thoughts both on that question -- in terms of a bilateral government, you know, how is USAID thinking

about its, you know, potentially new partnerships with the corporate sector but also, you know, Luanne's point. How do you make the problem of the teacher pedagogy relevant? Perhaps to folks who, you know, aren't like Hess Oil?

MR. BARTH: Sure. First, let me say we think that institutional strengthening is sexy, too, so you're not alone.

MS. LUFF: Good. Well, at least AID thinks it.

MR. BARTH: It may make only two of is.

MS. LUFF: I think people in this room get it.

MR. BARTH: Right. I opened by saying that, you know, being better partners is kind of a two-way street. We need to do better on our end, and the corporates need to be more open to it. And we need to engage civil society in this whole conversation. Local government, municipalities, national governments. A lot of actors -- education --

MS. LUFF: Communities, parents --

MR. BARTH: Communities, parents -- right.

MS. ZURLO: Students, all those people.

MS. LUFF: Right.

MR. BARTH: In our agency, I say I think we've got a pretty serious commitment to this. We've got a division called private sector alliances division. It is kind of newly established and staffed up. Claire Lucas is in the second row, she's the head of that division for us.

We're trying to come up with models that are partner-friendly. We put out a new strategy this year, and the Brookings folks are well aware of it. I think some in the room are. If you're not, we are really getting at some of the

points that you were making in your remarks that we need to do a better job of focusing what we do, being able to measure impact, being able to go to scale. Those are just critical for us to be able to communicate that our sector -- that an investment in the education sector is just as effective as an investment in, say, the health sector which has done such a good job at promoting the impact of their work. We need to do a better job of that.

So our strategy is built substantially around some very clear objectives -- measurable objectives. Particularly around reading in the early grades. We think that's a foundational skill that's necessary and that gets neglected. It gets to Olav's point that we are failing to address the quality imperative. We have done a lot on access.

We're also doing some things, higher education course development, and university partnerships. Some access questions in conflict and fragile states. But, just looking at that reading question, that early grade reading question. What is the role of a partner in that?

The lion's share of our resources are in bilateral programs that are programmed in countries. But we've pulled off some resources to keep back here in Washington to think of innovative ways to do partnerships.

So we're launching a series of what we call grant challenges. We're doing it in a number of different sectors. Health went first; they always seem to go first. We're going second. And the idea behind this is you pose a challenging but achievable outcome. All children reading by 2020. And then, you open yourself up to competitive process that says, hey, social entrepreneurs, private sector, come to us with proposals that are innovative, that get to scale, that use cutting-

edge technology, and we'll find ways to partner with you.

So we're going to be rolling out a grant challenge around reading technology probably in the next three to four weeks. We're sort of finishing our design issues. And that is -- as we roll it out, you'll see it's designed to be partner friendly. That, to us, is tremendously important. And we think that we've been partner friendly in the past, but if the perception is that we're not, that drives people -- that will keep people away from participating. So that's something we've got in the hopper.

And our country missions, we're spending a lot of time and effort training our officers to get out of the building, to get to know -- to get out to the communities and to get to know the U.S. corporate partner, but also importantly, the local business leaders. Because again, we are a lot more comfortable turning to a multinational who we speak a common language with, who we understand each other. But at the end of the day, those young people are going to work in local industries, by and large. They're not going to go to work -- a handful of them are going to go to work for Microsoft, but most of them won't.

And so the question is: are we preparing them for the jobs that those communities are anticipating are going to need labor? And so one thing that the corporates can bring, and civil society who are active in those communities is they have a convening authority of their subsidiaries, their suppliers, the other sort of local industry. And that's an area that I think we've kind of -- we've neglected. But I think it's an extremely important one as we get to this question of the relevance of the education these young people are getting.

MS. WINTRHOP: I want to open it up for questions, but, Luanne.

Any last thoughts from you on these topics before we do so?

MS. ZURLO: Not really. It's a really tough nut. I mean, I actually think the medical health side of things is actually a much easier issue to attack.

MS. WINTHROP: The impact is instantaneous.

MS. ZURLO: The impact is instantaneous, and they're often kind of one-off, narrowly-faceted interventions that have a profound impact. We're dealing with, ultimately -- because we don't deal with access. It's not so much an issue. But when you're dealing with quality, it is a multi-year, multi-faceted, complicated issue. And it's one that doesn't have a single answer. And I think I'm not one that says, oh, everything has to be consolidated and we have one answer.

