the Education Commission

The International Commission
On Financing Global Education
Opportunity



Who We Are





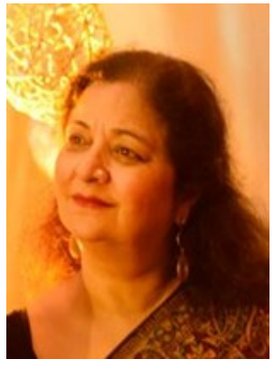












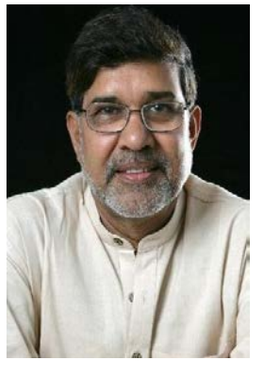
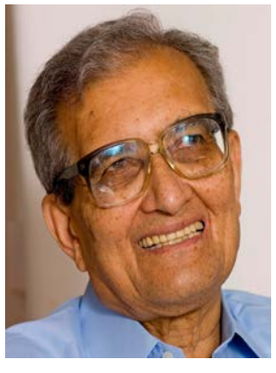













Our Research Partners

Association for the Development of Education in Africa

IDEAS

IDB Inter-American Development Bank

IIASA

KDI

CSEA Centre for the Study of the Economies of Africa

Centre for Lebanese Studies مركز الدراسات اللبنانية

CENTRE FOR POLICY RESEARCH

RESULTS FOR DEVELOPMENT

EPG

Education International Internationale de l'Education Internacional de la Educación

UNIVERSITY OF CAMBRIDGE Faculty of Education

REAL

Center for Global Development 15 at

Center for Universal Education at BROOKINGS

SEEK development

fhi360 THE SCIENCE OF IMPROVING LIVES

United Nations Educational, Scientific and Cultural Organization

International Institute for Educational Planning

ODI

FREDERICK S. PARDEE CENTER FOR INTERNATIONAL FUTURES

SOCIAL FINANCE

WITS UNIVERSITY

RIGHT TO EDUCATION PROJECT

ACDPINDONESIA



The Learning Generation

Investing in education for a changing world

A Report by The International Commission on Financing Global Education Opportunity

the Education Commission

educationcommission.org

In its report “The Learning Generation,” launched in September 2016, the Commission states the world is facing an alarming education crisis.

By 2030, more than half a generation of young people will not have the skills needed for the changing global job market.

That is more than 800 million out of 1.6 billion children and young people globally.

The Commission calls for the largest expansion of educational opportunity in history.

#LearningGeneration

photo: USAID/Carole Douglis

The Learning Generation Vision calls for a compact
The compact is realized through four transformations



I. Performance



II. Innovation



IV. Finance



III. Inclusion

Implementation Phase: Catalyzing Change

theEducationCommission

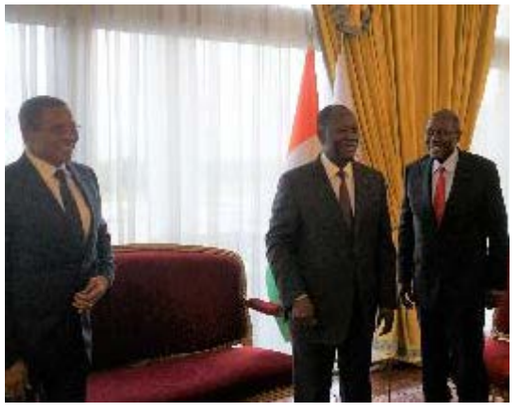
1. Encourage countries to reform and invest: pioneer country initiative

Leaders inspiring leaders: pioneer countries

- Commissioner H. E. Kikwete has visited 14 African countries to share the Commission's recommendations with presidents, cabinet officials, donor partners, & CSOs
- Meetings with Asian countries and pending delegations to Vietnam, Pakistan and Myanmar. **Delegation to Latin America** with to explore work with regional initiative



