

# The Missing Piece of the Puzzle: Financing a Learning Generation

## The UK's contribution to the Global Partnership for Education 2018 - 2020

Education is fundamental to ending poverty, improving health outcomes and empowering girls and women. Yet hundreds of millions of children are still denied access to quality education, and will never be ready to find decent work and thrive in a globalised world. Latest figures estimate that the number of children who are not in school today is around 263 million – with hundreds of millions more receiving education of such poor quality that they leave after a few years without achieving basic literacy or numeracy skills. Failing to invest in education today could slow economic growth, worsen social tensions and increase insecurity for a generation or more to come.<sup>1</sup>

Investing in education is essential to building a more secure and sustainable future for us all but the world is not investing enough, especially in developing countries. Over the past decade, aid for education has declined and learning outcomes have stalled. Nine in ten young people in low income countries barely complete primary school. If current trends continue, it will be 2084 - 50 years later than promised - by the time we meet Sustainable Development Goal (SDG) 4, the UN-agreed goal to ensure inclusive, quality education for all.<sup>2</sup> We must invest more. In order to make education for all a reality and meet SDG 4, the world needs to increase international financing for education from today's US\$16 billion per year to US\$89 billion per year by 2030.<sup>3</sup>

Developing countries will contribute the majority of funds needed for schooling of their citizens, but international financing from donors like the UK provides crucial resources to help plan and build strong education systems that can deliver quality education for all children.

The Global Partnership for Education (GPE) is the world's only global funding platform dedicated solely to ensuring inclusive, quality education in developing countries, with a strong focus on education systems strengthening. A major test of the world's commitment to education will be the next GPE replenishment conference in early 2018. GPE is scaling up its ambitions and asking donors to contribute a total of US\$3.1 billion to support its work from 2018 to 2020. If the replenishment target is achieved, GPE will be able to support the education of 870 million children and youth in up to 89 developing countries that are home to approximately 78 per cent of the world's out of school children.

The UK Government is a world leader in funding global education, and its leadership role in the education sector is as important as ever.

**The Send My Friend to School campaign calls on the UK Government to pledge US\$500 million (£392 million<sup>4</sup>) in order to ensure that GPE can deliver quality, equitable learning for the world's most vulnerable children and young people.**



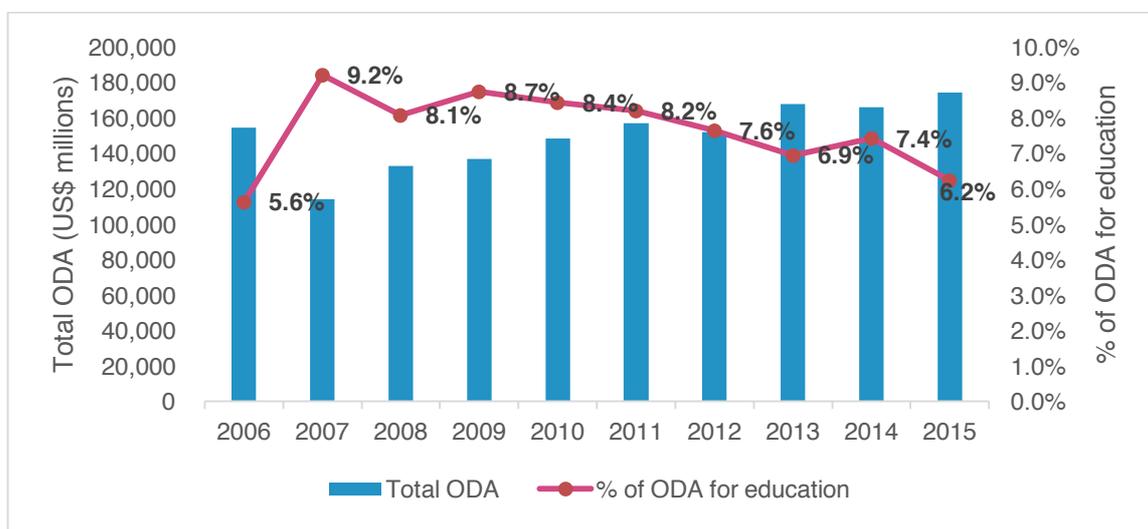
## Education finance is the missing piece of the Sustainable Development Goal 4 puzzle