I think the more NGOs and the more lights out there doing work, the better. Because it's -- and the other issue I think is really important that we've had to get our head around is, most of the solutions when you're capacity building with humans, with teachers and principles, it's not one size fits all. And, you can't get to a million people tomorrow. They have to be kind of smaller-type interventions in order to be really effective that, ultimately, hopefully you can scale. But it's yet to be proven.

I don't know anywhere in the world, except for some really narrow countries in Finland, Europe. But really any developing country that's truly been able to do an effective job of capacitating top, top level their teaching and principle core.

MS. WINTRHOP: Yes, if we're struggling with adherence --

MS. ZURLO: I was going to say --

MS. WINTHROP: Thanks, you guys. I think we should open it up for questions and answers and thoughts and comments.

I see quite a few. So, we'll take them in groups, perhaps, starting at the back. Maybe we'll take about four or so.

MR. KAHLEN: Good morning, and thank you all for being here for this. My name is Zach Kahalen with Evergreen International Aviation. And I work with their humanitarian services program.

And my question is, as we talk about education, Justin, you mentioned that it was not the most prioritized sector when you did your survey for where corporations are giving. I think it would be interesting to know what sectors does education have to position itself against when they're looking for corporate dollars in order -- you know, what is getting the most funding on down?

MS. WINTRHOP: Yes, that's a good question and one we're battling. Others. There's Corey right here.

MR. HEYMAN: Thank you very much. Again, Justin, what a wonderful report. I'm Corey Heyman with Room to Read, an organization that has been relatively successful in acquiring corporate resources as well as foundational resources.

One of the tensions that we see is this tension between innovation and sustainability. There's the expectation that organizations should be innovative and corporations want to be able to invest in innovation and they want to have their unique brand associated with something new. But then there's the long-term requirements for sustainability and the long-term requirements to be able to implement a foundational program over the long period of time.

I wonder if part of the problem with coordination is the desire to be able to put your own unique brand and associate as a corporation on a product. And I ask the panel if they have recommendations for being able to overcome that.

MS. WINTHROP: And I wonder, also, on the innovation question if, you know, there are two sides to it. Because in some ways, especially companies that have products, who can in their production line adapt their products to make them better for education services. You know, they're able to spur innovation. So if they're only focused on that, you know, what are the drawbacks?

We'll take several more. Two right here on the aisle. Yes, please. No, go ahead.

SPEAKER: Just in terms of putting in perspective, over the last 10 years the outcome of the next 10 years -- a measure like percentage of people 17 and 24 or whatever that can read. How much of an impact has corporate philanthropy had on that?

MS. WINTRHOP: Good question.

MR. WARNER: I'm Ray Warner. I'm on the board of UNESCO's International Institute for Education Planning. I don't have a question, but I do have an observation. And it's addressed to the question of sustainability and capacity building.

And it was Luanne, I think, who mentioned that for sustainability you really have to have an impact context with governments. And my observation is not so much from the IIEP perspective, but from the United

Nations Foundation, where I did some work as a consultant for them.

One of their priorities through the years has been preservation of biodiversity. And a mechanism to get access to some biodiversity sites that were in danger of losing their diversity was through UNESCO's World Heritage Program. And we found that this gave us not only access to the sites, but even more importantly for sustainability purposes, access to senior levels of government.

And I am wondering if any of this corporate philanthropy -- and this addresses also this short-term notion of some of the philanthropy -- uses international organizations which have, for the most part, access to senior members of government as a partner in their philanthropy for sustainability, and for long-term capacity building purposes.

MS. WINTHROP: Okay, great. Is there one or two more questions we want to grab in this round? One right here and the last one will be over there, yes.

MS. MEYERS: Jane Meyers from the Labuta Library Project. Most of our funding has also been private corporate philanthropy as well.

It has been something that we've really noticed in our search for funds for building innovative libraries in Africa that funding for the medical sector was much easier to get than in the education sector. And I'm just wondering if -- I know USAID has a new emphasis on monitoring and evaluation of educational outcomes. And I'm wondering if, you know -- I know that's a whole other large topic. But if you could just mention briefly along what lines you're thinking. And if USAID could invest more in evaluating the impact of innovative ideas in order to

present them to the corporate sector. I mean, that's something that the corporate sector really probably can't invest in in evaluation that USAID possibly could.

MS. WINTHROP: Great. And last question. Yes, please.

