GLOBAL PARTNERSHIP FOR EDUCATION
DOMESTIC FINANCING CAMPAIGN

KEY MESSAGES – A CALL TO FUND EDUCATION

- Domestic financing is the most significant, sustainable source of financing for education.
- Ensuring more and better domestic financing for education is a core objective of the GPE Raise Your Hand campaign.
- The economic impact of the pandemic is straining national economies and budgets, risking decades of education progress. It is exacerbating existing inequalities for the most vulnerable and putting a generation at risk. There has been lost classroom time resulting in lost learning.
- Steep economic challenges from COVID also threaten already tenuous domestic financing for education.
- Millions of children and youth are not realizing their right to a full cycle of quality schooling as domestic budgets have not scaled to meet the need.
- GPE calls on countries to prioritize, protect and increase domestic financing towards the global benchmark of 20% of total public expenditure to leave no one behind and mitigate potential for huge losses in human capital.
- GPE is also calling on countries to ensure education bugets are more:
  - equitable: allocated and spent to reach the most marginalized, and
  - efficient: every dollar spent goes as far as possible to improve learning.
- Strong domestic financing commitments across GPE partner countries by 2025 would put youth on the path to learning and achieving 21st century skills.

THE IMPORTANCE OF DOMESTIC FINANCING

- Accounting for the **greatest volume of financing to education**, more than two-thirds of resources for the sector in LICs and LMICs currently come from domestic public expenditure.
- **Higher shares of domestic finance will be needed to meet SDG4 goals**, particularly given post-COVID challenges.
- On average, GPE partner countries spent 18% of total government expenditure on education in 2019 (pre-COVID).
- Domestic public expenditures **constitute the lion's share of funding to advance learning in partner countries**, and together with donor contributions, will determine whether partner countries achieve the objectives of Sustainable Development Goal 4.

THE CHALLENGE: DOMESTIC FINANCING TO REACH SDG4 IS AT RISK

- **The economic impact of the pandemic is straining national economies and budgets**, risking decades of education progress, exacerbating existing inequalities for the most vulnerable, and putting a generation at risk.
- Even prior to COVID, domestic financing faced major equity and efficiency challenges: public education expenditure tended to favor wealthier, urban households, while almost a third of education spending is lost to inefficiencies (World Bank 2021).
- **COVID-19 risks shrinking budgets in real terms** through a slow-down in growth of GDP and tax revenue. Education sector budgets are not expected to grow at the same rate as they were pre-COVID, as countries take on mounting debt to manage the impacts of COVID.
- **COVID is likely to increase a huge annual financing gap to reach SDG4 by one third, from $148 up to almost $200 billion** (UNESCO 2020).
- **Two-thirds of low- and lower-middle-income countries with available data have cut their public education budgets** since the onset of the pandemic (Education Finance Watch 2021), even as costs of service delivery are increasing due to COVID.
- **Household income** (a significant contributor to education) **is expected to drop** as an additional 93 million people fall into poverty, increasing school dropout rates. (Education Finance Watch 2021).
- **Aid to education is estimated to fall by up to 2 billion in 2022** (UNESCO 2020), **placing even greater responsibilities on governments to provide adequate domestic financing for education.**
- **A commitment to financing schooling, learning and gender equality** is key to a productive workforce, a quick recovery, future growth, development and resilience. (OECD 2020, UNECA, G7).

WHAT WE HAVE LOST...

- **Lost classroom time and lost learning** - e.g. children in at least fifty (50) GPE countries, including 25 in the Sub-Saharan Africa region, missed at least 20 weeks of schooling or half a school year, factoring partial closures (UNESCO 2021).
- COVID-19 school disruptions have caused learning losses equal to all of the **learning gains in the last two decades**; 100 million more children and youth from grades 1 to 8 were expected fell below the minimum proficiency level in 2020. (UNESCO 2021).
- At least **half a million children disengaged from skills development in 2020**, due to lack of access to remote learning options - 75% were children from rural areas and/or poor households who could not access remote learning (UNICEF 2020).
- **Girls, refugee children and internally displaced persons, and children with disabilities (including learning disabilities) experienced great challenges** accessing and benefiting from remote learning (UNICEF 2020, UNHCR 2020, GEM REPORT 2020, UNESCO 2020).

