



# What the Education Financing Commission should recommend:

A policy briefing by the  
Global Campaign for Education  
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GLOBAL CAMPAIGN FOR

**EDUCATION**

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The International Commission on Financing Global Education Opportunity was set up following the Oslo Education Summit on 6th July 2015. Indeed, it was a specific recommendation made in a paper by the Brookings Institution titled *Financing Education: Opportunities for Global Action* by Liesbet Steer and Katie Smith, which was prepared for and launched at that Summit. The Commission is 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, which includes many prominent individuals.<sup>1</sup>

Having been set up with a cumbersome name it has since been re-branded as the *Education Commission*. This has raised some concerns as it points to taking on an expanded agenda and mandate that goes beyond financing which could be in tension with the Education 2030/SDG4 Steering Committee. **However, ultimately the success or otherwise of the Commission will inevitably be measured by what it recommends and succeeds in delivering in respect of financing education.**

The Commission has sought inputs from over 30 research partners - including members of the **Global Campaign for Education (GCE)**. In addition, GCE encouraged its members in over 100 countries to engage with the Commission's consultation process; some GCE members hosted national events (in Nigeria, US, Pakistan, Norway, France and UK) and over 60 responses were collected in a detailed online consultation for the Commission by GCE. Financing was also the focus of this year's Global Action Week for Education, and over the past year GCE has involved its members in developing a Toolkit on Domestic Financing of Education which will be circulated in September 2016 – which elaborates on many of the points raised in this short policy brief.

The Commission has an important opportunity to make a breakthrough contribution on financing education, and GCE will be watching closely to see if the Commission seizes this moment or misses the opportunity to turn the tide on the right to education.

The Global Campaign for Education is a civil society coalition that calls on governments to deliver the right of everyone to a free, quality, public education. Operating in over 90 countries and dozens more across our regional and international networks, GCE members include grassroots organisations, teachers' unions, child rights groups and international NGOs.

<sup>1</sup> The commissioners are: Anant Agarwal (Professor, MIT); José Manuel Barroso (former President, EC); Felipe Calderón (former President, Mexico); Kristin Clemet (Civita, Norway); Aliko Dangote (CEO, Dangote Group); Julia Gillard (Chair, GPE); Baela Raza Jamil (ITA, Pakistan); Amel Karboul (MEF Tunisia); Jakaya Kikwete (former President, Tanzania); Jim Kim (President, World Bank); Yuriko Koike (House of Reps, Japan); Anthony Lake (Executive Director, UNICEF); Ju-ho Lee (former Korean Minister of Education); Jack Ma (Executive Chairman, Alibaba Group); Graça Machel (founder, Graça Machel Trust); Strive Masiyiwa (founder, Econet); Teopista Birungi Mayanja (founder UNATU Uganda); Shakira Mebarak (international Artist); Patricio Meller (University of Chile); Ngozi Okonjo-Iweala (former Minister of Finance, Nigeria); Sheikha Lubna Al Qasimi (Cabinet, UAE); Kailash Satyarthi (Nobel prize winner, Bachpan Bachao Andolan); Amartya Sen (Harvard); Theo Sowa (CEO, African Women's Development Fund); Lawrence Summers (Harvard); Helle Thorning-Schmidt (CEO Save the Children).

GCE shares here the key messages civil society expects to see coming out from the Commission when the report is launched in New York on 18th September 2016. The critical issues that the Commission must address have been outlined here as concisely and as clearly as possible. While the Commission's report cannot be pre-empted, **it is on the basis of these ten broad points that GCE members are encouraged to respond to the Commission's report.**

## 1. HARMONISATION

During 2015 there was an extensive global process to agree Sustainable Development Goal 4 on education, with its 7 core targets and 3 means of implementation – as fleshed out in the Education 2030 Framework for Action. The Commission must **take the SDG and its associated targets, means of implementation and indicators as a starting point** and not seek to reprioritise or reframe the education targets for 2030. There is an inter-dependency between achieving the targets on primary and secondary education, and those on early childhood, youth literacy or adult basic education, which should be recognised. Equally, the Commission should **take seriously and emphasise the right to education** as articulated in multiple UN treaties and conventions – and as such its recommendations should explicitly seek to help countries respect, protect and fulfil all dimensions of the right to education. In the same spirit it is vitally important for the Commission to reinforce existing mechanisms, and include the following in the report:

- Recognise and **reinforce the new Education 2030** structures and UNESCO convening role.
- Acknowledge the **unique role of the Global Partnership for Education (GPE) in SDG4** and call for significantly scaled up investment in its next replenishment as well as for full alignment of the *Education Cannot Wait* fund with GPE.
- Assert the important roles of the **human rights treaty bodies** in holding states to account on the right to education.

Creating duplicating or parallel priorities or architecture should be avoided.

