

**NORRAG**  
NEWS  
**52**

AUGUST  
2015

**REFLECTIONS  
ON THE WORLD  
EDUCATION  
FORUM  
AND  
FINANCING  
EDUCATION &  
SKILLS:**

NEW AND OLD  
MODALITIES:  
NEW AND OLD  
PARTNERS



**norrage**

Network for international policies and cooperation in education and training

# **NORRAG** NEWS **52**

AUGUST  
2015



**norrag**

Network for international policies and cooperation in education and training

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## **What is NORRAG?**

NORRAG is an internationally recognised, multi-stakeholder network which has been seeking to inform, challenge and influence international education and training policies and cooperation for almost 30 years.

Through networking and other forms of cooperation and institutional partnerships, it aims in particular to:

- stimulate and disseminate timely, concise, critical analysis and act as an incubator for new ideas
- broker knowledge at the interface between research, policy and practice

NORRAG's current programme focuses on the following themes:

- Education and training policies in the post-2015 and beyond agenda
- Global governance of education and training and the politics of data
- Conflict, violence, education and training
- International perspectives on technical and vocational education and training (TVET) policies and practice in the global South

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## **What is *NORRAG News*?**

*NORRAG News* is a digital newsletter that is produced twice a year. Each issue has a large number of short, sharp articles, focusing on policy implications of research findings and/or on the practical implications of new policies on international education and training formulated by development agencies, foundations and NGOs. The niche of NORRAG has been to identify a number of 'red threads' running through the complexity of the debates and the current aid and cooperation discourse, and to dedicate special issues of *NORRAG News* to the critical analysis of these themes.

Some issues of *NORRAG News* have been translated into French and Spanish, as well as into Chinese and Arabic from 2014 onwards.

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# **NORRAG News 52**

## Reflections On The World Education Forum

And

## Financing Education & Skills

## New And Old Modalities: New And Old Partners

This issue of *NORRAG News* (NN) – NN52 – reflects critically on the World Education Forum (WEF), just held in Incheon, South Korea during 18-22 May 2015.

It also looks at the place of education and skills financing against the backdrop of the world's next development agenda from September 2015 and the 3rd International Conference on Financing for Development (FFD) which was held on 13th-16th July 2015 in Addis Ababa.

Though much of what is happening in education and skills financing is arguably not directly linked to the post-2015 agenda, the different routes towards post-2015 all have implications for finance, and especially official development assistance (ODA) financing. Thus the national and regional Education for All (EFA) assessments which came together in the World Education Forum in Incheon Korea (May 2015), a year after the Muscat Agreement, all have financing dimensions. Incheon's ambitious Goal and draft Targets also have very serious implications for financing.

The EFA Global Monitoring Report 2015: *Education for All: Achievements and Challenges 2000-2015*, contained a key chapter on aid and financing; it analysed the financial resources available to education, taking into account the roles of governments, international development institutions, households and the private sector.

The Open Working Group's (OWG) Report (July 2014) and the UN Secretary General's Post-2015 Synthesis Report (December 2014) have both underlined the importance of ODA financing targets and national financing commitments. The post-2015 intergovernmental negotiations January-July 2015 also addressed the financing dimension of the post-2015 agenda, even as they waited for the outcome of the Financing for Development Conference in mid-July.

Beyond these different routes towards post-2015, there are financial challenges more generally for resource mobilization for education. These include demands upon ODA for DAC donors, as well as new targets for the Global Partnership for Education, and other initiatives such as the Global Education First Initiative. There have also been renewed concerns about the priority of domestic financing for education. Emerging non-DAC donors, including the BRICS countries, will be under pressure to relate to any new financing agreements post-2015. So too will private philanthropic foundations.

Apart from these, and from the continued priority focus on the funding of education as a global public good, it is crucial to look critically at the world of private education, including the mixes of the public and the private in shadow education environments, as well as the so-called low-fee private school regimes, and the no-fee school provision by non-government and civil society organizations. The extent to which the private sector and private firms are part of the solution to education finance needs to be carefully interrogated. This includes the interest several bilateral donors have in relating much more closely with the private sector.

It is also necessary to examine what has happened to the apparently promising world of innovative financing for education. Which of the many creative schemes are actually delivering finance for education, and what others have the realistic potential to do so?

There is also a need to review the particular challenges of the financing of education in conflict, post-conflict and emergency situations.

Running through the review of various financing modalities and mechanisms, we need to highlight specific financing approaches which are more suited to some sub-sectors of education and skill, than to others. Again, there are particular schemes related to life-long learning, technical and vocational education and training (TVET) financing and even early childhood education financing.

