



**FINANCING LEARNING FOR  
EVERY LAST CHILD**



## INTRODUCTION

Education is a human right and a critical stepping stone for development and prosperity for individuals and for society. World leaders have promised to ensure every girl and boy will learn from a quality education. This is a bold and important promise. Without it, we will not even come close to eradicating poverty or reaching the Sustainable Development Goals (SDGs). Without a step change in financing education now, we will fail the next generation of children. Yet the world has not given education the priority it needs. If current trends of education financing continue, we will be 50 years late in ensuring inclusive quality education for all.<sup>i</sup>

### The urgent need for education now

The world has made huge progress on getting children into school since the adoption of the Millennium Development Goals. In 2000 115 million children were out of primary school globally – today that number has fallen to 61 million.<sup>ii</sup>

Yet the world is facing a learning crisis. The focus on getting children into school came with an under investment in education quality and inclusion. Alarming, about 250 million of the world's 650 million children of primary school age are not learning: 130 million of them can't read, despite having completed four years of education.<sup>iii</sup> Without urgent change, more than 750 million young people in low- and middle-income countries will not acquire basic secondary-level skills and more than 1.5 billion adults will have no education beyond primary school in 2030.<sup>iv</sup>

There are no surprises about who is excluded from learning. Who we are, where we live and our family income are the key determinants of whether we go to school and whether we learn. Poverty, conflict, gender and disability are major reasons for exclusion from education and learning. Children from ethnic, linguistic or religious minorities are also often discriminated against.

Discrimination does not only affect the excluded individuals. It is also a hindrance for stable, democratic societies where people can prosper and live out their full potential. International human rights law is clear that all children have

the right to a free, compulsory primary education, free from discrimination.<sup>v</sup>

*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 out-of-school children, 35% of the global total.<sup>vi</sup>*

To reach the ambitious targets set out under the SDGs, we need to re-double our efforts as too many children are still being left behind. Fulfilling our promise to get every child learning will require total spending on education to rise from \$1.2 trillion per year today to \$3 trillion by 2030 across all low- and middle-income countries.<sup>vii</sup> This is a big increase but, as the Education Commission has shown, it is achievable and this step change is needed now to ensure that SDG4 and the other SDGs are met by 2030.

This briefing sets out what Save the Children believes offers solutions to the education financing gap. 2017 presents great opportunities to change this trend. Save the Children calls call on governments and the international community to provide a step change in education financing and to ensure resources are used in the interests of those children last in line for an education.

### **Sustainable Development Goal 4**

*Sustainable Development Goal 4 commits the world to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”. The goal is a major expansion on the Millennium Development Goal on achieving universal primary education by 2015, and includes targets on the full spectrum of education, from pre-primary to university and adult education. It also includes targets on learning, equity and the learning environment.*



We present the following recommendations:

1. **Domestic financing:** We call on developing countries to increase their tax bases, distribute revenues progressively, and prioritise education in national budgets. We call on OECD countries and multinational companies to promote corporate transparency to curb illicit financial flows.
2. **Bilateral aid:** We call on the OECD not to water down the definition of aid. We call on donors to scale up official development assistance (ODA) and

commit a robust level of ODA to education.

3. **Multilateral aid:** We call on donors to channel a minimum of 30% of education aid through multilateral channels, to fully fund the Global Partnership for Education and the Education Cannot Wait fund for education in emergencies, and on the multilateral development banks to establish an International Financing Facility for Education.

All these forms of education financing must be inclusive and give priority to every last child.

## The Education Commission: Demonstrating that we can achieve a Learning Generation by 2030

“A year ago, the world promised children the universal right to a quality education by 2030. As the Commission report shows, we are way off track from achieving that goal based on current trends, and this means we are depriving nearly one billion school-aged children of a basic secondary education. This will have a disastrous impact for children, economies and societies.