MR. MEDEMA: Hi, Mark Medema with EdVillage, the global partner of the KIPP schools. I think my question is sort of aligned -- are these inefficiencies in the corporate philanthropy due more to a lack of transparent information about the opportunities in the marketplace of NGOs? Does corporate philanthropy just not know about everything that's going on? It's a pretty broad spectrum, I would imagine.

MS. WINTRHOP: Great. So, Justin, why don't we start with you? There were a couple that were directly addressed to you that you can probably answer. Don't try to answer them all. Leave some for the rest of the panel.

MR. VAN FLEET: Sure. In terms of the first question in terms of where corporate dollars are going. We find that the health sector is really the largest area of -- \$7 billion, more or less, went to health. \$500 million were seen going to education. The other big areas are disaster relief, which tends to get a lot of response. One of the parts of the study actually talks about the vast number of companies that give in times of disaster. But also we're seeing environment and governance and democracy-building coming up as two of the other areas that are receiving not as much -- and I think environment is really growing as one of the areas of priority for corporate philanthropy.

There was one question about the impact. Is there any notion of what's the impact of corporate philanthropy? And I think that was one of the questions whenever I was doing some of the interviews that we all sort of

chuckled over is, that we'd like to have a better notion and better metrics. And I think it's not just corporate philanthropy. I think it's a lot of philanthropy and a lot of investments in education. It's hard to actually know what the impact is, and there aren't always systems set up in advance to do that.

And there are a lot of measurements in terms of number of people touched and lives touched. But in terms of how many children are better able to read today two or three years after an intervention? There's really a lack of data. And this goes toward the sustainability component. There's a lot of innovation, and I think this goes towards the call for the need for impact evaluations. And maybe that's what, you know, some of the other donors can bring to the table to really figure out what's working, what the impact of these innovative philanthropic investments is, and how that can then scale -- scaling what's working.

And then to the last question, I think that, yes, there's a lack of information about what's going on. I think that a lot of companies have relatively small shops and they're trying to operate a lot of big global philanthropic investments throughout the world. And it's hard to be sort of on the pulse of everything that's happening in every single sector, education being one of those. And so I think sort of going back to one of the recommendations, there is a need to sort of build this global network of education that brings private sector alongside the donors and the others that are working in education at the same time.

MS. WINTHROP: Great.

MS. LUFF: Just three things. The issue of coordination. I don't think any particular sector is particularly effective at coordinating their giving,

whether it's bilateral, multi-lateral, corporate. Because I think that we all tend to focus on our own little corner of the world, and we don't always know how to reach out to other sectors. You know, when you've spent your life in government or in the NGO sector or in the corporate sector, you may not know who to call. I mean, it may be something that crazy and ridiculous. And I don't think we get out of our offices enough and come to things like this to get to know each other.

I also think there is -- and I think this was Corey's comment. You know, many companies do have a branding component to their philanthropy and are not too keen on partnering, particularly with other corporate donors on an initiative.

In terms of looking at impact, I think that because a lot of corporations and a lot of donors are looking at shorter grant cycles it's very hard to actually get to outcomes, particularly in something like education. It may be easier in health. But you can look at a lot of process things, like how many children enrolled in school this year, and how many children are we reaching, and how many teachers are we training? But at the end of the day, you want to know what the impact was. It's not at year three.

I mean, in Prodehe -- my colleague Sergio, I'm going to put you on the spot. We're in our fifth year now and we are just now beginning to gather data on reading. And improvement in reading in first and second grade. We're just now beginning to look at whether or not the program is going to be able to move the needle on the problem of overage children in primary. And you don't do that in three years. So, that's a big issue.

In terms of working with government, I agree. Working with

government and working with major international institutions does help sustainability. But at the end of the day, I think longevity of support and focusing on capacity building and really teasing out with the government and local stakeholders -- okay, out of this program which elements, which successes do you want to sustain? Which make the most sense? Because what makes sense to me sitting in New York may not make sense to someone sitting in Compala and in their context. And I'm not the best position to figure that out.

But I think companies and many donors have an unrealistic expectation of what sustainability means. It doesn't mean handing over the keys to the Chevy in year three. It really is a process and it takes a really, really long time. And you know what? Just like venture capital, just like investments, we're not always going to be successful in sustaining things. And it might be because the program wasn't particularly well-conceived to begin with. Or, it may be that circumstances change over time. And what was relevant 5 or 10 years ago in a setting may not be particularly relevant now.

