



Creating a learning generation:

The UK's crucial role in financing quality education for all



GLOBAL CAMPAIGN FOR
EDUCATION UK

Education financing – a critical moment

The strength of the case for investing in education is both clear and uncontested – and yet education systems around the world face persistent funding shortfalls, which are denying millions of children their right to a quality education.

Through the Sustainable Development Goals (SDGs), the world has made a promise to ensure inclusive, quality and equitable education for all by 2030. This is a promise that we must deliver. There are 263 million children and youth out of school who are counting on us.¹ But, we will not come even close to achieving this goal by 2030 unless we see a transformative step change in education financing, which involves both a significant increase in the available resources and improvements in how the money is allocated and spent.²

An education funding crisis

There is a funding crisis in education that needs to be addressed urgently. SDG 4 broadens the focus of education beyond primary to include early learning, primary, secondary, tertiary education and lifelong learning. This means the annual financing gap between available domestic resources and the amount necessary to reach the new education targets is projected to be an average of \$US39 billion between 2015 and 2030.³

An unprecedented opportunity

There is high level global agreement on the need for greater investment in education to achieve all the SDGs. The International Commission on Financing Global Education Opportunity (the Education Commission) was set

up in order to make the case to world leaders for the urgent need to invest in education. *'The Learning Generation: Investing in education for a Changing World'*⁴ – was published by the Education Commission in September 2016. It sets out a compelling and ambitious case for increasing investment in education. The commission's analysis and recommendations also represent a unique opportunity to increase political commitment to fund education.

The first major test of this will be the commitments made at the replenishment of the Global Partnership for Education (GPE), which is likely to happen in late 2017, along with the ongoing effort to ensure Education Cannot Wait: the fund for education in emergencies is fully funded.

This is a perfect storm of opportunity which world leaders must use to deliver on their promise of access to education for all the world's children.

Global Britain: building on our international leadership in education

The UK can be proud of its commitments on international development and its commitment to spending 0.7% of GNI on overseas aid, which is making a significant contribution to saving and transforming the lives of millions of children around the world. The Department for International Development (DFID) is well respected globally for its work on education. The UK government's support for universal primary education has been instrumental in achieving progress over the last 15

years, including between 2011 and 2015, directly supporting over 11 million children in primary and lower secondary education, exceeding its own target.⁵

DFID is a leading donor to the education sector globally. The UK has played a leadership role in reforms to GPE, helped to close the gender gap in education via the Girls Education Challenge and is a driving force in the establishment and development of Education Cannot Wait. DFID is also playing a leading role in ensuring refugees and displaced children in the Middle East have access to education. We also welcome the UK's vital encouragement to other countries to increase their funding to inclusive education.

The time is now

We have a once in a lifetime opportunity to put in place the financial resources needed to create a learning generation. The UK has an important role to play, building on its global leadership to date.

This paper outlines the Global Campaign for Education UK's (GCE UK) position on the Education Commission report and highlights the role the UK can play in ensuring we deliver on the promise of SDG 4. It sets out the case for the UK government to continue and expand its investment in quality, inclusive education, as well as encouraging other donors to increase their investment, along with supporting low- and middle-income countries to increase domestic revenues and increase spending on education.

¹ UNESCO GEMR (2016a) *'Leaving no one behind: How far on the way to universal primary and secondary education?'* Policy Paper 27, Fact Sheet 27. See <http://unesdoc.unesco.org/images/0024/002452/245238E.pdf> ² UNESCO GEMR (2016b) *'Global Education Monitoring Report 2016. Education for people and planet: Creating sustainable futures for all'*. See <http://unesdoc.unesco.org/images/0024/002457/245752e.pdf> ³ UNESCO GEMR (2015) *'Pricing the Right to Education: The cost of reaching new targets by 2030.'* Policy Paper 18. See <http://unesdoc.unesco.org/images/0023/002321/232197E.pdf>

The Education Commission report

GCE UK strongly welcomes *'The Learning Generation: Investing in education for a Changing World'* report from the Education Commission.