A final, but key concern, in this issue of NN relates to the way different types of financial resources for education are allocated. Development partner concerns with resource allocation and monitoring of education have produced a series of schemes which have promised a good deal, from Cash on Delivery to Results-based Financing for education, and skills development funds. Running through all of these is the concern with value for money (See NN 47). But, perhaps even more importantly, there is the need for further analysis of the way that domestic resources for education are actually allocated; how efficiently and equitably are these managed, now that these have become a central priority of financing for development?

## Foreword

Kenneth King, University of Edinburgh & NORRAG

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This issue of NORRAG News comes after two major conferences on education, the World Forum on Education (WEF) in Incheon on 19-22 May 2015 in South Korea and the Oslo Education Summit of 6-7 July 2015, and just after the Financing for Development (FFD) conference in Addis Ababa on 13-16 July 2015.

NORRAG was fortunate to have been selected, jointly with the Campaign for Popular Education (CAMPE), to present in one of the side events in the WEF. The title was 'The global governance of the SDG Education Goal and its Targets'. The speakers in the NORRAG side event were Rasheda Choudhury (CAMPE), Manzoor Ahmed (BRAC University), Valérie Liechti (Swiss Development Cooperation), and Michel Carton (NORRAG). There was a lively debate, but time was terribly short.

NORRAG also organized, on the morning after the WEF, a reflection and an exchange on Incheon with colleagues from different South Korean academic and policy organisations. Several of these have contributed to the first section of NN52.

Because of the importance of this last really major education policy meeting before the SDG summit in September in New York, we have given it some special attention in the first section of NN52. Since the draft Education SDG and its associated Targets have consumed so much engagement by multiple actors over the past three years, we have, as with Jomtien and Dakar, given the actual text of the Incheon Declaration a good deal of attention.

NORRAG was also present in the Financing for Development (FFD) Conference last month, and because of the meeting's central focus on financing, we had decided it would be useful if this issue of NN was principally on the financing of education and skills. The bulk of NN52, therefore, is concerned with many different dimensions of education and skills financing.

Shortly before the September SDG summit in New York, there is the major UKFIET Conference in Oxford on 'Learning for Sustainable Futures:

Making the Connections'. Though NORRAG is not organizing a whole section of the conference this time, there are many papers being presented by NORRAG members, and as usual there is a NORRAG Open Meeting on the second evening of the conference (16th September), after dinner.

NORRAG will also organise an open meeting to review what will have been finally agreed in New York as the SDG Education Goal and its Education Targets. Most likely this will be in February 2016, several months after the post-2015 dust has settled, and countries, institutions, both public and private, and individuals are considering the implications of the world's newly agreed development agenda – up to 2030.

We hope to see many NORRAG members in Oxford in September.

Kenneth King, Saltoun Hall, Pencaitland, Scotland, UK, 7th August 2015







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# **PART 1**

## **EDITORIAL AND OVERVIEWS**

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## EDITORIAL

# The World Education Forum (WEF) at Incheon, South Korea: What Reflections, Memories, Legacy?¹

Kenneth King, University of Edinburgh & NORRAG

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It's now more than two months since Incheon, and it's perhaps appropriate to consider what is the enduring legacy from this huge investment of time, thought and resources, especially by South Korea but also UNESCO.

Another way of answering the question is to consider what the informed international education community still recall from Jomtien, 25 years ago, or from Dakar 15 years back.

Arguably, they are likely to recall one or two of the six dimensions for suggested national target-setting from Jomtien, and they will certainly remember that there were six Education for All (EFA) Goals in Dakar. Why? **Because targets appear, in policy circles, to be more memorable, more relevant, and more crucial than mere text.**

There were in fact also ten Articles in the Jomtien Declaration, very compellingly crafted, but few will remember these. There is an occasional very powerful sentence which may be recalled by some early childhood professionals, such as 'Learning begins at birth' (part of Article 5), or a phrase such as 'meeting basic learning needs' or 'an expanded vision of basic education'. But that will be all.

From Dakar's three-page *Framework for Action*, apart from some of focus of the six EFA Goals, if not their exact phrasing, there are perhaps one or two memorable phrases or sentences that can be recalled such as: '*We affirm that no countries seriously committed to education for all will be thwarted in their achievement of this goal by a lack of resources.*' (Dakar FFA, paragraph 10)

In connection with this grand pledge, the Global Monitoring Report (GMR) 2015 comments that '*The pledge made at Dakar...has been one of the biggest failures of the EFA period. Donors failed to live up to their promises*' (Summary, GMR 2015: 45).

### But what will be recalled from the three pages of the Incheon Declaration after two months, one year, ten, fifteen or twenty-five years?