SDG4 is notable for focusing on **quality** and **equity** in education which means making a concerted effort to improve teaching and learning outcomes and to reach those who face the greatest barriers to education: the poorest, children with disabilities, girls, especially in rural areas, and children from socially and economically excluded communities. Just getting more children into a classroom does not mean the job is done.

Despite the clear case for investing in education and the ambitious commitments agreed at the UN in 2015 to ensure that all children receive an inclusive and quality education by 2030, many countries are dangerously off track in achieving this target.

The ramifications of this are global – for children themselves and for future prosperity and stability. While the primary responsibility for education lies with national governments in developing countries, wealthier countries like the UK also need to keep their promise by investing more in aid for education.

**Chart 1: Comparison of total ODA and % of ODA spent on education since 2006**



Source: OECD Creditor Reporting System. See: <https://stats.oecd.org/Index.aspx?DataSetCode=CRS1>

Chart 1 shows that the share of aid to education from the world's developed countries has fallen since 2006, even though overall aid has increased. Achieving SDG4 will require a significant increase in education financing. UNESCO estimates that to meet SDG targets for pre-primary, primary and secondary education, annual expenditures in low-income and lower middle-income countries will have to increase to, on average, US\$340 billion over the 2015-2030 period.<sup>5</sup>

However, domestic and ODA revenues are only projected to cover US\$301 billion, **leaving a US\$39 billion annual financing gap.**<sup>6</sup> What's more - it is likely that this gap is an underestimate, given that it does not take into account all the SDG education related targets, on tertiary education or adult literacy, for example.<sup>7</sup> The projected scenario also makes optimistic assumptions about GDP growth and domestic resource mobilisation, which are unlikely to be met.<sup>8</sup>



Despite the enormous scale of the education challenge, meeting it is not an impossible task. We know what works and that progress is possible: over the course of a generation, the lives of millions of children have already been transformed.<sup>9</sup>

- Since 1990, the proportion of children dying before their fifth birthday from preventable causes has more than halved.<sup>10</sup>
- The number of children out of primary school has been cut by 42% since 2000.<sup>11</sup>
- The number of children who are stunted because of malnutrition fell by a third between 1990 and 2010.<sup>12</sup>

**Much of this has been possible because of the significant commitments made by the UK and other donors to invest in child health, education and nutrition, and to respond to the needs of children in emergencies.**

## The role of Global Britain in delivering learning for all

Education should be at the heart of the UK's foreign and development policy and diplomacy. Investing in education will lead to progress on many other Sustainable Development Goals, and aligns with many of the development priorities of the UK Government (see page 4).

The UK Government is a world leader in funding global education. It provides political leadership and uses its influence to encourage other donors to increase their funding for inclusive, quality education. The UK's leadership role in the education sector is as critical now as ever, especially as the Global Partnership for Education (GPE) heads towards its 2018-2020 replenishment. We know that progress is possible through the collective efforts and political will of world leaders. The UK and its counterparts in the G7 have much to show for their collective efforts in many other development arenas that require multilateral action, such as the fight against HIV/AIDS and major anti-poverty programmes.

DFID is well respected globally for its work on education – it is a significant donor to the sector, has played a leadership role in reforms to the GPE, has helped to close the gender gap in education via the Girls Education Challenge and was a driving force in the establishment and development of Education Cannot Wait: the fund for education in emergencies (ECW). DFID is also playing a leading role in ensuring refugees and displaced children in the Middle East have access to education. Critically, DFID retains a global cadre of experienced education experts who, through their presence in developing countries and engagement in global level processes, help to shape policy and practice nationally. Furthermore, their monitoring role also ensures effective delivery of UK funding.