## 2. FREE EDUCATION

One fundamental dimension of both SDG 4 and the right to education is the commitment to **free, quality, basic education** (ensuring “all girls and boys complete *free*, equitable and quality primary and secondary education leading to relevant and effective learning outcomes” is the first target of SDG4; and human rights frameworks make free primary education an immediate requirement, with a commitment to progressive realisation of free education at secondary and other levels – utilising the maximum of available resources). The Commission must be unequivocal on this and clearly oppose the charging of user fees – which have such a proven impact on deterring the enrolment of the poorest and most vulnerable children, including those with disabilities.

### 3. PUBLIC/PRIVATE

The Commission should recognise clearly that no government has achieved universal basic education other than through clear political commitment and coordinated government action. **Public education systems** play a crucial equalising force in many societies, giving children from the poorest and most disadvantaged backgrounds a fair opportunity. There may sometimes be a diversity of complementary non-State providers which offer education that is free at the point of use, but the role of government is still crucial in ensuring a coherent system and regulating other providers. In this context, the Commission should also be explicit in ensuring public resources are directed to public education and in **opposing for-profit provision of education**. In many countries it is already illegal to run basic education services for-profit and it is certainly illogical to invest public money to enhance the profits of a private provider. This is particularly important given the alarming spread of commercial, for-profit providers which depend on fee-charging, large scale, low-cost, and low-quality operations. The Commission must be clear that this is not an acceptable path to follow, and that **involvement of private actors in education must be regulated by the State and consistent with human rights law**, for example, avoiding discrimination or segregation (that creates or increases inequality), preserving the humanistic aims and nature of education and ensuring full transparency. The Commission must stress that strong regulation and effective monitoring and enforcement mechanisms are essential for ensuring non-State actors are aligned with human rights.

### 4. PREDICTABILITY

The Commission is a strategic opportunity and should not look for short-term, quick fixes but rather must elaborate how countries can secure **long-term, predictable and sustainable financing**. Education systems depend on secure investments year on year to cover core recurrent costs. Temporary or one-off surges in resources, which may serve other sectors, are not so useful in education given that the biggest challenge is to cover the recurrent costs of well-trained professional teachers.

### 5. INCLUSIVE PROCESSES

There needs to be a clear focus on **reinforcing democratic and inclusive country-led processes**, with national governments in the driving seat and a commitment to consultative processes that engage teachers, students and national citizens so as to build effective and widely owned quality education policies. Externally imposed solutions should be avoided and where new global resources are raised these should be harmonised and channelled through the Global Partnership for Education with a continuing commitment to guaranteeing country ownership. Indeed, the Global Partnership for Education model should be reinforced – with Local Education Groups that promote active civil society and teacher union involvement in policy dialogue, planning and monitoring – and this needs to move from being tokenistic to genuinely inclusive. Support for civil society coalitions is crucial as these can help to build political will, place education higher up domestic agendas and hold governments to account.

### 6. BREADTH OF OUTCOMES

Education systems should have diverse aims in order to fulfil the right to education and it is dangerous (and contradictory to human rights standards) to reduce these by focusing only on easily measured indicators or the results of standardised tests. Whilst a call for focusing on 'basics' is attractive, the unintentional effects are often negative, reinforcing teaching to the test and variations of rote learning. Too often narrow measures lead to unfair competition and ranking of schools, of teachers and of students – which is in tension with the wider purposes of education. The Commission should call for attention to the need for **improved disaggregated data on a wide range of process, structural and outcome indicators**.

### 7. BUDGET SHARE

The Commission should include clear recommendations about increasing what GCE refers to as 'the 4Ss': **increasing the share of the budget for education, the size of the budget overall, the sensitivity and the scrutiny of the budget**. In respect of the first of these the Commission should urge countries to be dedicating 20% of national budgets as a reasonable '**share for education**'. This benchmark is widely used (regularly referenced by GPE/GEMR) – though the Education 2030 Framework for Action opted for the range of "*at least 15-20%*", emphasising that the least developed countries may need to exceed this. The other benchmark that is widely used is 6% of GDP should be spent on education, and it makes sense for the Commission to reinforce this too. Building on this, the Commission must:

- **Put pressure on Heads of State and Ministries of Finance** where budgets or actual spending rates are under these benchmarks (20% of budgets or 6% of GDP) – especially where there is high spending on the military, on debt repayments, or other budget lines that do not contribute to development;
- Call for a **new round of debt relief** for those developing countries who spend a significant share of their budgets on debt repayments – linking that debt relief to freeing up funds to spend on quality education and other social sectors. Any new financing mechanisms that the Commission calls for (e.g. from multilateral banks or innovative schemes) must not increase the future debt burden on countries.
- **Strengthen tracking of budget allocations/actual spending** by national governments as a key part of any 'global compact', including with active civil society engagement. There is little point in providing external aid for education to countries that are not showing a serious effort with increasing their own budget allocations or maintaining spending at 20%.
- Promote **benchmarks for the share of aid budgets** being spent on education in all contexts, including in emergencies and protracted crises. There is a strong case for arguing that, if developing countries spend 20% of their budgets on education, aid budgets should match this – and certainly targets are needed to raise aid for education from the very low percentage share today.