“While giving every last child a quality education is a massive challenge, the report conclusively shows that it can be achieved within a generation – with political commitment and an increase in financing for education from Heads of State and Finance Ministers. There are no excuses and world leaders must now step up or risk failing a generation of children.”  
(Helle Thorning-Schmidt, Save the Children International CEO – Save the Children’s response to the Education Commission report ‘The Learning Generation: Investing in Education for a Changing World’.)

*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 and to outline innovative recommendations on how to do so. The Education Commission was announced at the Oslo Summit on Education for Development in July 2015, with a mandate to report its conclusions in September 2016.*

*The Education Commission was co-convened by Prime Minister Erna Solberg of Norway, President Michelle Bachelet of Chile, President Joko Widodo of Indonesia, President Peter Mutharika of Malawi, and the Director-General of UNESCO Irina Bokova. The UN Special Envoy for Global Education, Gordon Brown, serves as the Chair of the Commission. Its members include former heads of state and government, government ministers, five Nobel laureates, and leaders in the fields of education, business, economics, development, health and security.*

*In September 2016, the Education Commission published a report, The Learning Generation: Investing in education for a Changing World, which set out a compelling and ambitious case for increasing investment in education.*

*An important principle in the report is progressive universalism. Save the Children supports this recommendation -: the right to free and universal quality education, starting with those that currently excluded. All education financing should support this vision, and put equity at core. The following four actions are key to equity in education:*

- *starting early, when children’s life chance and future learning capabilities are shaped*
- *focusing budgets on the most excluded children, who are least likely to attend, complete or learn*
- *making basic education free at the point of use, so that every child can learn regardless of income or status*
- *ensuring transparency and accountability, so that budgets are visible and communities have a say in school governance.*

# DOMESTIC RESOURCES: THE MOST SUSTAINABLE SOURCE FOR EQUITABLE EDUCATION FINANCING

**CALL TO ACTION:** Governments in low and middle-income countries need to expand their domestic tax base (to at least 20% of GDP) and increase the share of spending on education (to at least 20% of budgets), ensuring resources are sensitively spent and closely scrutinised to improve the effectiveness, efficiency and equitability of education systems.

The responsibility for providing education for all children lies first and foremost with national governments. Governments are also responsible for ensuring equity and quality in education and that education respects children's cultural identity, language, values and more.<sup>viii</sup> The government's role as guarantor of equity and quality requires strong institutions and the ability to set and enforce standards for financing, provision and regulation of education. Today, many governments lack this capacity.

Domestic public spending is by far the most important and sustainable source of finance for education.<sup>ix</sup> The Education Commission projects that approximately 97% of the funds needed to fill the education financing gap need to come from national governments. Ensuring that governments are raising and spending enough money is the long-term solution to the education financing crisis. In fact, developing countries' resources could fill the education financing gap if loopholes in international tax-related laws were closed and if they demonstrated the political commitment to prioritise education.

Public spending on education has grown since 2000, driven primarily through robust GDP growth and an increase in taxes and total expenditures. However, governments must give education higher priority in their national budgets. The time is now to demonstrate a step change in investment in education, as well as an overall reform agenda to ensure that investment translates to quality and equitable education for all children.

## Domestic spending

There is significant variation in spend on education between countries. While more than half of the low-income countries

decreased education's share of public expenditures between the early 2000s and 2013, one third of low-income countries increased it.<sup>x</sup> Overall, however, domestic spending on education in low- and middle-income countries has been increasing. Between 2002 and 2012, average 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%.<sup>xi</sup>

Yet this must increase further. The Education Commission projects that low- and middle-income countries will need to reach an average of 5.8% of GDP in public investment in education through growth and improved resource mobilisation.<sup>xii</sup> Governments in low- and middle-income countries need to expand their domestic tax base (to at least 20% of GDP) and increase the share of spending on education (to at least 20% of budgets), to meet internationally agreed targets as set out in the Incheon Declaration and Education 2030 Framework for Action.<sup>xiii</sup>

## Illicit financial flows

Illicit capital flight from developing countries is a massive hindrance to their ability to mobilise resources domestically. Every year, multilateral companies' aggressive tax avoidance alone deprives low-income countries of tax income of \$100-200 billion. If 20% of this were channeled towards education, it would pay for around 50 million children's quality education from pre-primary through to upper secondary school.