The Education Commission was set up to make a powerful case for investing in education and outlined innovative recommendations on how to do so. The members of the Education Commission include current and former heads of state and government, government ministers, five Nobel laureates, and leaders in the fields of education, business, economics, development, health and security.

The Commission asserts that making the learning generation a reality requires action via **four transformations** which are: 1) Performance 2) Innovation 3) Inclusion 4) Finance.

There are a number of recommendations made in the report for governments, civil society and the business community that we believe the UK should be supportive of including:

Mobilise more and better domestic resources for education.

The Commission's investment plan calls for low- and middle-income countries to increase annual domestic public expenditures on education from an estimated \$1 trillion in 2015 to \$2.7 trillion by 2030.

Invest across sectors to tackle the factors preventing learning.

The Commission recommends that governments undertake joint planning,

investment and implementation across sectors to tackle the most prevalent barriers to learning such as gender inequality, disability, and other forms of exclusion.

Increase the international financing of education and improve its effectiveness.

The Commission calls on bilateral donors to allocate a higher share of their GNI to ODA and to increase the share of aid to education to 15% of aid.

Establish a Multilateral Development Bank (MDB) investment mechanism for education.

This mechanism would ensure that education benefits from the unprecedented opportunity to increase MDB financing through much greater leveraging of their funds.

Decision-makers should invest in what is proven to deliver best results.

Funding should be shifted to the best-proven systemic changes and specific evidence-based practices that improve learning, selected and adapted according to different country contexts.

Prioritise the poor and early years – progressive universalism.

Progressive universalism means expanding provision of quality education for everyone while prioritising the needs of the poor and disadvantaged. It provides a guiding principle to inform spending decisions, recognising the scarcity of public funding.

Improving performance requires cutting waste and cracking down on the inefficiency and corruption that inhibit students from learning.

More resources are urgently needed, but if all resources were better managed, teaching and learning could improve sharply and returns on investment in education would become even stronger.

The UK has shown welcome global leadership on education – but DFID currently has no education strategy.

- **The UK should develop a new global education strategy that acts on these recommendations from the Education Commission.** This should set out why and how it will direct education spending towards improving education systems and reaching the most marginalised out of school children. This strategy must focus on quality education, ensuring children are learning literacy, numeracy, and a broad range of life skills in safe environments across all ages. The strategy would set out the expected level of DFID's investments in education including the anticipated modalities, priority countries and sub-sectors. The strategy would be an effective vehicle for communicating and securing support for the UK's priorities and approaches, and improve scrutiny of and engagement in DFID's work in support of education. The following sections of this briefing highlight four areas, drawing on the recommendations from the Education Commission, that should shape the UK's focus on education financing.

⁴ The International Commission on Financing Global Education Opportunity, (2016) *'The Learning Generation: Investing in education for a changing world'*. See http://report.educationcommission.org/wp-content/uploads/2016/09/Learning_Generation_Full_Report.pdf ⁵ DFID Annual Report and Accounts 2015-2016 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/538878/annual-report-accounts-201516a.pdf



Najma, age 9, with a story book outside her home in the Chagi Bala village in the Battagram District, Khyber Pakhtunkhwa Province of Pakistan.
Photo: Asad Zaidi

Recommendation 1: Support to domestic financing for education

Only education that is adequately funded with domestic resources will provide sustainable, equitable access for all.

Education must be free and publicly funded. As a public good, the costs of education should not be disproportionately borne by poorer citizens.

Supporting developing country governments raise more money through tax

Increasing national education budgets in many countries will require moving towards greater tax justice, requiring the development of progressive taxation systems, the closure of tax loopholes, and ending illegal tax evasion.⁶ Tax is presently the major source of financing for a government's education plans – even in highly aid-dependent low-income countries. Many countries are coming close to achieving the benchmarks of “4-6% of GDP” and “at least 15% - 20% of public expenditure being spent on education but still lack sufficient overall revenue. This means we need to pay more attention to the size of government budgets overall.