The sustainable development goal (SDG) 4 was in the Incheon Declaration, but this was already known from the Open Working Group (OWG) process and from the Muscat Agreement. Here it is: '...the proposed SDG 4 "*Ensure inclusive and equitable quality education and promote life-long learning opportunities for all*" and its corresponding targets' (paragraph 5).

However, none of these corresponding targets were actually included in the Incheon Declaration. We shall come back in a moment to explain why. But what else is memorable from the Incheon Declaration?

### Any memorable lines in the 3-page text of the Declaration?

For me, two of the most powerful sentences are the following:

No education target should be considered met unless met by all  
We therefore commit to making the necessary changes in education policies and focusing our efforts on the most disadvantaged, especially those with disabilities, to ensure that no one is left behind (Paragraph 7).

These sentences are in fact two sides of the same coin. Of course they sound familiar precisely because we have heard them before. Many of us may have read Save the Children's Briefing: *Leaving No One Behind* (2014)<sup>2</sup>. And 'no one is left behind' is used no less than six times in the Report

<sup>1</sup> This introductory comment appeared as a blog on NORRAG Newsbite: <https://norrags.wordpress.com/>

<sup>2</sup> <http://www.savethechildren.org.uk/resources/online-library/leaving-no-one-behind>

of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda (HLP, 2013). Indeed both the faces in Incheon's paragraph 7 are also used very similarly in this paragraph about the Twelve Illustrative Goals and their associated Targets from the HLP Report:

The indicators that track them should be disaggregated to ensure no one is left behind and targets should only be considered 'achieved' if they are met for all relevant income and social groups. (HLP, Executive Summary)

One of the reasons that these two Incheon sentences are so important is because of what is said in the Preamble of the Incheon Declaration, after affirming the spirit of Dakar and the subsequent important commitment to education:

however, we recognize with great concern that we are far from having reached education for all. (paragraph 2)

There are only two main headings after the Preamble. The first is *Toward 2030: A new vision for education*. And the second is *Implementing our common agenda*.

But can we put our fingers on what is new about the new vision for education at Incheon? Here, for example, is the pledge in the last few lines of the Declaration:

Building on the legacy of Jomtien and Dakar, this Incheon Declaration is an historic commitment by all of us to transform lives through a new vision for education, with bold and innovative actions, to reach our ambitious goal by 2030. (paragraph 20)

Searching in the text for what is new about this vision, we find that this new agenda – this new vision – claims to be 'transformative', 'holistic', 'ambitious', 'aspirational', 'universal' and 'humanistic'. In addition to these claims, paragraph five affirms that education is a human right, a basis for other rights; it is '*essential for peace, tolerance, human fulfilment and sustainable development*'. It is also a 'key to full employment and poverty eradication'. These huge claims about the potential of education are not entirely new; the large literature asserting that "Education for All is Development" and that 'Education transforms lives' has been reviewed exhaustively before (See the GMR 2002 and the GMR 2013/4).

The only sub-themes that are emphasized in bold in the Incheon Declaration are access, inclusion and equity, gender equality, quality, and lifelong learning opportunities. Each of these has a paragraph of its own. The ambitions of Incheon are captured in these few, key paragraphs.

However, beyond commitments to basic education at Jomtien and to the six EFA Goals of Dakar, Incheon wants to '*ensure the provision of 12 years of **free, publicly funded, equitable quality primary and secondary** education*'. These six adjectives in front of 'education' are quite a mouthful. But the first 9 years are also to be 'compulsory'. This is a big requirement, when it is recalled from the GMR 2015 that only 27 countries made lower secondary compulsory since 2000. And in Sub-Saharan Africa lower/upper secondary enrolment stands at 50%/32% respectively. The underlining of FREE is important, but readers should note from the 2015 GMR that '*despite fee-free public primary schooling being enshrined in law in 135 countries, 110 still continue to charge some sort of fee*'(p.260).

### The biggest pledge of all?

The single biggest offer in Incheon comes in the paragraph about lifelong learning. Here it is: '*We commit to promoting quality **lifelong learning opportunities** for all, in all settings and at all levels of education*'. (paragraph 10). Three uses of 'all' in one sentence! This is very good news for adult educators, as the paragraph covers formal, non-formal and even informal education (See Tuckett in NN52).

### Oh, and what about the cost??

The section on '*a new vision for education*' has nothing about cost. That comes later in the section called '*Implementing our common agenda*'. One paragraph (14) recognizes that the ambitions of Incheon cannot be realized '*without a significant and well-targeted increase in financing*'. It then urges adherence to the benchmarks of 15-20% of public expenditure and 4-6% of GDP for education.