We call on OECD countries to close the loopholes in international tax-related laws and demand corporate transparency. Specifically, we call for full country-by-country reporting which requires multinational companies to publish key data, including revenue, profit, and tax paid in every country in which they are present, for public registers of the true beneficial owners of companies and trusts, and for automatic exchange of tax information between tax authorities. Together, these three measures would help curb illicit financial flows and enable developing countries to mobilise resources.

Globally, governments should work in an inclusive and cooperative manner to tackle illicit financial flows and tax avoidance. Developing countries must be part of international decision-making processes on tax matters, while OECD countries must increase their development assistance for the strengthening of tax administrations in developing countries, in line with the Addis Tax Initiative.

## Financing education for those last in line

While more resources are needed for education, education financing must also be better spent. If we are serious about providing every last child with a quality education, we must give priority towards those girls and boys who are last in line. Resources must be sensitively spent and closely scrutinised to



improve the effectiveness, efficiency and equitability of education systems.

Today, education spending is often regressive. More resources are spent on those who are already better off, and fewer are channeled where the needs are the greatest. In low-income countries, for example, on average around 46% of public education resources are allocated to educate the 10% most educated students.<sup>xiv</sup> We must make sure that education finance is instead firmly geared towards reducing disparities in education, and that allocations are based on accurate and reliable data. Governments should ensure transparency and accountability, so that budgets are visible and communities have a say in school governance.<sup>xv</sup>

Basic education must be free at the point of use, so that every child can learn regardless of income or status. Every child has the right to free primary education, and world leaders have committed to scale up investments to allow free early childhood, primary and secondary education.

Starting early, when children's life chances and future learning capabilities are being shaped is crucial for achieving a learning generation.<sup>xvi</sup> Yet in spite of the clear benefits of early childhood care and development (ECCD), there is a significant gap in global access to quality pre-primary education. Failure to invest adequately in and effectively provide ECCD services is contributing to the learning crisis.<sup>xvii</sup>

About half of all out-of-school children are denied their right to education because they are affected by conflict, natural disasters or other crises. Reducing the risk of disaster, disaster preparedness and conflict sensitivity all save lives and are also economically smart investments that governments should scale up. Conflict sensitivity and disaster risk reduction measures must be incorporated into national education policies, plans, and programmes.

Closing the education financing gap will not happen without urgent action by developing country governments themselves. These governments must be supported to raise more and better financing to ensure that every boy and girl is in school and learning.



George (6) attends kindergarten on the island of Tongoa, Vanuatu. When a cyclone destroyed the kindergarten, the community rebuilt it from scavenged wood and bricks, and Save the Children provided tarpaulins, books, toys and games so that the children could continue their education. (Credit: Rob McKechnie/Save the Children)

## MORE AND BETTER INTERNATIONAL AID

**CALL TO ACTION:** Relevant donor countries must increase ODA (towards 0.7% global target), commit a robust level of aid to education, and ensure they are supporting the countries and populations most in need.

