

FINANCING FOR DEVELOPMENT MEANS FINANCING FOR EDUCATION

JULY 2015 | CIVIL SOCIETY RECOMMENDATIONS FOR SUSTAINABLE DEVELOPMENT

KEY MESSAGES

1. Free public primary and early secondary education is central to the sustainable development agenda.
2. Domestic education resources should amount to 6 percent of GDP and 20 percent of public expenditures.
3. Governments and public finance bear primary responsibility for delivering quality education and lifelong learning opportunities.
4. ODA must meet or surpass 0.7 percent in order to ensure fulfillment of education and other international financing needs.
5. A data revolution is needed to target education resources most effectively and to reach the most marginalized, and civil society has a key role in its realization.

DOMESTIC PUBLIC RESOURCES AT THE HEART OF FUTURE PROGRESS

As the FfD3 opens in Addis Ababa, the mobilization and effective use by governments of their domestic public resources is emerging as a significant focus in the negotiating draftⁱ and will be central to the discussions beginning on July 13. Participants are also coming to a shared commitment to a “social compact” of social protections and essential public services. While the statement of commitment to quality education for all in the FfD3 negotiating draftⁱⁱ is not as robust as we would hope, provision of free public primary and early secondary education is unquestionably an essential element of the domestic social compact, albeit one that is not yet attracting the level of attention or financing it requires. As reaffirmed at the World Education Forum in Incheon, governments bear the primary responsibility for ensuring the delivery of equitable education for their populations.ⁱⁱⁱ In mobilizing domestic resources to meet this responsibility, governments must ensure fair and progressive

systems of taxation in which extractive industries and other multinational companies pay their fair share.

The Muscat Agreement from the May 2014 Education for All meeting specified allocating 4-6 percent of country GDP and 15-20 percent of public expenditures to education as targets for 2030.^{iv} We strongly advocate greater urgency in reaching these goals and firmly adhere to the upper end of these ranges as the appropriate reference points. At this time, only 25 percent of countries are spending the 6 percent of GDP needed to deliver a quality education for their children, and while total public expenditures on education have increased, particularly in sub-Saharan Africa, much of that progress has been due to increased economic growth.^v Countries currently are dedicating on average only 4.6 percent of GDP to education.^{vi}

INTERNATIONAL PUBLIC FINANCE AND PRIVATE SUPPORT FOR EDUCATION

According to UNESCO, even if national governments do allocate as much as 6 percent of GDP for education, there will remain a gap in education financing of \$39 billion on average between 2015 and 2030.^{vii} Given current levels of domestic financing for education as discussed above, the need for international public finance could be even greater. Yet, in addition to limitations on domestic resource mobilization, international aid to basic education has been falling: after rising up until 2010, ODA dedicated to education declined by \$1.3 billion between 2010 and 2012.^{viii} It is essential to reverse the decline in aid to education by increasing ODA spent on education. Without a universal commitment by developed countries to reach or surpass the 0.7 percent ODA/GNI target, it is difficult to see how international financing needs for education and other critical sectors can be met. ODA remains critical for development financing and reaching the 0.7 percent of GNP target remains the cornerstone for fulfilling the

commitments made more than four decades ago. We call on governments to provide additional resources to close the gap towards poverty reduction and meet new development challenges.

The current FfD3 draft makes a welcome reference to scaling up financing to the Global Partnership for Education (GPE). Calls continue to be made for a dependable source of funding in the form of a global fund for education.^{ix} We maintain our endorsement of the Global Partnership for Education as the best vehicle for such a global fund, and continue to urge the international community to move in this direction. While more work is needed concerning the scope and flexibility of its operating mandate,^x the Global Partnership has the appropriate infrastructure and multi-stakeholder outlook to serve as the platform for future funding.

Private financing for education cannot replace the fundamental role of public finance, although it can play a complementary role. If replicable, privately supported innovative approaches, particularly with respect to new technologies, may offer particular promise in reaching marginalized populations. In addition, partnerships and mechanisms that can channel private funding toward investment-ready opportunities bear further exploration.^{xi}

EDUCATION CENTRAL TO THE PROMOTION OF EQUITABLE, INCLUSIVE SOCIETIES

Education is central to the promotion of equitable, inclusive and sustainable societies. Likewise, a powerful commitment to supporting education should be at the center of the FfD3 declaration as the comprehensive statement on financing for development. We note with concern that only one third of target countries, and none in Africa, have achieved all the

measurable EFA goals.^{xii} The global learning crisis is hitting the most marginalized children and youth hardest, and Sub-Saharan Africa is most affected. Therefore, the international community must put equity first to avoid leaving millions of children behind and to ensure that all people benefit from a quality education and lifelong learning opportunities.

The FfD3 focus on effective use of resources is correctly linked to a revolution in data collection, and this is no less true in the education sector. Future investments in education must be driven by sound data, and targeted accordingly.^{xiii} Large gaps exist in the collection and disaggregation of learning data by sex, geography, and income, with even larger gaps in data on other dimensions of marginalization. Governments need to build their capacity to collect, analyze, and effectively use data in order to direct interventions towards the most marginalized, including those with disabilities. However, the most meaningful data breakthroughs could well come from non-government sources such as citizen-led assessments, and these should be encouraged as a promising source of education data below the household level. Whatever the source, the data revolution necessary to ensure achievement of the Sustainable Development Goals must not stop before it is able to help ensure true education for all.

CIVIL SOCIETY INTEGRAL TO THE ENTIRE SDG AGENDA

We welcome the draft FfD3 paragraph promoting multi-stakeholder partnerships in implementation of the SDG agenda. We recommend, however, that the outcome document make clear reference to the critical role of civil society in supporting the implementation of the SDG agenda, in the education sector as elsewhere, through such strategies as advocacy, financing and budget tracking as well as promoting community involvement and accountability.

ⁱ “The Addis Ababa Accord of the Third International Conference on Financing for Development,” June 21, 2015 draft.

ⁱⁱ June 21 draft, paragraph 76.

ⁱⁱⁱ Incheon Declaration, May 2015.

^{iv} GEM Final Statement (The Muscat Agreement), May 14, 2014.

^v Liesbet Stier, “Seven Facts About Global Education Financing,” Brookings, February 2014.

^{vi} Liesbet Stier and Katie Smith, “Financing Education: Opportunities for Global Action,” Brookings, July 2015.

^{vii} “The Investment Case for Education,” concept note for UNESCO-sponsored

FfD3 side event scheduled for July 14, 2015.

^{viii} EFA Global Monitoring Report. UNESCO, 2015.

^{ix} Chandrika Bahadur and Guido Schmidt-Traub, “Why the World Needs a Global Fund for Education,” NORRAG (<https://norrang.wordpress.com/2015/06/16/why-the-world-needs-a-global-fund-for-education/>), June 16, 2015.

^x Stier and Smith pages 14-15.

^{xi} “Innovative Financing for Global Education,” Innovative Finance Foundation working paper, January 2014.

^{xii} EFA Global Monitoring Report. UNESCO, 2015.

^{xiii} Stier and Smith, page 16.