Tax-to-GDP ratios are a widely used measure of tax collection. To build a state that can credibly provide universal education is likely to require at least a ratio of 20% – which many low-income countries fall short of.⁷

Supporting developing country governments prioritise spending on education

Domestic spending on education in low- and middle-income countries has been increasing. Between 2002 and 2012 domestic spending on education in low-income countries increased from 3.1% of GDP to 3.8%. In lower-middle-income countries the increase was from 4.4% to 5.1%.⁸

Yet this must increase further. UNESCO estimates that low- and lower-middle-income countries will need to spend 6.3% of GDP to provide pre-primary, primary and secondary education by 2030 to achieve the SDGs. Government expenditure on education will need to account for at least 20% of all government expenditure.⁹

The Education Commission report rightly focusses on domestic financing to increase the size of government budgets including through: raising tax to GDP ratios (by an average of 9% in low-income countries); strengthening tax authorities; increasing tax revenues from multinational companies (from 6% to 13%) and reducing tax avoidance (through which low- and middle-income countries are estimated lose \$800 billion a year).¹⁰

A greater equity focus

Often education spending has not been pro-poor, therefore has not reached the most marginalised children, such as girls, children with disabilities, and the poorest. In low-income countries for example, on average, around 46% of public education resources are allocated to educate the top 10% most educated students.¹¹

- **The UK should launch a comprehensive public financial management initiative** designed to provide technical assistance to developing countries partners to design and implement systems that will enable them to increase and manage their financial resources more effectively.
- **The UK should encourage and support governments to allocate at least 6% of GDP and 20% of national expenditure to education.**
- **The UK should work with governments to ensure education financing reaches the most marginalised**, through supporting actions such as pro-poor, gender and disability sensitive budgeting.

⁶ Education International (2016) 'A better bargain? Unions driving Education 2030 forward'. See http://download.ei-ie.org/Docs/WebDepot/EI2016_SDGs_brochure_final_facing_EN.pdf [Accessed 20 September 2016] ⁷ Archer, David (2016). 'Domestic Tax and Education'. Background Paper for the Education Commission. ActionAid. ⁸ Steer, L. and Smith, K. (2015) *Financing Education: Opportunities for Global Action*. Center for Universal Education, Brookings. ⁹ Education for All Global Monitoring Report (2015) *Pricing the right to education: The cost of reaching new targets by 2030*, Policy Paper 18, UNESCO. ¹⁰ Global Campaign for Education (2016) 'Response to the Education Financing Commission report - The Learning Generation: Investing in Education for a Changing World.' ¹¹ Ibid. The International Commission on Financing Global Education Opportunity (2016)



Teacher helps children learn at school in Cusco Region
Photo: Plan International / Richard Bayona Olivera

Recommendation 2: More and better aid for education

Investing in education is crucial for sustainability and economic prosperity.

There is a clear economic – as well as social justice – case for investing in education. The report from the Education Commission notes that a dollar invested in an additional year of schooling, particularly for girls, generates earnings and health benefits of \$10 in low-income countries and nearly \$4 in lower-middle-income countries.¹²

However, the transformative qualities of education are currently not adequately reflected in the amount of development assistance spent on education.

Reversing the education financing decline

Even if efficiencies are made and there is a considerable increase in domestic financing, international financing for education will still need to increase from today's estimated \$16 billion a year to \$89 billion per year by 2030.¹³

Education's share of global ODA has fallen from 13% to 10% since 2002

while the share for health has risen from 15% to 18% and infrastructure from 24% to 31%.¹⁴ Among multilateral donors, education's share of aid has declined from 10 to 7% over the past decade.¹⁵ Education ODA has been insufficiently targeted to countries who need it most, and has side-lined those committed to invest and reform. Only 24% of all education ODA was disbursed to low-income countries in 2014.¹⁶

What's more, in 2015 only 1.4% of all humanitarian aid was allocated to education. When removing 'multi-sector' and 'sector unspecified' humanitarian aid, education still only received 2.7% of sector-specific humanitarian aid.¹⁷