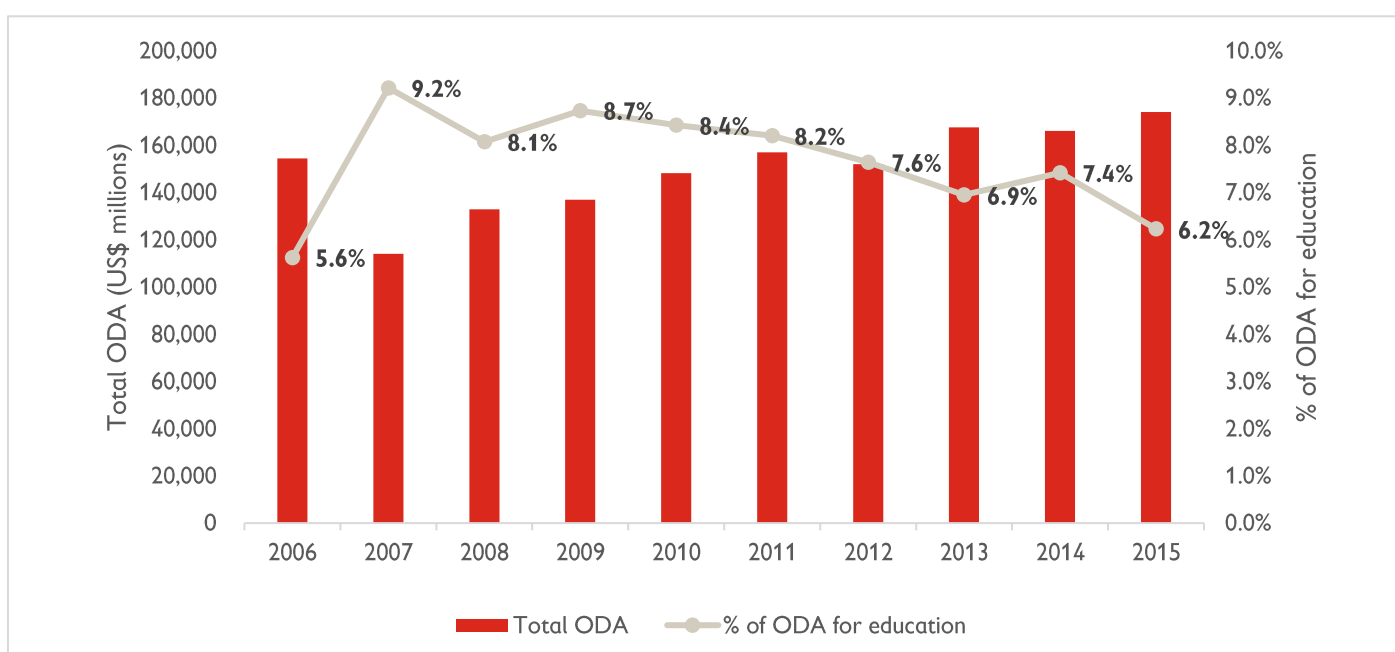
While domestic resources will be required to cover the large majority of the costs of education, international financing will continue to play a critical role. With greater efficiencies and considerable expansion of domestic financing, only 3% of total financing will be needed from international sources – but this will still require an increase in international financing from today's \$16 billion per year to \$89 billion per year by 2030, or an annual average of \$44 billion between 2015 and 2030. Emergencies could add approximately \$9 billion to projected education costs overall by 2030.<sup>xviii</sup>

International financing will first and foremost need to provide grant finance to the low-income and fragile countries with the largest financing gaps. For middle-income countries with borrowing capacity, international finance should boost access to concessional loans. External financing can also catalyse

domestic investment and reforms in developing countries. International assistance is also urgently needed to fund development-critical global public goods for education, which benefit all country groups, such as better data, assessment tools, and evidence.<sup>xix</sup>

However, education's share of global ODA has fallen from 13% to 10% since 2002. In comparison, the share for health has risen from 15% to 18% and infrastructure from 24% to 31%.<sup>xx</sup> Among multilateral donors, education's share of aid has declined from 10% to 7% over the past decade.<sup>xxi</sup> 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.<sup>xxii</sup>

### Comparison of total ODA and proportion of ODA spent on education since 2006



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





*Najma, 9, (left) and Muneeba, 12, (right) read a story book borrowed from the book bank, a mobile library in their village in Pakistan. Muneeba joined school late and was a weak student in her class. When a reading buddy programme was introduced as part of a Save the Children initiative, Muneeba was paired up with Najma, who now helps her to read inside and outside school. (Credit: Asad Zaidi/Save the Children)*

The OECD is currently negotiating the largest reform of official development aid in 40 years. Save the Children fears that instead of firmly establishing the SDGs and poverty eradication as the core purpose of ODA, donor governments may dilute aid and increase spending on security measures and the costs of supporting refugees in their own countries. Watering down ODA to include more spending in donor countries would threaten investments in education and other essential services in developing countries.