So, I'll stop.

MR. BARTH: Let me just touch on a couple of points that were made. And the evaluation one is enormously important. When we conceived of this new strategy, we decided for the first time, I think, for any sector in the agency to put a top-line agency goal around education.

So we're going to -- over the course of the strategy, we're going to try to improve reading outcomes for 100 million children. As an agency, we're committed over the course of the strategy to improve reading outcomes for 100 million children. That presumes something. That presumes that our

implementing units are going to be able to measure that and report back. That means that right now, since the strategy has now been launched, they need to get working with their partner governments to make sure that we've got baseline data, and that there's attribution that's plausible. And that data -- and in a lot of countries, that means helping develop testing regimes where there weren't any. Because we're looking at early grades, we're using the EFA FTI standard of basically by year three -- at least two years of education or by year three of schooling.

The lack of plausible useful data is the big difference between us and the health sector. And it's not a failure of our sector in some sort of a contest with health. You can measure vaccines with a lot greater ease than you can measure a progress of learning over the course of a child's life.

I can assure you, you will receive enormous funding if you come up with the illiteracy vaccine. (Laughter)

MS. WINTRHOP: I'm sure the Gates Foundation would be very interested.

MR. BARTH: We've floated the idea a number of times, no takers. I think a corporation who is involved in the education sector -- I think it's interesting. Are willing to accept more ambiguity in terms of what their outcome would be than they ever would in their core business, right?

MS. LUFF: Oh, absolutely.

MR. BARTH: Right. And so, you know --

MS. LUFF: It would kill our core business.

MR. BARTH: Right. Because you couldn't meaningfully plan, you

couldn't do a lot of things.

MS. LUFF: Right.

MR. BARTH: And so I think that's got to change. I think we've got to be a little more demanding of our partners. You know, I see report after report. I think 90 percent of my job is reading reports. And all of them make very sort of conclusive claims about the importance of teacher training, the importance of reading materials, but very few of them have decent data to back it up. Where I can come back it up. Where I can come back to my officers in the field and say, we know that in these handful of countries an investment in the quality of the reading material yields a gain.

So, as an agency we come back to the drawing board. We kind of come back to the '70s where we say, we're going to commit 5 percent of all of our program resources for evaluation. And I think that should become a standard in our business. That anyone's going to put money into the sectors needs to commit to a heavy regime of evaluation.

Just quickly on the innovation sustainability, that is a tension. Because a lot of our corporate partners have intellectual property rights in what they want to provide. Which means they don't always play well with other corporations. It means that the material is not necessarily open source, so that the local school district can adapt it.

I think Creative Commons has done some great work in terms of developing licenses that are more permissive, in some cases. But that's -- I think corporations need to know going in that they could be self-limiting if they're going to go forward and push innovations that are too closely linked to the intellectual

property rights of the corporation.

MS. LUFF: And they also can't -- this came home when I was in pharma. They can't actually sit in a room together for fear of violating anti-trust laws, without the lawyers.

When I was at Pfizer, we started an HIV program that had nothing to do with product or pricing. We needed to involve our fellow companies, and we all had to sit in the room with our lawyers for fear of the Justice Department coming down on us for talking about a philanthropy program in Uganda. I mean - - but that's --

MR. BARTH: We need to cooperate on education --

MS. LUFF: Yes.

MR. BARTH: -- but not collude on education. (Laughter)

MS. LUFF: Exactly. And it's hard for companies sometimes to do that.

MR. BARTH: Definitely.

MS. ZURLO: You know, I have a couple of really concrete points from our experience that might, I think, pertain to some of these questions.

On this collusion or collaborating, we oddly enough found the biggest challenges with sharing rights and materials and whatnot was actually with other NGOs. More so than corporations. (Laughter)

And I hate to say it --

MS. WINTRHOP: Competition everywhere.

MS. ZURLO: -- local NGOs. U.S. NGOs were much more of a mindset; it's not a zero sum game world and let's share. It was the local guys

that absolutely -- which, you know, I found surprising.

But that sustainability innovative -- I also think it was a great question. And you asked how do you make something sustainable and make it broad-based and get it embedded, let's say, in the government, whether it be local or mid-level. And what we've done is, we've found that we -- two things. One, if we break up our program and cohorts that a corporate can "own"? And in this case we're dealing with teachers and principals.