A second and longer paragraph (15) calls upon a whole slew of countries and of modalities – developed countries, traditional and emerging donors, middle income countries and international financing mechanisms – to increase funding to education. It then urges the members of DAC who

have not yet reached 0.7% of GNP for ODA 'to make additional concrete efforts towards the target' [only five countries had reached this goal by 2013; and Korea, USA and Japan were at 0.13%; 0.19%; and 0.23% respectively]. Interestingly, there are no specific financing suggestions made for the emerging donors and middle-income countries. And there are no indications of the large financing gaps which have been discussed by the GMR 2015, and which were reproduced in the Incheon draft Framework for Action. Hence the ambitions and visions of Incheon need some serious costing, both internationally and nationally.

### **Why were there no targets in the Incheon Declaration?**

Given what we said at the beginning about targets being more attractive than text, how are we to explain the fact that, unlike Jomtien and Dakar, the Incheon Declaration has no targets?

The reason is simple: that the SDGs and their corresponding targets are currently under review by the UN's Intergovernmental Negotiations in New York. There was available from this process at the time of Incheon a set of revised targets, including four of the Education ones. The NGO Forum in Incheon readily took these proposed revisions on board in its own Incheon Declaration (NGO, 2015). But it would have been premature for the plenary conference in Incheon either to confirm the existing targets or to accept the revised ones being debated in New York. Within a few weeks, the UN intergovernmental process might have reached a different conclusion. Then UNESCO and the Incheon Declaration would be suddenly out of step with the UN process leading thru from New York in June, to the Financing for Development conference in Addis in July, and on to the final summit in the September in New York.

However, it is still useful to examine what the text of Incheon Declaration has actually taken from the targets in the Incheon Draft Framework for Action. This is dealt with in some detail later in *NORRAG News 52* (See King 'Targets vs Text' in NN52)

### **Another legacy: a better insight into South Korea**

Doubtless, for many participants the legacy of Incheon was a better understanding of Korea's extraordinary transformation from the end of the

Korean War to the present. To be debating a new and transformative vision for global education in a country that attributed such a great deal of its success to education and TVET investment was a privilege. In a book made available by the Korean Educational Development Institute (KEDI) for the WEF, *Dynamic education for individual and national development: the case of the Republic of Korea*, there are three key elements of this success. Significantly, the first of these is *Government's Strong Leadership* and the second and third were *Competent teachers* and *High emphasis on education and zeal for education* (KEDI, 2015: 21-26).

Though it is now two months since Incheon, there is still a legacy to be carefully examined, and, unlike the host countries of Jomtien (Thailand) in 1990 and Dakar (Senegal) 2000 about which we learnt very little, we do have a rich insight into South Korea.

But we now turn to consider Incheon within some of the essential history of the EFA movement (Shaeffer; King in NN52), and to the comparison of Incheon Targets with Incheon Text.

### **References**

See page 29 below.

# Reflections on 27 Years of Education for All (EFA)

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**Key words:** Jomtien, Dakar, Incheon, Education for All, UNESCO

**Summary:** The 27 years of Education for All present a fascinating mixture of significant progress and stubborn stagnation, passionate idealism and political machinations, and lofty rhetoric and broken promises. While originally a stand-alone global initiative and then a parallel framework often in competition to the Millennium Development Goals in education, the vision of EFA now has the opportunity to be fully integrated into the even more ambitious agenda of the Sustainable Development Goals.

The Education for All (EFA) process actually began in 1988 when the preparatory team for the Jomtien conference, comprised of representatives of the major convenors (UNICEF, UNESCO, the World Bank, and UNDP) was established in New York at UNICEF (which was actually the originator of the EFA idea) in New York. As the representative of one of the 20+ partners supporting EFA, the International Development Research Centre in Ottawa, I became a member of the Jomtien Steering Committee and later, in Jomtien, of the Drafting Committee. An extensive background document of 120 pages was prepared and drafts of the Declaration and Framework were sometimes hotly debated first in the larger Steering Committee (e.g., does learning begin when children enter primary school or at birth) and then in the final Drafting Committee – enough so, as I recall, that there was very little, if any, debate on the texts at the time of their final endorsement by plenary. The Jomtien Conference, as the first in the EFA movement, was marked by both collegiality and collaboration among the major actors (e.g., UNESCO did not dominate the process) and excitement at launching a promising new vision and movement for education.