Save the Children calls on donor governments not to water down aid but to increase ODA towards the target of 0.7% of national income, to commit a robust level of their aid to education, and to ensure their funding is targeted at supporting the countries and populations most in need.

The Education Commission recommended in its report that the share of all concessional aid which goes to education should rise from 10% to 15%, about the same level that goes to health today.<sup>xxiii</sup> This would mean that overall ODA devoted to education would be just 0.07% of the total GDP of

OECD countries in 2030.<sup>xxiv</sup> It is of course crucial that the financing of education does not come at the expense of other crucial public services, such as health or nutrition.

# INVESTING IN EDUCATION THROUGH MULTILATERAL FINANCING MECHANISMS

In their efforts to provide more and better aid for education, donors should channel at least 30% of education aid via multilateral efforts to support education. These are the Global Partnership for Education (GPE), the Education Cannot Wait fund for education in emergencies (ECW), and the proposed International Financing Facility for Education (IFFEd). This section of the briefing looks at each in turn.

## 1. The Global Partnership for Education

**CALL TO ACTION:** Donors should scale up financing for the Global Partnership for Education to \$2 billion per year by 2020, to create pooled grant financing to support the development and delivery of robust national education plans in low-income and lower-middle-income countries.

GPE's mission is to mobilise global and national efforts to contribute to the achievement of equitable quality education and learning for all. The partnership has a unique role: agreeing standards for education planning and policy making and mobilising development financing from public and private donors around the world to support and monitor the implementation of national education plans.<sup>xxv</sup>

GPE works to bring together developing country governments with donor country governments, civil society, the teaching profession and the private sector, to pool resources and knowledge in support of education, both globally and nationally. This creates greater coordinated and strategic support to nationally-led education plans that aim to provide every child with a quality basic education. Some of GPE's core functions include:

- **Financing at scale:** GPE provides grants to partner developing countries to fund education sector planning processes and to support implementation of education plans. GPE also creates incentives for developing countries to prepare financially sustainable education sector plans and increase national budget allocations to education that progressively reach the internationally agreed benchmark of 20% of total expenditure.
- **Promoting coordinated action:** GPE promotes policy dialogue by seeking to bring together all education partners within a country to support

national education plans through local education groups.<sup>xxvi</sup>

- **Incentivising results-based financing:** GPE grants strengthen education systems to improve equity, efficiency and learning – with 30% of each implementation grant paid only if countries achieve jointly agreed results.
- **Accelerated financing for crises:** GPE's approach aims to be adaptable, to allow for flexibility and a faster response to address urgent needs when crises hit.
- **Sharing best practice:** GPE helps partner developing countries tackle common education challenges by promoting mutual learning on what works to achieve better education outcomes.<sup>xxvii</sup>

There is good evidence that the developing countries which are supported by GPE have shown significant results. For example, 14 million fewer children of primary school age were out of school across all GPE partner developing countries in 2014 compared to 2002, and the primary school completion rate in GPE partner developing countries has increased from 63% in 2002 to 72% in 2013.<sup>xxviii</sup> 31 GPE partner developing countries are close to achieving or have achieved gender parity, or have more girls completing primary school than boys.<sup>xxix</sup>

GPE is an important part of the global financing architecture for education and is emerging from a significant period of internal reform as an effective funder. It is the only global partnership entirely focused on education in developing countries. Almost 50% of GPE's funding supports countries affected by fragility and conflict.

However, GPE has struggled to reach its funding goals. The 2015–2018 replenishment of \$2.1 billion was 40% up on the first replenishment in 2011, but still 40% short of its \$3.5 billion goal.<sup>xxx</sup> Having listened to donors' concerns, the GPE has made a number of reforms, including publishing an ambitious 2020 strategy. In its 2020 Strategic Plan, GPE states that its three strategic goals are: 1) Improved and more equitable student learning outcomes, through quality teaching and learning; 2) Increased equity, gender equality and inclusion; 3) Effective and efficient education systems.