So we find for us the most effective way to train -- and it's mid-career training -- is with 40 or 50 principals or teachers in one cohort. And so what we've done is, a corporate will own that 40 or 50 cohort program, and someone from the company will get to speak to these teachers and principals at the beginning of the program. Often, corporates love to have their employees -- increasingly love to have their employees engaged, particularly foreign-based corporates we find in Latin America. And so we get their -- sometimes their employees engaged on a personal level. And we let them have their logo on things, so they feel they own that cohort. And that's worked effectively.

But, one thing that hasn't been mentioned on sustainability which we're finding is increasingly important, and we're trying to get our head around this. And that is, you can change a behavior of a human in an intense intervention. But unless you follow through on a regular basis, for years it gets dissipated. And the challenges that these teachers and principals -- the challenging environments in which they work, it gets -- sometimes things get lost. So the follow-up that has to be driven by either the NGO or with the help of the corporate and the government is so critical for sustaining change behavior. And

we haven't cracked that one, but that's what we're spending more and more of our time on.

And then the question on access to government. Corporates, for us, have been really critical to accessing government officials, particularly as we want to go into new areas. Now, what we find in Latin America and I think in most places, the education management or authority tends to be fairly localized. The municipal or state level rather than at the federal, like here in the States.

And what we found is corporates often have very good relationships at the federal level or the state secretary. But the key relationships are those mid-level guys who don't change over on every election cycle. And unless, if you're viewed being in pals or being a program of the secretary, the minute he gets or she gets knocked out in the next election -- and in Latin America these guys cycle over every two to three years. It's amazing how quick the turnover is. You're lost. Your program is out there, or out the door.

So what we've -- the corporates don't know who these nameless kind of bureaucrats who are kind of running the show, at least in the education field. So those, what we found are actually the critical -- and we spend half our time on the ground -- is managing government relations.

And then the final comment about corporates don't know what's going on maybe. What we found, actually, is when it's local corporates on the ground, local Latin corporates, they know totally what's going on. And a lot of their choices is -- for fear of sounding sexist, they'll give to the wife's pet project or the daughter's pet project or someone they know. It's a very kind of insular-like environment who run these silo kind of philanthropic projects that are often

things that would -- buildings with names on the doors and whatnot.

The American -- U.S., American, and European corporates that operate in the region we find much more want to work with NGOs on the ground. And what we find is, in those cases there -- I think there is cases where they don't know what's there, to a degree. But I think a lot of it is, they kind of have -- a lot of corporates, we've found, have a really narrow agenda. This is what we want to do, and let's find an NGO that does it.

And often there just aren't NGOs that do that narrow one thing. So, that's kind of a mismatch of goals that we've just kind of found.

MS. LUFF: Can I just make one more comment?

MS. WINTHROP: Yes.

MS. LUFF: Because I failed to do this earlier. Justin's data showed how heavily corporations fund NGOs as opposed to direct government funding. Part of that is we have a lot of confidence in the expertise that resides in NGOs. Part of it is mechanical. If you're funding out of your corporate foundation and you want to make a direct grant, even to an indigenous NGO, the hoops you have to run through and the due diligence you have to do will cost you more unless you have a lot of finance people on staff than the actual grant. So there's a real funding and cost issue there.

And I think part of it is, particularly in places where we operate, you know, we can't give money to governments. There's a little thing called the Foreign Corrupt Practices Act, and we are extremely vigilant to be well within compliance there. And so companies are very gun shy about giving money directly to a ministry of health or a ministry of education, not knowing how it will

be managed. Due diligence, again, would be daunting to ensure the spend is as intended. And that's why it's so heavily skewed to the NGO side.

MS. WINTRHOP: I see quite a few more questions, so we'll try to get you all in this last round. Down here.

MR. IINSU: Hi, my name is Franklin Iinsu, I'm from Ghana. I did my primary and secondary education there, and since then I've followed education in Ghana and been involved in it in terms of helping run a voluntary campaign for my school.

My mind keeps on going back to the challenge of a better coordination, not only -- not very much coordination among the companies, as we've learned. But it also seems that there isn't all that much coordination among the institutions that are so between USAID, UNESCO AID, the World Bank -- the World Bank isn't even represented here.

But stepping even further back from that, I want to ask a question about not just company level or institutional level coordination, but conceptual level education. What is a relative contribution of investments, philanthropic or otherwise, to EFA versus quality? The sense I get from discussion forums that I belong to -- and, admittedly, it's anecdotal -- but there's a sense that over the past 20 or 30 years in Ghana, for example, as the government has been encouraged to shift resources toward equity, towards spreading, toward universal education at a primary level, the quality of education -- not only at the primary level, but at the secondary and university level -- has been decreasing.