The UK Government's support for universal primary education has been instrumental in achieving progress over the last 15 years and getting more children into school. 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.

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.<sup>13</sup> However, overall spending on education currently makes up only 8.42% of DFID's spending.<sup>14</sup> The International Development Committee recently recommended that this should significantly increase<sup>15</sup>, and the Send My Friend to School campaign urges an increase to 15%, in line with health spending.



## Investing in education has multiple benefits

### Investing in education improves family planning

- Quality education that includes comprehensive sexuality education empowers young people to make informed decisions regarding relationships and enables girls to understand their sexual health and reproductive rights and prevent early pregnancy.
- Around 3.4 million births occur before girls reach age 17 in sub-Saharan Africa and South and West Asia, affecting one in seven young women. In these two regions, early births would fall by 59% from 3.4 to 1.4 million if all women had secondary education.
- Education influences family size. In Pakistan, only 30% of women with no education believe they have a say over the number of their children, but the share increases to 52% among women with primary education and to 63% among women with lower secondary education.  
(See end of briefing for references.)

### Investing in education promotes security, peace and stability

- Higher levels of schooling within a country can significantly cut the risk of conflict, as long as access to education is equitable. Unequal access to education can double the risk of conflict.
- Lack of access to education perpetuates cycles of migration and was one of the motivating factors for Syrian families seeking refuge in Europe in 2015.
- Education offers children affected by conflict physical protection. When a girl is in a safe learning environment, she is less likely to be sexually or economically exploited or exposed to other risks, such as child marriage.

### Investing in education reduces rates of child marriage and gender-based violence

- Education is a key protective factor against child marriage. The more education a girl has, the later she is likely to marry, the fewer children she has and the healthier and more prosperous she and her family is likely to be.
- Over sixty per cent of women with no education were married by age 18, compared to only 20 per cent of women who had a secondary education.
- Education must address the factors threatening the confidence or ability of families to keep girls in school, namely accessibility, safety, quality and cost.

### Investing in education must ensure children and young people with disabilities are not left behind

- An estimated 65 million primary and lower secondary school-aged children in developing countries have disabilities – and half of these children are out of school.
- Wage returns on education for children with disabilities are substantial, with one study from Nepal estimating returns on education for people with disabilities ranging from 19.3% to 25.6%.
- Few schools in developing countries receive additional budgets to accommodate children with disabilities or to implement adequate measures to make schools more accessible<sup>1</sup>.
- When teachers are trained in inclusive education teaching methodology, it also improves learning outcomes for all children in the class.

### Investing in education improves health outcomes

- In low income countries, 1.7 million fewer children would suffer from stunting if all women completed primary education, rising to 12.2 million if all women completed secondary education.
- Every additional year of secondary school significantly reduces the risk of individuals later contracting HIV.
- Educating mothers increases breastfeeding by 90% for the first six months.



The Send My Friend to School campaign this year is focused on education financing. We believe that investment in education is the smartest investment for sustainable development and that the UK must commit to finance its promise to the world's children and young people for a quality and equitable education for all.

## The Send My Friend to School campaign

This year thousands of schools and young people across the country – from Orkney to the Isle of Wight - are taking part in the Send My Friend to School campaign to call on the UK Government to increase their investment in the power of education. Together, young people are taking a creative campaign action to gain the attention of the UK Government. To represent that financing is the missing piece of the education puzzle they are creating paper puzzle pieces depicting a quality education which they will present to their local MPs to ask them to take their message to the UK Government.

## The Global Partnership for Education 2018 – 2020 replenishment

GPE is the world's only multilateral partnership and fund dedicated exclusively to education in the world's poorest countries.