The GPE Board of Directors recently approved an ambitious new financing and funding framework, which aims to substantially increase GPE's support to developing countries, and drive greater and better coordinated public and private financing for global education.

The new framework is in part a response to the Education Commission's report, which stated that GPE should aim to increase its financing to \$2 billion per year by 2020 and \$4 billion per year by 2030.<sup>xxxi</sup>

GPE is committed to delivering quality and equitable education for all children. It is imperative that donors ensure



it is able to fulfil this commitment, starting with the 2018-2021 replenishment.

## 2. Education Cannot Wait: A Fund for Education in Emergencies

**CALL TO ACTION:** The ECW should be fully funded to transform the delivery of education in emergencies (\$3.85 billion for 2016–2020).

To fulfil the SDG agenda, we must do more to reach children in crisis contexts with quality education. At times of crisis, education is critical to enabling children to continue to learn and develop, regardless of their circumstances, and also provides a context for physical and psychosocial protection and access to essential services. In the long term, education plays a vital role in enabling economic recovery, social stability and peace. Currently 75 million children aged 3–18 in crisis-affected contexts are in desperate need of educational support.

Ensuring education for conflict- and crisis-affected children left behind because of underfunding and neglect will require a catalytic shift in ambition. Efforts to create this shift resulted in Education Cannot Wait (ECW), a new fund for education in emergencies, which was launched at the World Humanitarian Summit in May 2016. ECW aims to generate the shared political, operational and financial commitment needed to meet the education needs of the millions of children and young people affected by crises.

At the World Humanitarian Summit, donors committed \$90 million in initial pledges towards ECW's five-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 79% of what it is striving for.

Increased resources alone will not ensure children affected by conflict and crisis are in school, safe and learning; funds need to be better deployed too. ECW must now become part of far greater efforts to create a world where all children and young people affected by crises can receive free, quality education, in safety and without fear. Concrete measures needed include defining clear outcomes for learning and investing in actionable research to generate evidence of what works to achieve these outcomes. We also need to model transparency by tracking and making public where funds are going, how much, for whom, to what and with what results.

World leaders signaled their commitment to the education of some of the most vulnerable children in the world through the establishment of ECW. We need to ensure that we deliver on the promise of increased funding, support and collaboration through ECW so that all children, no matter their circumstance, can receive quality learning.<sup>xxxii</sup>

## 3. Establishing a new International Financing Facility for Education

**CALL TO ACTION:** The World Bank and other multilateral development banks (MDBs) should establish an IFFEd to mobilise \$20 billion or more annually by 2030 (up from \$3.5 billion today) and align with existing structures to provide countries with sustainable and affordable concessional financing to deliver high-quality education sector plans or emergency response plans (such as those developed through the GPE and ECW).

Even if all the recommendations in this briefing on domestic resource mobilisation, bilateral and multilateral aid are achieved, there would still be a \$10 billion education funding shortfall by 2020, and a gap of over \$25 billion in 2030.

The Education Commission therefore recommends the establishment of an international financing facility for education (IFFEd) – an investment mechanism for MDBs and other donors. Filling the education financing gap requires us to mobilise funding beyond traditional donors and an innovative IFFEd would go a long way to achieving this.

The aim of the facility would be to ensure that education benefits from an unprecedented opportunity to increase MDB financing through much greater prioritisation and leveraging of their balance sheets. The IFFEd could mobilise \$13.5bn annually in additional resources for education by 2020.