The EFA follow-up and monitoring process, assigned to UNESCO, was largely limited

to encouraging countries to establish EFA Committees and national action plans; these were more tracked and counted than actively promoted and monitored, and the UNESCO-based mid-decade assessment written for the Amman conference in 1996, was widely criticised as too little and too late (See NN19: Education for All – for Whom?). UNESCO continued its mandate to coordinate the EFA movement but with the less active involvement of the other partners. Partly as a result, preparations for the Dakar Conference were considerably less detailed and collaborative at least at the global level, despite the fact that many countries took seriously the assessment of progress since Jomtien. More of the final Declaration therefore had to be prepared at the Conference itself, there was more public debate about the goals (with an “expanded commentary” only prepared some weeks after Dakar and never officially endorsed by governments), and the major actors (Koichiro Matsuura, a recently elected and somewhat insecure Director General of UNESCO and Carol Bellamy, the experienced and persuasive Executive Director of UNICEF) clearly not in synch. The Dakar Conference, however, did lead to two important outcomes – a stronger commitment by donors to fund credible national EFA plans and the establishment of what, two years later, became a well-funded and professionally-staffed Global Monitoring Report, a systematic and comprehensive attempt to monitor progress towards the EFA goals and annually comment on outstanding issues related to education. It also led to a renewed commitment of UNICEF to strengthen its education programme throughout the world by establishing over 100 education officer posts around the world (posts which the Acting ADG for Education in UNESCO, Jacques Hallak, thought should be transferred to UNESCO!).

The process leading to Incheon was much more complex than that for the two previous conferences. On the one hand, there was more serious buy-in to the process by co-convenors with UNESCO such as UNICEF and the World

Bank. In addition, the NGO community, reduced to the margins in Dakar before they literally forced their way into the deliberations, was an official and welcome part of the Incheon process with a 1-1/2 day pre-conference Forum which brought together some 250 NGOs and produced a strong statement – e.g., for donor financing benchmarks and the universalization of the targets (they should be achieved by “all” rather than by “x%”) and against the privatization of education – whose influence on the final Declaration is as yet unclear. And new actors – the Global Partnership for Education, OECD, Education Above All of Qatar, the government of South Korea – became active participants in the EFA movement.

Most complex, of course, was the relationship between the lengthy and labour-intensive UNESCO/UNICEF-led EFA process, leading to the Muscat Agreement of May, 2014, and the United Nations-led process of developing a new set of Sustainable Development Goals through the Open Working Group. This relationship is discussed elsewhere in this issue of NN52; suffice it to say that UNESCO, in the lead-up to the Incheon Conference, was pressured by both the UN and some important Member States to adopt the draft SDG education goal and targets, rather than those of Muscat, as its own. These were therefore inserted into the draft Framework for Action (the title of which does not include EFA), which can only be endorsed once the final SDGs are determined, and, with somewhat different wording, into the Incheon Declaration which was approved by the Conference participants. To what extent the final FFA, which is meant to be endorsed at a proposed high-level conference in conjunction with UNESCO’s General Conference in November 2015, is seen – and advertised – as a “branded” EFA framework within the SDGs or perhaps even one which goes beyond, or encourages individual governments to go beyond, the SDGs remains to be seen.



# The World Education Forum 2015: What exactly happened to the global Education Goal and Targets?

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**Key words:** National percentages, universal targets, Jomtien, Dakar, Muscat, Open Working Group

**Summary:** Some essential history of the global target-setting process helps position the Incheon Declaration and its draft targets against a background of the essential milestones.

The 1500 participants who were in Incheon in May 2015 in South Korea for the World Forum on Education (WEF) found two key drafts in their conference packs – the *Draft Declaration: Education 2030: Towards inclusive and equitable quality education and lifelong learning for all* (3 pages, 23 April 2015; hereafter DD); and the *Framework for Action: Education 2030: Towards inclusive and equitable quality education and lifelong learning for all (Draft)* [23 April 2015, 26 pages; hereafter FFA].

The participants also got a full programme which confidently anticipated on page one that the WEF would lead to ‘agreement in principle on a comprehensive Framework for Action and the adoption of a Declaration’ (Programme p. 1). The Programme also carried the following title for its final Plenary Session IV: ‘Education 2030: Agreement on the Framework for Action and adoption of the final Declaration’ (Programme p.15). It can be seen that there was a difference anticipated on the treatment of the Declaration and the FFA.

When the final Plenary Session arrived, participants received just the **revised** *Draft Incheon Declaration* (3 pages) but no revised FFA. So the Plenary duly adopted the *Draft Incheon Declaration*. There was no attempt to provide a revised FFA. However, the Plenary was actually asked if it had any comments on the FFA, and there were none; so it could be said to have been agreed in principle. See further below.