GPE works to expand inclusive and equitable quality learning by helping low- and lower middle-income countries build stronger education systems. Since its inception in 2002, GPE has worked with more than 60 developing country partners to reform education systems, provide the basics in education, including building classrooms, training teachers, and providing learning materials, including in conflict affected and fragile states where educational needs are often the most severe.

60 per cent of GPE's spending is in countries affected by fragility or conflict and 63 per cent of all child refugees are currently in GPE partner countries.

GPE is delivering results for children facing the greatest barriers to education. In GPE partner countries affected by fragility or conflict, the primary school completion rate rose from 58 per cent in 2002 to 68 per cent in 2014. This means that even in the most vulnerable communities, more than 5 million more children are finishing primary school.

GPE is an important part of the global financing architecture for education and has undergone significant internal reforms to emerge as a leading, funder of education in low- income countries.

The partnership's new results-based funding model is designed to drive national level reforms to achieve better outcomes in the areas of learning, equity and efficiency.

GPE's new 5-year strategic plan includes a comprehensive results framework with 37 indicators, disaggregated by gender, and tracks other factors associated with inclusion such as data linked to children with disabilities. The indicators also track comparative progress in countries affected by fragility and conflict. The results framework enables, for the first time, mutual accountability for all partners working in education including governments, donors, civil society and private philanthropy.



## Funding for GPE that reflects its critical role

The International Commission on Financing Global Education Opportunity (the Education Commission) recommends that GPE be scaled up to US\$2 billion a year in 2020 and US\$4 billion a year in 2030. This would introduce to the education sector a fund similar to those that have demonstrated large-scale success in the health sector, such as the Global Fund. Achieving this level of financing will require strong leadership from the world's major donor countries including the UK, but will also require emerging and new donors to start making contributions.

As a first step, GPE is seeking \$3.1 billion to replenish its finances for the three years 2018 to 2020, increasing its funding base to US\$2 billion annually by 2020. This will enable the partnership to deliver better learning and equity outcomes for 870 million children and youth in 89 countries in the next three years. GPE's ambition over the following decade will be to double investment to US\$4 billion a year by 2030.<sup>16</sup>

In its 'Case for Investment' GPE states that as well as driving improved quality and access to education for 870 million children and youth, it will drive increased domestic resource mobilization – requiring partner countries to step up their own spending on education to 20 per cent of GDP over time.<sup>17</sup> It will also drive quality improvements through learning assessment support, which will be inclusive of children from marginalized groups such as children with disabilities, and require partner countries to invest in inclusive data collection and management systems.

GPE estimates that its support to developing country partners in 2018-2020 will result in:

- 19 million additional children completing primary school, including 9.4 million girls and over 10.8 million children in countries affected by fragility or conflict.
- 6.6 million additional children completing lower secondary school, including 3.9 million girls in countries affected by fragility and conflict.
- 1.7 million teachers trained.
- 23,800 classrooms built.
- 204 million textbooks distributed.

In addition to GPE core grants to support education sector planning and systems strengthening, its financing and funding framework includes three new features to attract more resources:

- **Leverage Fund:** A dedicated pool of funding to incentivise low- and lower middle-income countries to leverage additional financing from other sources such as multilateral development banks, bilateral donors and private sector investors;
- **Knowledge and Innovation Exchange:** Improving GPE's capacity and ability to share experience from across the partnership to scale up and fund innovative approaches, especially in equity and learning.
- **Advocacy and Social Accountability:** Investing in supporting civil society and other stakeholders to build advocacy capacity in country to ensure political leaders invest and prioritise education.

**The framework opens opportunities for new partnerships** bringing previously untapped resources to education from both public and private sources.<sup>18</sup> It will also enable GPE funds to be better targeted at the countries and communities where the needs are the greatest.<sup>19</sup>



## The UK's contribution to GPE

DFID provides world-leading support to multilateral organisations, especially GPE. The UK, and a few other GPE donor partners, can rightfully claim credit for GPE's emergence as a central mechanism for supporting education systems in dozens of developing countries. The UK is one of the lead financial contributors to GPE, as well as being an active GPE Board member that has helped shape GPE's strategic direction and drive organisational change designed to improve the Partnership's effectiveness. In DFID's own Multilateral Development Review in 2016, GPE was categorized as being 'very good' at aligning with the UK Government's key priorities.