And the decline -- when you hear comments and just observe, you go to offices and there is something subtle but at the same time almost tangible going

on. It's almost as if people coming out of college and entering the workforce, compared to my generation, almost can't problem solve. It's like their communication skills, everything. Even their social skills are declining. And there's almost a sense that the EFA movement, as great as it is for educating a broad base of people who can just read, are not educating people to be leaders. And so for companies that have been involved in Ghana, we've had to import very expensive ex-patriots to be managers, because it's on there.

So, is there even a study to kind of get a sense of the relative contributions to quality versus equity?

MS. WINTRHOP: So a question of access versus quality, but also relevance of learning, relevant skills for the job market. Great.

May, right back here? And if you can, we just have a couple more minutes. So try to keep your question brief, if possible.

MS. RIHANI: May Rihani from AED. And it's a kind of a follow up on what Paula said. It's a quick comment and a question.

The relationship between sustainability and building capacity, I think, is fundamental. And I do believe there is -- it would be extremely difficult to be able to say that we're going to reach sustainability or attain -- or achieve sustainability without starting with building capacity. It's a necessary condition.

My question is: how much emphasis are we putting as donors and as implementers in our designs and in our work plans on that linkage between capacity building and sustainability? Because I don't see sustainability without that.

MS. WINTRHOP: Okay, great. Thanks, May. We'll have Carol

and then we'll just take one more question from here. Carol, down here in the second row.

MS. SAKOIAN: Carol Sakoian from Scholastic, the children's publisher. Just two short things. One is that one of the realities of corporate life, having worked for an oil company and now Scholastic, is that the budget for these kinds of activities rests in the subsidiaries or in the local companies. It's not -- we don't all have foundations. So, that's one of the realities of it having been slightly uncoordinated.

The other good news is that there are donor groups. For instance, in Yemen we had this wonderful donor group of everybody who met once a month and related all their activities. This was really effective. I don't know whether you guys started it, but this should exist in every country.

MS. WINTRHOP: And it probably does, actually. To different levels of effectiveness, whether people access it or not.

Charles, right back here in the middle.

MR. TAPP: I'm Charles Tapp from FTI. Just very briefly a comment and a quick question.

Coming in new to the education sector, I'm quite struck by the contrast with the health sector and the comments that are made about it. And an observation that I have made, which isn't always universally popular, is the fact that the education community has done a very, very poor job in actually being able to sell education. Which strikes me as being unbelievable. I mean, the education community spends its whole time talking to itself; the health community spends its whole time talking to other people.

MS. WINTRHOP: That's true.

MR. TAPP: Education community has got to lift its game in the way it's talking about education, and stop complaining about the fact that the health mob are getting all the money, because the education case is incredibly compelling. And also, that the health teams, which are doing some very good work, and a lot of the so-called outcomes that are being talked about are actually inputs and outputs, not necessarily outcomes. So, I just make that comment. And we at FTI are trying to address this ourselves.

David, I just had a very quick thing following up on what you'd said which was in relationship to this whole sort of monitoring evaluation, trying to deal with outcomes. And the question relates to how it is from your side, and then with corporate in terms whether one is actually looking at attribution in relationship to the individual donor dollar or the individual corporate contribution? Or whether we're actually looking at it from the partner country perspective in terms of actually what the outcomes that are being achieved at that level.

Because arguably, if we were to spend our money on trying to improve partner government systems and being able to monitor and evaluate and provide outcome information, that perhaps would be a lot more sustainable in terms of what we've been talking about, than putting our money just into look at what the individual donor or corporate dollar is doing.

So the question sort of relates into that, and I'm sorry if I've offended any of the education folks here. Thank you.

MS. WINTRHOP: I think we would all agree. Well, maybe not all of us but I think a large majority would agree. And that's actually why we need

the private sector to help us better sell.

So one last comment from each of you, hopefully touching on some of those before we close? Justin, do you want to?

MR. VAN FLEET: So, just sort of on this first point of education for all and looking at the focus that's been on access. I think right now we're realizing as we sort of hit this 2015 deadline that, all right, so there are 69 million children that are out of school. But at the same time, there are hundreds of millions of children that are in school and learning levels are quite low. So how do we shift the focus to looking at those groups? And then also the children that are -- the young people that are graduating and entering into the workforce. And there's a mismatch of skills there.