Education funding must remain a priority for DFID. The UK's ODA to education has steadily increased from \$537 million in 2006 to \$1.4 billion in 2014.¹⁸ However, overall spending on education currently makes up only 8.42% of DFID's spending – less than other areas of spending such as health and emergencies.¹⁹

- **The UK should demonstrate a leadership role in education financing.** More and better aid from the UK will not on its own be enough. Meeting SDG 4 will require additional and more effective funding from a wider range of governments, bilaterally and multilaterally. As a leading donor to education the UK needs to be at the forefront of international efforts to increase the range, diversity and amount of funding available to the sector.

- **The UK should increase spending on education.** We recommend DFID increases its overall spend on education bilaterally and multilaterally in line with the *Education 2030: Incheon Framework for Action*, which states "there should be a movement towards increasing aid spent on education according to countries' needs and priorities."²⁰ The UK should also continue to prioritise ensuring accountability, effectiveness and results in education funding.

¹² Ibid. The International Commission on Financing Global Education Opportunity (2016) ¹³ Ibid. The International Commission on Financing Global Education Opportunity (2016) ¹⁴ Ibid. The International Commission on Financing Global Education Opportunity (2016) ¹⁵ Ibid. The International Commission on Financing Global Education Opportunity (2016) ¹⁶ Ibid. The International Commission on Financing Global Education Opportunity (2016) ¹⁷ Based on analysis of UN OCHA's Financial Tracking Service data. See <https://fts.unocha.org/pageloader.aspx?page=home> [Accessed 19th August 2016] ¹⁸ Of the UK's \$1.4 billion disbursed in 2014, \$326 million was on basic education, mostly on primary, but with only \$0.25 million on early childhood education. \$302 million was on secondary and \$126 million on post-secondary. ¹⁹ Based on analysis of the Department for International Development (DFID) Development Tracker <https://devtracker.dfid.gov.uk/sector> [Accessed 9th September 2016] ²⁰ UNESCO et al. (2015) 'Education 2030. Incheon Declaration and Framework for Action: Towards inclusive and equitable quality education and lifelong learning for all' See <http://www.unesco.org/Education/Documents/incheon-framework-for-action-en.pdf>



Children learn in Sierra Leone
Photo: Plan International /
Vincent Tremeau

Recommendation 3: Investing in education through multilateral funding mechanisms

Multilateral funding mechanisms play a major role in financing education. These will need continual support and scale up in investment in order to deliver on the ambitions to create a learning generation..

A new Multilateral Development Bank funding mechanism

In its report the Education Commission recommended that a Multilateral Development Bank (MDB) mechanism be created for education. This mechanism would increase MDB financing through much greater leveraging of existing capital bases. The Education Commission reports that this could increase MDB's lending capacity by more than 70%, and could potentially mobilise \$20 billion or more annually from MDBs for education by 2030 (up from \$3.5 billion today).²¹

- **The UK should support the call for a new Multilateral Development Bank mechanism for education and immediately offer to lead a feasibility study for such a mechanism.**

The Global Partnership for Education

The Global Partnership for Education (GPE) is the world's only multilateral fund for education. GPE's mission is to mobilise global and national efforts to contribute to the achievement of equitable, quality education and learning for all. GPE is an important part of the global financing architecture for education and is emerging from a significant period of internal change as an effective funder.

DFID is a leading funder of GPE – its current pledge for GPE's 2015-2018 replenishment period is for up to £300 million, subject to a maximum burden share cap of 15% of the total amount raised by GPE during this period. Given current levels of pledges, this is

estimated at £210 million to GPE for the current replenishment period.²²

DFID's use of a cap on its burden share of funding for GPE is a useful tool for incentivising other donor contributions. However, when using this approach DFID needs to ensure that it is communicating its commitment clearly and utilising the availability of funding, subject to burden share, to encourage other donors to contribute to GPE.