The International Development Select Committee, in its inquiry on DFID's work on education, stated that, "it is important that the UK either maintains or increases its financial commitment to GPE at the next replenishment... A substantial contribution from the UK will ensure GPE can continue to achieve results, and will also encourage other donors to invest in what is currently the only multilateral mechanism dedicated to improving education systems".<sup>20</sup>

DFID's current pledge for GPE's 2015 - 2018 replenishment period was for up to £300 million. DFID's contribution was conditional on two counts: capping contributions from the UK and implementation of a number of reforms at GPE.

- Capping contributions from the UK

DFID's contribution to GPE was subject to a maximum of 15 per cent of the total amount raised by GPE during this period. DFID estimates that the replenishment will raise approximately \$2.2 billion (using the exchange rates at the time of the Brussels conference in June 2014). If this proves accurate, with the 15 per cent share ceiling, then DFID will contribute approximately £210 million to GPE for the current replenishment period.

The Send My Friend to School campaign accepts DFID's use of a cap on its burden share of funding for GPE as a tool for incentivising other donor contributions. However, when using this approach DFID needs to ensure that it is communicating its commitment and using the challenge function effectively to increase funding contributions from other donors.

- Driving reform

DFID also made £100 million of its funding for this period contingent on implementation of reforms at GPE. The conditional amount was divided into two £50-million tranches, and DFID announced in June 2016 that GPE has met the conditions for the first tranche and will receive the first £50 million.

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.



## RECOMMENDATIONS TO THE UK GOVERNMENT

**The Send My Friend to School campaign calls on the UK Government to increase its commitments to education financing and pledge \$500m (£392 million) to GPE for its replenishment 2018-2020.**

This would make a powerful statement about Britain's values and commitment to future economic growth, stability and social justice in dozens of partner countries around the world. GPE's ongoing reform programme and innovative financing and funding framework provides new mechanisms for investment that are worthy of consideration.

The UK needs to maintain its role as a global leader in education. Investing in inclusive, equitable and quality education is the smart and right thing to do and is also critical to social justice and peace. Without investment in education we have no hope of ending poverty, addressing migration and security concerns and ending the abuses of child labour, child marriage and modern slavery. The UK has committed to becoming the global leader on disability inclusion - an increase in funding to GPE would help to contribute to this ambition, given GPE's results framework now has a focus on inclusion.

The replenishment of GPE is a critical moment and opportunity and the Send My Friend to School campaign calls on the UK to affirm its role in delivering education globally and encourage the rest of world to step up and deliver on its promise to the next generation of children.



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- <sup>6</sup> Even after assuming additional domestic spending, based on increased domestic tax revenues as a share of GDP and budget allocations to education greater than 20%.
- <sup>7</sup> A Cobham & S Klees (2016) *Global taxation: Financing education and the other Sustainable Development Goals*.
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- <sup>11</sup> UNESCO (2014) Global progress towards universal primary education has halted. <http://www.uis.unesco.org/FactSheets/Documents/fs-28-outof-school-children-en.pdf>
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- <sup>13</sup> 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.
- <sup>14</sup> Based on analysis of the Department for International Development (DFID) Development Tracker <https://devtracker.dfid.gov.uk/sector>
- <sup>15</sup> International Development Select Committee, 'DFID's work on education: Leaving no one behind?'. Letter to the Secretary of State for International Development [25 April 2017] See: <http://www.parliament.uk/documents/commons-committees/international-development/Chair-to-SoS-regarding-education-inquiry.pdf>
- <sup>16</sup> The Global Partnership for Education (2017)
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### **INVESTING IN EDUCATION HAS MULTIPLE BENEFITS**

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