WHAT WE STAND TO LOSE IS EVEN GREATER...

Leaving education and its financing out of pandemic responses and recovery will be devastating to countries and will result in deep, sweeping and long-lasting inequalities:

Learning potential is at risk

- Millions of children risk returning to even more under resourced learning environments as governments bear the additional costs of reopening schools safely.
- The ONE Campaign estimates the pandemic increased the number of 10-year olds lacking basic literacy by 17% to 70 million children in 2021, with a potential to rise to 750 million by 2030 given population trends, and sub-Saharan Africa accounting for 40% of children at risk.
- The complexity and costs of improving skills are expected to be highest in Sub-Saharan Africa, due to efforts needed to bring large numbers of children up to the lowest minimum proficiency, and flexible strategies needed to address learning inequalities within countries (World Bank 2021).

Equity in education along all dimensions is at risk...

- **The most marginalized will suffer the most** as COVID exacerbates existing inequities.
- **Decades of progress on girls' education are at risk:**
  - The number of girls out of school worldwide has dropped by 79 million over the last 25 years.
  - But an estimated 20 million girls and half of all refugee girls in secondary school may not return to school when they reopen (Plan/UNICEF 2020, UNHCR 2020).

Productivity of our young people and economies is at risk...

- COVID-19 could result in a loss of 0.6 years of schooling adjusted for quality, which for the 2020 cohort of primary and secondary school students, could yield a potential loss in lifecycle earnings as high as USD$10 trillion (World Bank 2020).
- A lower skilled and lower paid workforce puts stress on social security systems and could yield future losses in domestic revenue for countries. This, in turn, could impact volume of financing in years to come.

HEED THE CALL: HOW CAN ADVOCACY PARTNERS SUPPORT STRONG DOMESTIC FINANCE COMMITMENTS?

1. Advocate and support countries to ensure a laser sharp focus on government commitments to leaving no one behind.
2. Encourage and support Ministries of Education in formulating their commitment to liaise with other Ministries as relevant, including the Ministry of Finance, and to share the commitment with the LEG for transparency before it is sent to GPE:
   - Promote the use of data and evidence to inform volume commitments, as well as those on equity and efficiency of expenditure.
3. Encourage countries to:
   - Present education expenditure commitments as share of total government expenditure and/or GDP.
   - Provide historical expenditures as a baseline for establishing new milestones.
   - Ensure commitments are based on measurable targets, and commit to timely collection and release of financial data.
   - Submit comitments, ideally over a 5 year period, (in alignment with GPE 2025) or in line with financial documents such as the country's Medium-Term Expenditure Framework (MTEF).
   - Make policy commitments on equity and efficiency in areas of priority for them, including gender equality, better management of the teacher workforce, improvements in timeliness of data, accessibility of data for mutual accountability, national recovery national recovery stimulus spending targeting education, and supporting cross-sector imperatives, including protecting/expanding school health and nutrition etc.

Financing education will unlock the future of millions of children, and contribute to early and long-term recovery from the pandemic. **Individual and societal resilience in any crisis, such as the COVID-19 pandemic, means financing stronger public education systems**.

OTHER USEFUL RESOURCES:

- Global Partnership for Education Case for Investment in Education Financing
- Global Partnership for Education Guidelines for the Monitoring of National Education Budgets
- Global Campaign for Education Financing Matters: A Toolkit on Domestic Financing for Education
- UNGEI/Malala Fund Spending Better for Gender Equality in Education
- UNECA Womens Entreprensurship in Africa: Education and Finance for Success Entreprensurship in Africa
- ADEA/AU-CIEFFA Financing Education in Africa During the COVID-19 Pandemic
- G7 to boost girls' education and women's employment in recovery from COVID-19 pandemic
- Girls Not Brides – Budget Advocacy to End Child Marriage (webinar)