ETHIOPIA



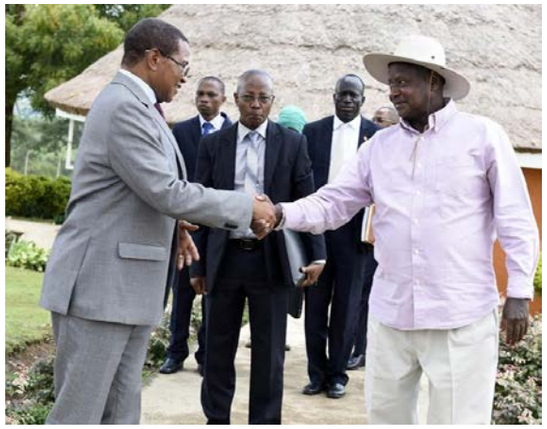
COTE D'IVOIRE



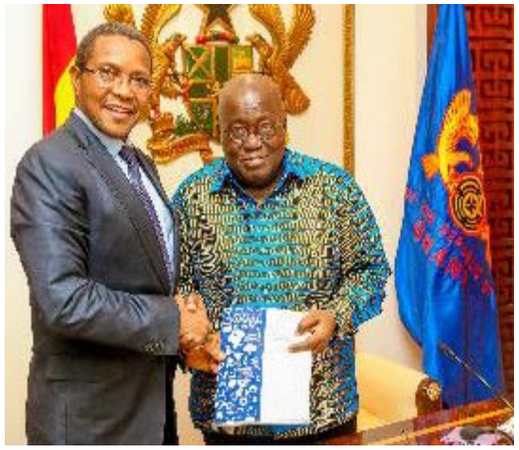
TUNISIA

Countries visited

- **Botswana**
- **Chad**
- **Congo**
- **Côte d'Ivoire**
- **Ethiopia**
- **Gabon**
- **Ghana**
- **Malawi**
- **Mozambique**
- **Namibia**
- **Nigeria**
- **Tanzania**
- **Tunisia**
- **Uganda**



UGANDA



GHANA



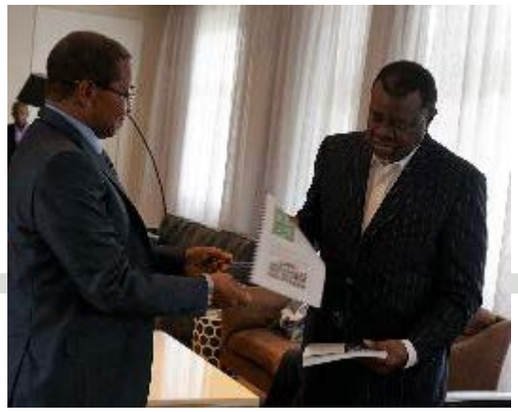
BOTSWANA



MOZAMBIQUE



TANZANIA



NAMIBIA



MALAWI

Pioneer countries: inspire leaders to reform & invest

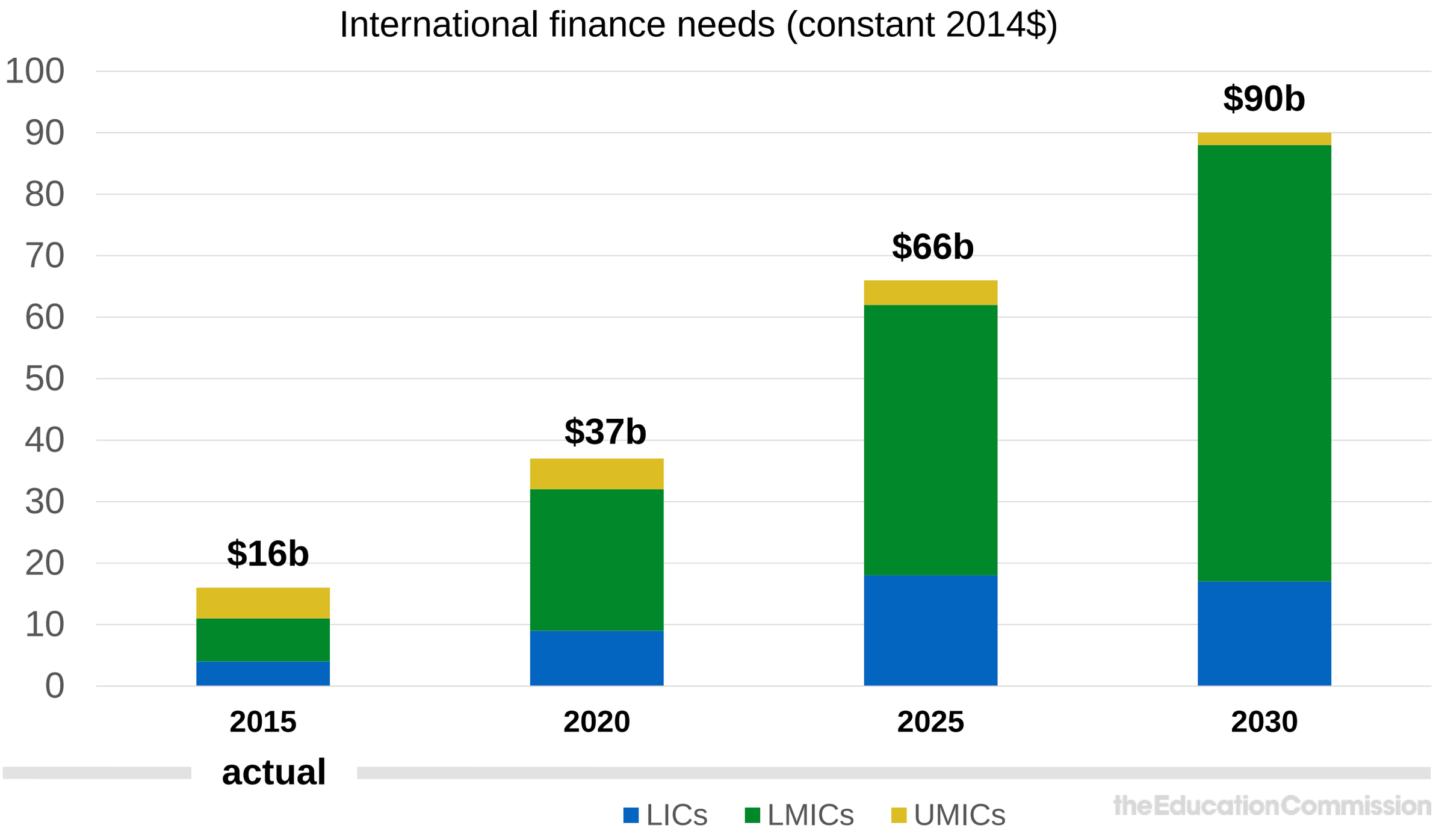
- Promote **results based approach** to help countries achieve faster progress on education sector plans and transform the culture of delivery:
  - **Specific interest in Big Results Now** experience in Tanzania and Malaysia. Learning Generation lab workshop in May.