And I think that's actually where the private sector can play a key role, is looking at ways that they can be innovative in the learning process and in bringing new interventions to learning in the classroom. So I think there's a great opportunity there, to follow up on that point.

MS. LUFF: Just quickly on the link between capacity building and sustainability. I agree, they are inextricably linked, and I think if you don't build those things in -- just like monitoring an evaluation, if you don't build it in at baseline you're not going to have anything meaningful at the end.

The challenge is marketing the notion of sustainability and capacity building as actually a great contribution and something that can be measured.

MR. BARTH: Yes, a couple of quick points. The last one is what you just finished with, which is how do you measure --

MS. LUFF: Measure it.

MR. BARTH: -- capacity building? How do you measure sustainability? How do you know if you've made a good investment?

MS. LUFF: How do you know you're there?

MR. BARTH: Right. And that's a real problem.

Charles, thanks for your comments. You'll get no argument from any of us that we have not done right by the sector in terms of the way we communicate, the importance of what we do. We need to link what we do in education to broad-based economic growth, to stability, to improved health outcomes. And all of those things have -- can be priced, can be shown to be a good investment for ministers of finance. If you invest in a young girl, we can measure the fact that she's going to have fewer children, delay marriage, be a productive member of society, and put a price on it. But we haven't articulated that.

Your point on the evaluation of the sort of overall functioning of a system versus the individual dollar is also a good one. And that's the very elegant thing that FTI does. That probably would do it better than any of us individually -- is help when you review a national plan, ask the question, what are you measuring as a government? You know, how are you tracking your investments? Are you looking at things like national education accounts where you can see the flows, not just of the public dollars but also the private dollars? Are you catching the, say, leakage? Or at least being able to account for the fact that you're being less effective than you can be. I think that's enormously important.

On the donor side and the corporate side, we've got two masters. We've got the, you know, our development objectives which we are happy to be slaves to. We've also got Congress or a board of directors or others who do need to know where that dollar is going. And so we have two cases to make. And so I think that's why we sometimes look internally a little bit more -- maybe a little more than we should, because we do really have to account for those dollars. We're trying to get better at it.

And just on donor coordination in Yemen, I can tell you I was there at the time. Security was so bad we couldn't leave town. You had nothing else to do but talk to the donors. (Laughter)

So, right? No, no, we did. We try and push it in every country we're in.

MS. WINTRHOP: There are local education donor groups, in theory, in most every country.

MR. BARTH: In basically every country.

MS. WINTRHOP: It's different levels of functionality.

SPEAKER: That would be an easy tactical goal, that's for sure.

MR. BARTH: And that's something that the FTI has done a great job of promoting, local education groups.

MS. WINTHROP: Right.

MS. ZURLO: I think the two best examples where I've seen the corporate sector come in in a market incapacity in Latin America. One is in Mexico and one is in Brazil. In Mexico it's called Mexicanos Primero, and in Brazil it's called Totos Pale du Casal. And they're corporate groups -- they're

effectively lobbying groups that are funded and drive by high-level corporate individuals and partly in the media sector to drive home the point in those two countries that education is a key issue. Because the first people you have to sell that this is an important issue are parents.

And sadly, up to fairly recently -- and this last piece exam has had a profound positive impact on educating these countries -- that you're doing really badly relative to the world. But, the parents just because their kids are now in a physical room of a classroom, where they weren't, think their kids are getting a great education. And so -- and they're not very engaged in their kids' education.

So before you can get education reform in these countries, you need to get it demanded from the bottom up. And up to now it hasn't been demanded. So you need to market that to the population.

And what we're now doing in terms of, we're getting some serious pro bono corporate support from the communications ad departments, marketing departments. Because what we're finding is, we need to market our services to the public school teachers and principles that they need to capacity build. That they're not achieving results in their classrooms, and we need to effectively sell the services to them as well. Because unless they want to change, you're not going to get change. And so that's where we're finding the corporate sector very helpful. Because we're not -- as an NGO, we haven't been marketing effectively what we can do. And corporates are really good at marketing.

MS. WINTRHOP: Great. Well, I want to say thank you to all of the panelists and to Olav, the speakers. And we hope to see you at our next event on financing education in Africa, which is on the 27th of April, in a couple

weeks. And thank you for spending the morning with us. So, big round of
applause for this panel. (Applause)

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