## How did the Incheon process differ from the Jomtien and Dakar education summits?

25 years earlier than Incheon, the World Conference on Education for All (WCEFA) in Jomtien in March 1990 managed to secure agreement from 1500 participants, 155 governments and 150 NGOs to the *World Declaration on Education for All and Framework for Action to Meet Basic Learning Needs* (UNESCO, 1990). The two documents were 21 pages long (*Declaration* 10; *Framework* 11), and earlier drafts of both had been reviewed in nine regional consultations in the six months prior to Jomtien (See NN 7). WCEFA did discuss and agree Goals and Targets but it prefaced its six suggested targets with the following key sentence: ‘Countries may wish to set **their own targets** for the 1990s in terms of the following proposed dimensions’ (*Framework*, para. 8, emphasis added).

In Dakar in April 2000, *The Dakar Framework for Action* was actually the main document adopted by the World Education Forum. This *Framework* actually included the six Education for All (EFA) Goals, but there were just three pages (21 paragraphs) agreed during the final day of the Forum. There was, later on, an *Expanded commentary on the Dakar Framework for Action* (of 23 pages) developed by the Drafting Committee.

In other words, Jomtien secured the Conference’s agreement on its six suggested dimensions for national target setting; and Dakar got the Forum’s agreement on its six EFA Goals. The final Incheon Declaration did not seek to get formal agreement on its Overarching Education Goal or its seven targets and three means of implementation, since these were in the FFA and not in the final Incheon Declaration formally adopted by the Forum.

## An Incheon Declaration without targets – does it matter? Some target history

When so much effort over the last three years has gone into target setting and target negotiation in

anticipation of the September 2015 Sustainable Development Goals (SDGs) and their targets, it may be disappointing not to have had targets explicitly confirmed in Incheon as in Jomtien and Dakar. A little bit of education target history may help to explain this absence of formally agreed Incheon targets.

The High Level Panel (HLP 2013) was one of the first in the field of goal- and target-setting, in May 2013. It had a total of 12 Illustrative Goals, one of these being in Education: 'Provide quality education and lifelong learning'. The HLP suggested that the all the Goals should be universal, but that most targets should be set nationally, e.g. -'increase by x% the proportion of children able to access and complete pre-primary education'. A few targets would however be global, setting a common and measurable standard to be monitored in all countries, e.g. 'Ensure every child regardless of circumstance, has access to lower secondary education...' (HLP, 2013: 30). The HLP had just four education targets, covering pre-primary, primary, lower secondary and skills for work. No less than three of these included percentages to be set nationally.

The global thematic consultation on education in the post-2015 development agenda (March 2013) resulted in a thoughtful report which confirmed an overarching goal – but no targets were agreed. The goal was short and sharp: 'Equitable, Quality Education and Lifelong Learning for All' (UNESCO-UNICEF, 2013: 38).

#### The Muscat Agreement in May 2014

By the end of the Global Education for All Meeting in Oman in May 2014, there was a single overarching Education goal, almost identical to the one just mentioned, and no less than seven targets. Muscat had added to the four HLP targets adult literacy/numeracy; teacher quality; global citizenship education (GCED)/education for sustainable development (ESD); and minimum financing targets. Following the example set by the HLP, no less than three of the targets had percentages to be set nationally (UNESCO, 2014).

The UN's Open Working Group (OWG) for Sustainable Development Goals decided in July 2014 to propose 17 universal goals rather than 12 of the HLP. It had no fewer than 169 targets. In respect of Education, it had seven targets and three means of implementation (qualified teachers; facilities; and scholarships for developing countries). Of the

seven targets, just two were to be set in national percentages, - skills for employment and adult literacy/numeracy. Did this imply some lower status for skills development and adult literacy??

#### The Incheon Framework for Action preferred the OWG to the Muscat version of targets

Many of the more informed Incheon participants would have noticed that the Draft Framework for Action which they received in their packs on arrival in Incheon included the OWG goal and its targets and not the Muscat ones. The text used by Incheon for the Goal and Targets was in fact identical to the OWG. UNESCO presumably decided to use the OWG version as it was perceived to be closer to the UN's post-2015 process. They did not want a repeat of the two tracks from 2000, with the six EFA Goals on the one hand and the two education Millennium Development Goals (MDGs) on the other (see Shaeffer NN52).

#### The NGO challenge to the national percentages' approach to education targets

On the first day and a half of the week of the formal opening of the WEF on 20th May, some 250 NGOs held their own Forum in Incheon, and duly came up with their own 2015 NGO Forum Declaration. One of the most intriguing parts of this reflected the coincidence that the WEF was taking place in the very week that the Intergovernmental Negotiations on the Post-2015 Development Agenda<sup>1</sup> in New York were discussing several targets that had been revised from the earlier OWG version. These revised target proposals<sup>2</sup> include no less than four from the existing OWG Education Targets (4.4; 4.6; 4b; and 4c). For example, the original target 4.4 would change from 'By 2030, increase by [x] per cent the number of youth and adults who have relevant skills' to 'By 2030, **ensure that all youth and adults** have relevant skills' (UN, 2015a: 3, emphasis in the original). The rationale for such a proposed change was stated to be 'to ensure the highest possible level of ambition' (ibid).