- Strongly emphasize that **domestic spending** must be the driving force:
  - **Increase from average 4% to 5.8% of GDP**

- Next steps:
  - **Test delivery approach in 2 or 3 countries**, working with existing structures including the Local Education Groups where they exist.
  - **Working with partners** who are interested in taking this forward.

2. Mobilize more ODA and allocate it better

Even with significant reform and domestic spending increase, the need for international finance rises substantially.



theEducationCommission

Mobilize more ODA and allocate it better

- Increase share of **ODA to education = 15%** (today 10%)

- Increase share through **multilaterals** from current 1/3; more in line with other sectors (e.g. health 2/3)
  - GPE at $2 billion per year by 2020;

- Increase **share of ODA to LICs** (today less than 25%). OECD DAC recommends 50% of ODA to LDCs.

Recent advocacy:

- **Calls for prioritization of education (to 15%)** by donors and MDB in various fora; e.g. discussions with MDB leadership, UK Parliament, OECD-DAC meetings, April World Bank/IMF meetings, G20, media etc…
- **Engaging with CSOs on advocacy in support of education**, including GPE, ECW and IFFEd (March)
- **Bringing donors and pioneer countries together**: Minister of Finance Roundtable (April)

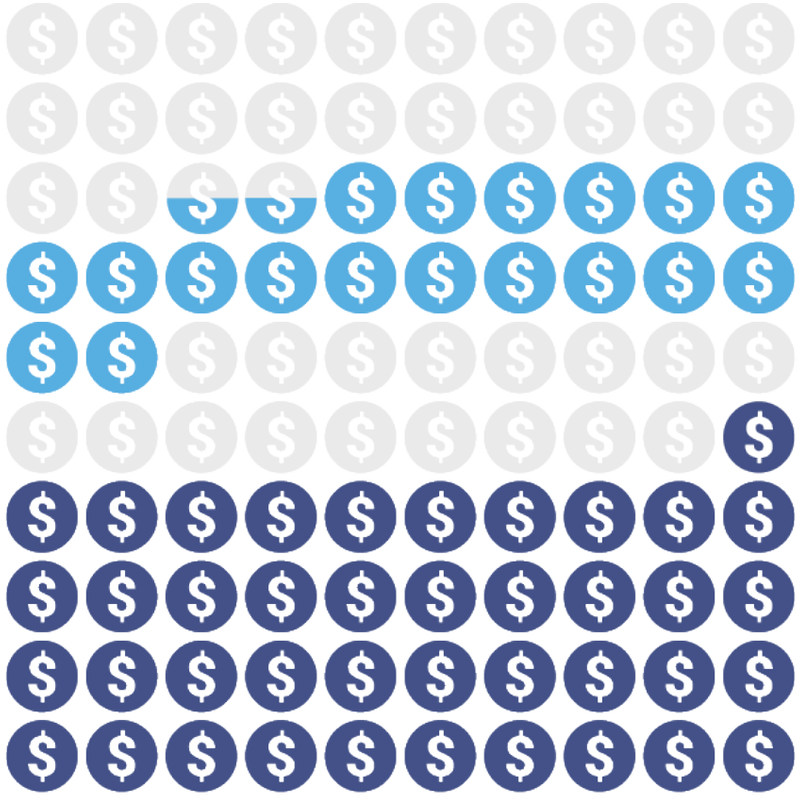
Upcoming events:

- SDG action day (June)
- G20 (July)
- UNGA (September)



BUT we also highlight that relying on ODA will not suffice (even with domestic increase and 15% target)

Current Status



ODA: 10% of total for Education

Domestic Investment: 4% GDP

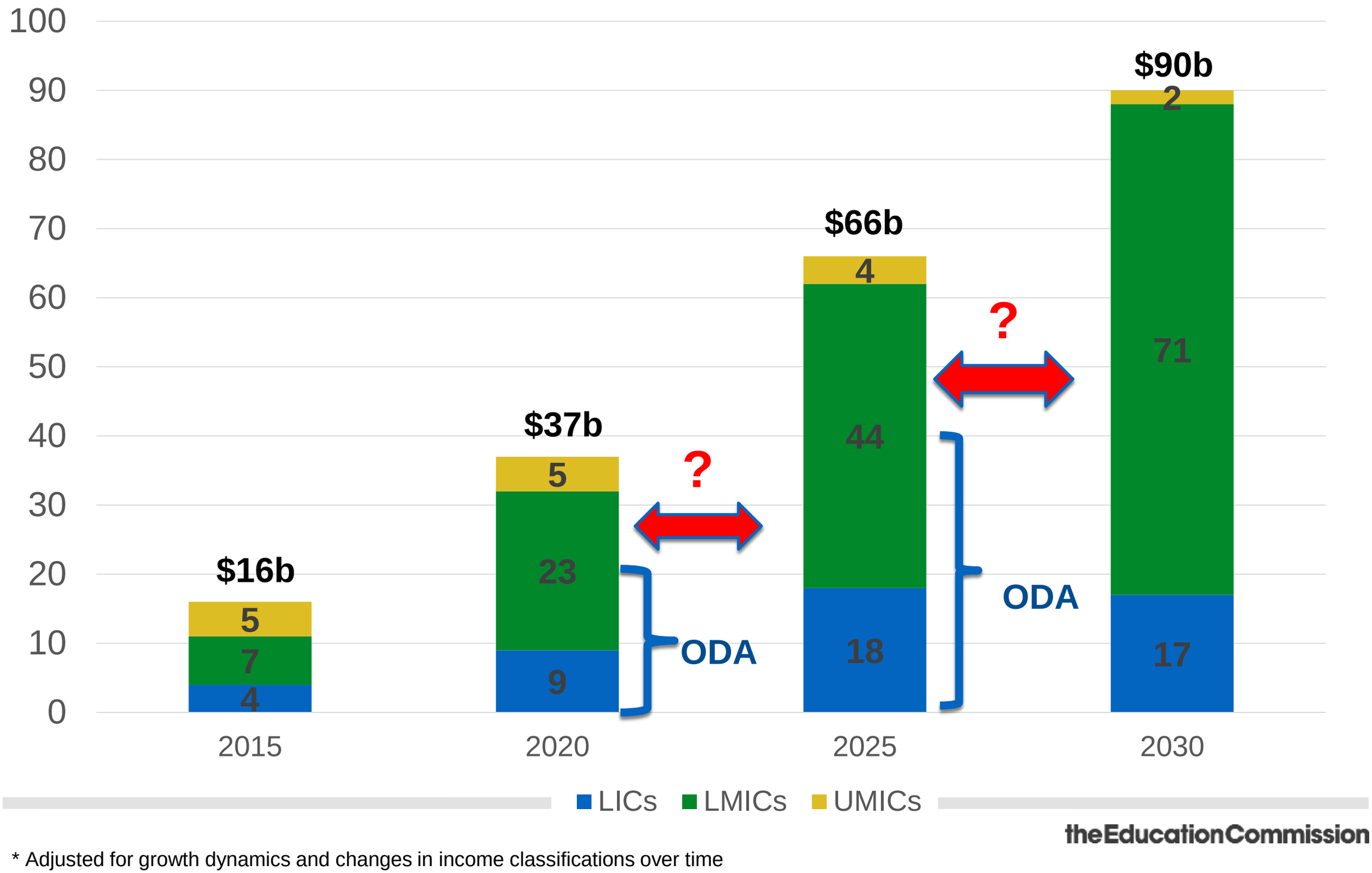
With Domestic & ODA Recommendations



ODA: 15% of total for Education

Domestic Investment: 5.8% GDP

International finance conundrum to be solved: (1) LICs have large needs relative to domestic spending; (2) LMICs have large needs in absolute terms but limited options



theEducationCommission

* Adjusted for growth dynamics and changes in income classifications over time

3. Establish the International Finance Facility for Education (IFFED)

How the IFFEd would work? By 2020:

- **Donors** come together and mobilize $2 billion in guarantees.
- **Facility**
  - with $2 billion in guarantees, secures credit rating based on credit worthiness.
  - enables MDBs to use guarantees to borrow from capital markets.
  - secures $8 billion = multiplying effect.
- **Donors** contribute with grants to Facility to make funding more attractive = near or zero interest.
- **Countries** approach Facility for new funding via the MDBs.
- **Facility** coordinates w/ MDBs to provide attractive loans to the countries + grants alongside them.

What have we done so far?

Over past few months, focus has been on feasibility of the “big idea”(using guarantees to multiply donor resources)



There is agreement (April Spring Meetings) that IFFEd is a feasible and innovative idea to increase financing in lower-middle-income countries

The Big Idea is Feasible – now we are focusing on:

- How will guarantee & buy down scheme work? (depends on preferences of MDBs and donors contributing to IFFED)
- Key principles that will drive IFFEd (light structure, additionality, alignment, results etc.)
- What are IFFEd's key activities? (key lending instruments)
- How will decisions be made? (countries, programs)
- How will results be measured?

Some key principles to make it work…

What are the principles for success?

1. **<u>Additional financing.</u>** New stream of finance to complement existing funds and fill the gaps.
   - **Domestic funding** would need to move towards desired levels alongside commitments to results.
   - **Guarantees** help us create new and additional funding to bring into the sector through the multiplying effect. Every dollar of guarantees would mobilize in about $3-5 in new funding from MDBs.

2. **<u>Responsible investment in education.</u>** The IFFEd is based on country demand and it would not subject any country inappropriately to debt.