The IFFEd would create a consortium of public and private donors and international financial institutions including the World Bank and regional development banks, working together to raise additional financing for education and ensure it is spent effectively.<sup>xxxiii</sup> The facility would aim to bridge the gap and “create attractive financing packages for low- and middle-income countries, and emergencies by better distributing scarce – in particular grant – resources, multiplying the international resources allocated to education through innovative capital leverage of the MDBs, and creating demand in middle-income countries for borrowing for education through buy-downs of non-concessional loans.”<sup>xxxiv</sup> In addition to this, the Education Commission proposes that MDBs should increase education's share in total concessional financing to 15%, up from 9% today. By encouraging MDBs to allocate 15% for education, and pushing for further expansion or front loading of future concessional financing, IFFEd would aim to mobilise an additional \$3.5 billion of concessional financing from MDBs by 2020.<sup>xxxv</sup>

Save the Children welcomes the proposal to use the MDBs to leverage new education financing. We believe the MDBs can be instrumental in delivering additional education financing to back country sector plans and GPE and ECW strategies.

When developing the nature and shape of a new funding facility, it is crucial to ensure it mobilises additional high quality, efficient and equitable financing from the beginning. Save the Children has identified a set of principles we believe must be adhered to if a new mechanism is to provide more, sustainable and better education financing. These are the benchmarks we believe the IFFEd must meet. The Education Commission are aware of the importance of addressing these principles in the design of the IFFEd. If these principles are respected, we believe the IFFEd will help provide a significant increase in financing to help deliver inclusive quality education for every last child.

### Principle 1: Equity at the core

All governments have signed up to Agenda 2030, which sets out the SDGs and the promise of leaving no-one behind. Equitable financing must be the overall objective of the IFFEd.

- In all its work, the facility should demonstrate how financing is aligned with the Education Commission's call for progressive universalism; to give greatest priority to those children most at risk of being excluded from learning.
- Donors should be strongly encouraged to prioritise ODA for education in low-income countries, where the needs for grant-based external financing are largest. This is in line with the Education Commission's recommendations.
- Any technical advice should increase governments' capacity to build and strengthen inclusive education systems.

### Principle 2: Aligning with government policies

The IFFEd should ensure that funds are used to support nationally owned and developed policies, and in particular national education sector plans.

- Any funding and contractual terms must respect that education is a matter of sovereign decision making. Donors and investors must fully respect national authorities' role as lawmakers, standard setters and regulators in the education sector. Funding should align with governments' education sector plan and priorities, and not pose policy conditions that challenge the sovereign role of elected national authorities.
- Any results-based financing must be careful not to cause unintended negative incentives, such as under investments in parts of the sector that are not being reviewed for further funding, incentivising quick fixes without addressing root causes of educational challenges, or in other ways skewing priorities.

### Principle 3: Effective development finance

The IFFEd must align with existing education funding mechanisms. It should ensure that funding and investments build on available knowledge and evidence of what works.<sup>xxxvi</sup>

- The IFFEd must comply with internationally agreed principles for aid effectiveness, as set out in the Paris Declaration and Accra Agenda for Action.
- The IFFEd must be well coordinated with existing funding mechanisms. Its role must be to mobilise capital to back the GPE and ECW. Work and structures must not be duplicated, and transaction costs of the new mechanism must be minimised.
- Financing to the IFFEd should be additional, not at the expense of the GPE, ECW or humanitarian aid to education nor health. The initiative must encourage an ambitious replenishment of the GPE, and not seek to compete for the same funds.
- Any results-based financing should focus on the national level of the education system as a whole, be supportive of the SDGs, and avoid creating perverse incentives that do not help to reduce the learning gap for all children.

### Principle 4: Debt sustainability

At a time when debt vulnerabilities are on the rise, the short- and long-term fiscal risks of borrowing for education must be well assessed. Borrowers and lenders must share responsibilities for thorough risk assessments.

- Lending to education must not increase countries debt vulnerability, as measured by the World Bank and IMF debt sustainability framework. In addition, consideration must be made of private debt and risks related to contingent liabilities (for example off balance sheet debt risks related to public-private partnerships).
- A mechanism should be put in place to write off debt that turns out unpayable in the future, for example due to crises or a change in external factors such as commodity prices.