Significantly, in Incheon, these revised target statements were discussed by the very large NGO Forum on the first day of WEF, and the Forum

<sup>1</sup> <https://sustainabledevelopment.un.org/post2015>

<sup>2</sup> [http://www.un.org/pga/wp-content/uploads/sites/3/2015/05/070515\\_intergovernmental-negotiations-post-2015-dev-agenda.pdf](http://www.un.org/pga/wp-content/uploads/sites/3/2015/05/070515_intergovernmental-negotiations-post-2015-dev-agenda.pdf)



members decided unanimously<sup>3</sup> to recommend to the WEF the adoption of all the Revised Education Targets from the New York process. In the 2015 *NGO Forum Declaration*, distributed to all participants in WEF, it was affirmed that 'We support the recommendation of the co-facilitators in the New York Intergovernmental Negotiations that where x% is used in the adult literacy, skills and teacher targets, they should be replaced by "all"' (NGO Forum, 2015: 2).

#### The New York proposal on education targets versus the Incheon FFA

By 2nd June 2015, the Co-Facilitators of the intergovernmental negotiations on the post-2015 process in New York were able to attach a zero draft of the outcome document for the UN summit in September in New York. The draft text still had the same version of the goal and targets that were in the Incheon FFA, including the education ones with some national percentages. But in one of the annexes, the much more ambitious education goals were laid out, without any national percentages. The Co-facilitators wrote in their introduction to the zero draft that: 'The first of these annexes is our paper proposing revisions to 21 of the 169 targets which we strongly recommend to member states' (UN, 2015: 2).

Instead of the targets talking of increases of x%, the proposed text talked of **all** youth and adults, or **all** learners, or **all** teachers.

#### **The politics of target-setting by UNESCO at Incheon and by the United Nations**

Presumably one reason why UNESCO and the Incheon process did not want publicly to affirm the education targets in the *draft Framework for Action* or openly to debate the revised targets proposed by the *NGO Forum Declaration* was precisely that they would be almost immediately out of step with the UN process if the latter were to decide on adopting the proposed revision to the targets. In fact the intergovernmental negotiations adopted the revised proposals for education in its draft of 1st August 2015, 'Transforming our world: the 2030 agenda for sustainable development', Finalised text for adoption (1 August).<sup>4</sup>

#### **So how did the final text of the Incheon**

#### **Declaration actually differ from the (OWG) education targets set out in the Framework?**

The Incheon Declaration didn't include any targets for reasons just discussed. But, arguably, the actual text of the Declaration went **further** than the seven targets and three means of implementation that were in the *Framework for Action (Draft)*. See the next article for a detailed account of the differences between the targets in the FFA Draft and the text of the *Incheon Declaration*.

We argue that there are several examples of where the Incheon Declaration has actually gone beyond the language of the specific education targets contained in the FFA. Of course the text surrounding the targets often covered more than was captured in the specific target statements.

But surely we now have an intriguing situation. The FFA and its education targets were not formally adopted in Incheon in order not to get out of step with the wider UN process. But the actual text of the Incheon Declaration was adopted and it is already substantially different from the UN's OWG version of the education targets.

However, we live in a world where the language of Targets is more powerful than mere Text. So the key issue remains what will happen to the Incheon Targets in the FFA, given the ongoing processes in New York?

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See page 29 below.

<sup>3</sup> [http://www.globaleducationmagazine.com/2015\\_final\\_ngo\\_declaration.pdf](http://www.globaleducationmagazine.com/2015_final_ngo_declaration.pdf)

<sup>4</sup> <https://sustainabledevelopment.un.org/content/documents/7891TRANSFORMING%20OUR%20WORLD.pdf>

# Targets versus text – Why is one valued more than the other?

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There is something absurd about our preoccupation with targets as opposed to text. It is interesting therefore that it was possible to adopt a piece of text in Incheon, but that it was not possible formally to adopt the education targets that were in the *Framework for Action*.

In the case of the World Conference on Education for All (WCEFA) in Jomtien, the only element that some people can recall after 25 years is the six targets – even though they were not even intended to be global targets – but just dimensions for national target-setting.