DFID also made £100 million of its funding for the 2015 – 2018 period contingent on implementation of reforms at GPE. In this instance, by using a financial incentive, DFID helped secure important changes at GPE which have significantly improved GPE's operations and effectiveness. The combination of investment and a clear reform agenda for the organisation, together with significant engagement with the GPE Secretariat, were all key features of DFID's support and challenge to GPE. The Education Commission noted that GPE is carrying out a major set of reforms and recommended that if they are successful, their financing must increase to \$2 billion per year by 2020 and \$4 billion per year by 2030.²³ This would make the work of GPE equivalent in scale of financing to the levels the Global Fund for AIDS, Tuberculosis and Malaria receives today.

- **The UK should continue to be a leading donor to GPE, making an ambitious pledge at the next replenishment conference.** Using its global position, the UK should encourage other countries to commit funding to GPE. The UK should continue to hold GPE accountable, encouraging reforms, and ensuring GPE funding reaches the most marginalised children including girls and children with disabilities.

Supporting Education in Emergencies

Reaching conflict- and crisis-affected children who are left behind in education because of underfunding and neglect requires a catalytic shift in ambition. Efforts to create this shift have resulted in Education Cannot Wait: A Fund for Education in Emergencies (ECW), which was launched at the World Humanitarian Summit in May 2016. ECW has been created to generate the shared commitment needed to meet the education needs of the millions of children and young people affected by crises, including those in marginalised groups. At the World Humanitarian Summit donors committed \$90 million in initial pledges towards ECW's 5-year plan. However, with an \$8.5 billion annual gap, this is clearly just a start. Further, ECW is struggling to fulfil its target fundraising goal for year 1 alone, having secured only 77% of its funding target.

- **The UK should help ensure Education Cannot Wait: the fund for education in emergencies secures its 5-year fundraising target of \$3.85 billion.** This will include continuing multi-year support to the fund, ensuring this funding is additional and playing an active part in mobilizing support from other donors for Education Cannot Wait.
- **The UK should support efforts by Education Cannot Wait and others to ensure transparency in funding for education in emergencies.** The UK should advocate for funding to be tracked and results made public, to truly demonstrate a "value for money" approach.
- **The UK should ensure funding for education in emergencies is gender and disability sensitive, focussing on the most marginalised children including in forgotten crises.**

²¹ Ibid. The International Commission on Financing Global Education Opportunity (2016) ²² Department for International Development (2014) 'Support to the Global Partnership for Education'. Business Case – Summary Sheet. ²³ Ibid. The International Commission on Financing Global Education Opportunity (2016)



Children with disabilities in Ruhango District
Catholic model inclusive school, Rwanda.
Photo: Julia McGeown / Handicap International

Recommendation 4: Prioritise learning, equity and value for money

Equity in education systems is one of the most significant obstacles to achieving SDG 4. In many countries there has been little progress in providing quality education for marginalised groups and inequalities are widening.

Some marginalised groups are invisible, either because they are excluded from data or because the data is not appropriately disaggregated; including refugees (both registered and undocumented), children with disabilities, girls and street children. The Education Commission's report highlights the crucial importance of investing for equity with a strong focus on the most marginalised children and the most vulnerable countries.

Not enough children are in school and learning

263 million children and youth are currently out of school.²⁴ Within this there are certain groups who are more marginalised and need more targeted funding.

For example, across sub-Saharan Africa, 9 million girls will never attend school compared to 6 million boys. In 2014, areas in 32 countries affected by armed conflict were home to 21.5 million or 35% of the global number of out of school children.²⁵ Children with disabilities in low- and lower-middle-income countries are far less likely to be in school, and refugee children are five times more likely to be out of school.²⁶

- **The UK should invest in equity.**

DFID must increase support to the most marginalised children of all ages to access a full

course of quality education. This should include a focus on:

- **Children with disabilities:** DFID must be a champion for children with disabilities ensuring education is integrated as a core priority into policy dialogue with country governments. It must continue to support the implementation of its Disability Framework by ensuring inclusive education is integrated as a central priority. Inclusive education to reach children with disabilities must be systematically embedded in education policies and national Education Management Information Systems (EMIS). DFID must embed disability into education programme funding with agreed disability indicators.²⁷

- **Girls:** DFID should provide the implementation of GPE's gender equality policy and strategy 2016-2020 with technical support and resources.²⁸ DFID should ensure all its education financing is gender-sensitive, and integrates prevention of and response to gender-based violence across education support programming.