## 8. BUDGET SIZE

The Commission must make systematic recommendations that will help countries increase the **size of overall government budgets**. A 20% share of a small pie is a small piece – and education spending can increase dramatically through increasing the domestic tax base or the overall government budget. Some specific actions that the Commission should flag are:

- The importance of all countries reaching **at least 20% tax to GDP ratios** – through a progressive tax system.
- The need for countries to **end harmful tax incentives** (ActionAid estimates up to \$139 billion a year is given away needlessly by developing countries).
- The urgency of strengthening the capacity of governments to **prevent aggressive tax avoidance**, especially by multinational companies (the IMF estimates \$200 billion a year is lost through profit shifting using tax havens) – including through investing in revenue authorities and fairer tax systems, and promoting a unitary tax system for corporations.
- The importance of ensuring **fair global tax rules** are set and enforced by a new, well-resourced and empowered inter-governmental body – requiring country-by-country reporting and public registers of beneficial ownership and wealth. The Commission must add its voice to the call for such a global body – which was the biggest missed opportunity at the conference on Financing the SDGs in Addis Ababa in 2015.
- The potential of **new forms of global taxation**, such as the Financial Transaction Tax or a tax on individual wealth, to generate revenue for education – with a clear call for 20% of any revenues generated to be dedicated to education.
- The potential for countries to raise **new earmarked taxes** at country level that genuinely deliver additional resources for education (e.g. taxes on fossil fuels – or reforms to fossil fuel subsidies).
- The requirement for **multinational companies** that want to contribute to global education goals (e.g. members of the Global Business Coalition for Education) to be at the forefront of committing to country by country reporting and paying fair taxes where they extract profits.
- The case for ensuring that education budgets are not hit by austerity – that **expansionary and counter-cyclical spending** on education is justified given the long-term economic returns to investment in education. Ministries of Finance should be supported to factor in these long term returns to education in their medium and long term expenditure forecasts.

## 9. BUDGET SENSITIVITY

The Commission should make clear recommendations on **increasing the sensitivity of education spending, with the central focus being on equity** – ensuring that no-one is left behind and that education spending is targeted at levels of education that will most benefit people living in poverty or facing exclusion. There is compelling evidence that investments which seek to enhance equity in education systems are effective at improving outcomes for everyone. Targeting high-level learning outcomes directly does not have the same beneficial effects. The Commission should recommend:

- That countries **invest for equity** – to make education a more effective equalising force in society – because this yields the best returns for all. This includes advocating for focused investments for achieving inclusive education and a recognition that equitable financing does not mean the same as spending per child (to reach the most marginalised girls and children with disabilities will cost more per child). There is a strong case for cash transfers to support the most disadvantaged groups. Investing for equity includes prioritising investments in youth and adult literacy – which are crucial to ending cross-generational disadvantage and yet are so often overlooked.
- That no investment in quality education is more important than ensuring a **well-trained and valued professional teacher workforce**; this will always be the bulk of spending on education and however many innovations with technology can be achieved, technology is not a panacea – teachers will always be at the core of structured and effective learning process.
- That countries **avoid investments that increase inequality** or lead to stratified systems (thus avoiding fee-charging or voucher-based schemes, such as Chile's former system, where segmentation and inequality was deeply exacerbated).

## 10. BUDGET SCRUTINY

The Commission must make recommendations about **increasing the scrutiny of education budgets** – to ensure that money reaches where it should and is spent effectively and transparently. Too often education budgets disappear before they reach schools. Transparency International has documented diverse forms of corruption in education and this must be taken seriously – and the most effective measure is to ensure there is transparency in how budgets are allocated and spent – and proper independent scrutiny of them. Civil society organisations can play a crucial role in mobilising and engaging citizens at every level to be effective watchdogs – and particularly to monitor the impact of education on equity. This is important at national, district and school levels – for example ensuring national budgets follow inclusive and equity-based policy priorities, that there are fair allocations across districts and schools based on diverse needs and that school improvement grants are effectively spent to facilitate full inclusion (including of children with disabilities). Addressing waste is crucial but flagging the importance of budget scrutiny should not be used as an excuse for delaying increased investment in education.

GCE is hopeful that the International Commission on Financing Global Education Opportunity will pick up on all these points and more – and that it will represent a turning point in accelerating progress towards the full achievement of the right to education. In any scenario GCE will continue to work with its members and like-minded organisations around the world to advance a transformative agenda for fully financing the right to education.