   - Initial analysis suggests IFFEd would not impact debt in significant manner.
   - IFFEd must be open to allocate appropriate quality of finance.

3. **<u>Build on what works and already exists</u>.** The premise of the IFFEd is to fund country plans and investment cases.
   - No intention or desire for a parallel planning process or results framework.
   - Work with GPE and LEGs in countries where active.

What are the principles for success?

4. **Harmonization at the country level.** IFFEd works through existing mechanisms & MDBs to avoid fragmentation.
   - IFFED increases the capacity of the MDBs who are already active in countries and typically already part of local education groups.

5. **Flexibility for donor participation.** Donors can be engaged in different parts of IFFEd.
   - Some may want to focus on treasury guarantees to help expand capital available for education.
   - Others could contribute to the buy-downs through grants. Some may wish to do both.

6. Success of IFFEd requires all parts of international financing architecture to be successful. Making segmented financing requests alongside other funds and replenishments.

- IFFEd is in the design phase and currently seeking guarantees from donors over the next several months.
- All donors strongly encouraged to contribute to GPE to help meet replenishment targets by early 2018.
- Following 2018 GPE replenishment, donors will be requested to consider additional grant financing for newly available IFFEd financing as they dedicate more education resources to multilateral efforts

Next steps

1. So far: testing the big idea (January-April)

2. Detailed proposal for advice from the rating agencies, including identifying donors interested in guarantees. (May-September)

- Consultations with donors, MDBs & CSOs. Set up technical group.

3. Agreement on proposal with MDBs and initial commitment from donors to provide guarantees and work together to establish IFFEd (September. October)

4. Detailed design of facility and formal request for credit rating from rating agencies. Ongoing consultations with technical group (November 2017-March 2018)

5. Fundraising for buy downs and formal launch of IFFEd (April 2018 onwards)

Like the climate and health sectors, education should be part of an upward spiral of finance so we can collectively achieve and fully finance Sustainable Development Goal 4.

The Learning Generation



Photo: *Institut d'Alphabétisation pour la Paix et le Développement Consultation,* ***Guinea***