It's clear that access to education is not itself enough; efforts must focus on the quality of educational provision. It is estimated that of the 650 million primary school age children in the world, 250 million are not learning the basics.²⁹ Increased access to education must go hand in hand with improving quality and supporting learning outcomes.

Adequate funding to education is also the most critical component

for addressing the global teacher crisis. Success in recruiting, training and retaining more teachers is highly dependent on increased investment in education.³⁰

- **DFID should support the recruitment of more teachers and support governments to provide quality, sustainable pre- and in-service teacher training** and rigorous continual professional development, including pedagogy that is gender- and disability-sensitive. DFID should encourage governments to invest in making the teaching profession more attractive by ensuring decent salaries, working conditions and rights at work, as well as setting up or strengthening mechanisms for social dialogue with teacher organisations.

Ensuring value for money

In its report, the Education Commission strongly recommends that funding should be shifted to the best-proven systemic changes and evidence based practices that improve learning.³¹ Too little of the knowledge about what works in learning makes it into education policy. For example, while evidence on the benefits of mother-tongue instruction is strong, half of all children in low- and middle-income countries are not taught in a language they speak.³²

- **The UK should lead on investing in what delivers the best results for learning.** What works best in improving learning is better understood than ever and we encourage DFID to use this knowledge to shape education policy to ensure greater results and value for money.

²⁴ Ibid. UNESCO GEMR (2016a) ²⁵ Ibid. UNESCO GEMR (2016a) ²⁶ UNESCO GEMR (2016c) 'No more excuses: Provide education for all forcibly displaced people. Policy Paper' ²⁶. See <http://unesdoc.unesco.org/images/0024/002448/244847E.pdf> ²⁷ Recommended would be to use a reference point and methodology such as the Washington Group Short Set of questions. See <http://unstats.un.org/unsd/methods/citygroup/washington.htm> ²⁸ Global Partnership for Education (2016) 'Gender equality policy and strategy 2016 – 2020'. See <http://www.globalpartnership.org/content/gender-equality-policy-and-strategy-2016-2020> ²⁹ UNESCO (2014) 'Advocacy Toolkit for Teachers to Provide a Quality Education'. See <http://unesdoc.unesco.org/images/0022/002299/229954e.pdf> ³⁰ Global Campaign for Education (2012) 'Every Child Needs a Teacher: Closing the Trained Teacher Gap'. See <http://www.campaignforeducation.org/en/campaigns/teachers> [Accessed 20 September 2016] ³¹ Ibid. The International Commission on Financing Global Education Opportunity (2016) ³² Ibid. The International Commission on Financing Global Education Opportunity (2016)

The Global Campaign for Education (GCE) is an international coalition of nongovernment, development and children's rights organisations and education unions. In the UK the Campaign undertakes a range of activities designed to increase community awareness of the state of education internationally and generate the political will necessary to ensure the UK plays an active and effective part in efforts to secure education for all. For more information about the campaign in the UK visit www.sendmyfriend.org

The Campaign's UK members are:

ActionAid	NUT (National Union of Teachers)
Action on Disability and Development (ADD)	Oxfam GB
Association of Teachers & Lecturers (ATL)	Plan International UK
CAFOD	RESULTS UK
Christian Aid	Save The Children
Deaf Child Worldwide	Sense International
Handicap International	Sightsavers
International Rescue Committee	Steve Sinnott Foundation
Leonard Cheshire Disability	War Child
National Association of Schoolmasters	University College Union
Union of Women Teachers (NASUWT)	



Acknowledgements

'Creating a learning generation: The UK's crucial role in financing quality education for all' was written by members of the GCE UK Policy and Advocacy working group.

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