## CALL TO ACTION

The actions identified in this briefing will result in more and better financing for education and help ensure that all children receive a high quality and equitable education.

Financing alone will not achieve SDG4. This will require political will from governments and other stakeholders to ensure that all children can access education and are learning.

But without a significant step change in our ambitions for education, the world will never meet the promises it has made to the next generation of children.

To achieve this, three clear actions are needed now:

1. **Domestic resource mobilisation:** Governments in low-income and middle-income countries need to expand their domestic tax base (to at least 20% of GDP) and increase the share of spending on education (to at least 20% of budgets), ensuring resources are sensitively spent and closely scrutinised to improve the effectiveness, efficiency and equitability of education systems. We call on OECD countries and multinational companies to promote corporate transparency to curb illicit financial flows.
2. **Bilateral aid:** We call on OECD governments not to water down the definition of aid, and for relevant donor countries to increase ODA towards the 0.7% target, to commit a robust level of ODA to education, and to ensure they are supporting the countries and populations most in need.
3. **Multilateral funding:** Donors to channel 30% of education aid via multilateral efforts to support:
  - a. **the Global Partnership for Education:** Scaling up total financing for GPE to \$2 billion per year by 2020 to provide pooled grant financing to support the development and delivery of robust national education sector plans in low-income and lower-middle income countries
  - b. **the Education Cannot Wait fund for education in emergencies:** Fully funding ECW to transform the delivery of education in emergencies (\$3.85 billion for 2016-2020)
  - c. **an International Financing Facility for Education:** The World Bank and MDBs to establish an IFFEd to mobilise \$20 billion or more annually from MDBs by 2030 (up from \$3.5 billion today) to align with existing structures to provide countries with sustainable and affordable concessional financing to deliver high-quality education sector plans or emergency response plans (such as those developed through GPE and ECW).



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- <sup>xx</sup> Ibid
- <sup>xxi</sup> Ibid
- <sup>xxii</sup> Based on analysis of UN OCHA's Financial Tracking Service data, accessed 19 August 2016.
- <sup>xxiii</sup> The International Commission on Financing Global Education Opportunity, Op cit.
- <sup>xxiv</sup> Ibid
- <sup>xxv</sup> The Global Partnership for Education (2016) *GPE 2020: Improving learning and equity through stronger education systems*. See: [www.globalpartnership.org/content/gpe-2020-strategic-plan](http://www.globalpartnership.org/content/gpe-2020-strategic-plan)
- <sup>xxvi</sup> Local education groups are responsible for developing, implementing, monitoring and evaluating education sector plans at the country level.
- <sup>xxvii</sup> The Global Partnership for Education (2016a) *Factsheet: The Global Partnership for Education*. <http://www.globalpartnership.org/content/global-partnership-education-factsheet>
- <sup>xxviii</sup> Ibid
- <sup>xxix</sup> The Global Partnership for Education (2016a) Op cit.
- <sup>xxx</sup> Ibid
- <sup>xxxi</sup> Ibid
- <sup>xxxii</sup> Save the Children (2016) *Education Cannot Wait: Ensuring we deliver on the promise of increased funding, support and collaboration*. See: [http://www.savethechildren.org.uk/sites/default/files/images/Education\\_Cannot\\_Wait\\_Delivering\\_on\\_the\\_promise.pdf](http://www.savethechildren.org.uk/sites/default/files/images/Education_Cannot_Wait_Delivering_on_the_promise.pdf)
- <sup>xxxiii</sup> The Education Commission (2017) *A proposal to create a new International Finance Facility for Education*. See: <https://s3.amazonaws.com/theirworld-site-resources/IFFEd-Overview-Final-031517.pdf>
- <sup>xxxiv</sup> Ibid
- <sup>xxxv</sup> Ibid
- <sup>xxxvi</sup> While research and evidence exist for results-based financing in other sectors, such as infrastructure and health, there is little research on using results-based financing in the education sector. The little evidence available is inconclusive and points to several risks. Investors must acknowledge and accept that the real results from investing in education are long term.