By contrast, most people cannot recall any of the 10 Articles of the World Declaration on Education for All at WCEFA. Yet they are extremely well-crafted and very powerful. For those, for example, who think that Jomtien and Dakar were only about access and not about quality, and that that is why the word 'quality' appears 14 times in just 3.5 pages in the Incheon Declaration, and 60 times in the 26 pages of the FFA, they should read the Jomtien Declaration again, and not least this article on learning:

## Article 4: Focusing on Learning.

**Whether or not expanded educational opportunities will translate into meaningful development - for an individual or for society - depends ultimately on whether people actually learn as a result of those opportunities, i. e., whether they incorporate useful knowledge, reasoning ability, skills, and values.** The focus of basic education must, therefore, be on actual learning acquisition and outcome, rather than exclusively upon enrolment, continued participation in organized programmes and completion of certification requirements. Active and participatory approaches are particularly valuable in assuring learning acquisition and allowing learners to reach their fullest poten-

tial. It is, therefore, necessary to define acceptable levels of learning acquisition for educational programmes and to improve and apply systems of assessing learning achievement. (Declaration, WCEFA, 1990: 5. Emphasis in the original)

## How do the education targets of the Incheon draft Framework for Action (FFA) compare with the text of the Incheon Declaration?

Before we look in more detail at the seven targets and three means of implementation in the FFA, there is a crucial prefatory comment in the *Framework* about global versus national targets. It reads as follows;

They [the Targets] spell out a global level of ambition that should encourage countries to strive for accelerated progress. Countries are expected to translate these into achievable national targets based on their educational priorities, national development strategies and plans, the way in which their education systems are organized, their institutional capacity and the availability of funding (FFA, 2015: 6).

Given that much of the debate about the Education Targets has been concerned with whether to remove the percentages that were meant to encourage national target-setting, it seems strange that this preface should reinforce this, and yet that there should be four targets that still have percentages attached to them.

Following up on our working assumption that for many organisations it is the actual targets that are the key dimension while the descriptive text surrounding them is less critical, we can now nevertheless examine the seven FFA targets, and see to what extent their substance has been captured in the text of the Incheon Declaration, which has already been formally adopted. We shall take these in the same order as they appear in the draft Framework.

## The Framework for Action education Targets

Target 4.1 was 'By 2030, ensure that all girls and boys complete free, equitable and quality **primary and secondary education** leading to relevant and effective learning outcomes' (emphasis added). This was more than adequately covered in Paragraph 6 of the *Incheon Declaration*. The latter spoke of ensuring 'the provision of 12 years of free, publicly funded, equitable quality primary and secondary education, of which at least nine years are compulsory, leading to relevant learning outcomes'. This is quite an awkward mouthful with its six adjectives in a row, but it actually goes further than the bare text of Target 4.1 in the Framework for Action.

Target 4.2 on **ensuring** 'that all boys and girls have access to quality **early childhood development, care and pre-primary education** so that they are ready for primary education' was also covered by Paragraph 6 of the *Incheon Declaration*, but arguably the coverage was both more generous and also less strong in the Declaration than in the Framework. The Declaration only talked of **encouraging** the provision of at least one year of free and compulsory quality pre-primary education, and added that all children have access to quality early childhood development, care and education (emphases added). Many early childhood educators hope that the FFA wording will be retained.

Target 4.3 of the FFA talked of **ensuring 'equal access for all** women and men to affordable quality technical, vocational and tertiary education, including university. By contrast Paragraph 10 of the *Incheon Declaration* only talked of 'equitable and increased access to quality technical and vocation education and training (TVET) and higher education and research (emphasis added). It is not immediately clear why **increased access** to research is added here in the Declaration. But the apparently weaker Declaration wording on just **increased** access to TVET, higher education and research follows immediately after a sentence apparently covering opportunities for **all**: 'We commit to promoting quality **lifelong learning opportunities** for all, in all settings and at all levels of education'. It is of course difficult to know what 'equal access for all' and 'increased access' actually might translate into in reality. The Universal Declaration on Human Rights had also used the language of higher education being 'equally accessible to all' but had importantly qualified this by adding 'on the basis of merit' (UDHR, 1948,

Article 26).

Target 4.4 read: 'By 2030, **increase by x%** the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship'. This key language about skills for employment, jobs and entrepreneurship is not reproduced in the final Declaration at all. Many other kinds of skills are mentioned, such as foundational skills, many soft skills and social skills; even the very unhelpful term, 'life skills', is included (Paragraphs 9 and 10). But skills for employment have disappeared. It is of course also surprising that Target 4.3 should talk of **'ensuring equal access for all'** to 'technical, vocational and tertiary' but that 4.4 should only be about **'increasing by x%'**. Are these two Targets in contradiction with each other? And why are there two Targets on technical and vocational education and training, anyway?

It is curious that the language about technical and vocational skills is not so explicit in the final Declaration. Particularly so, since there had been a note in the Framework for Action arguing that Targets 4.3 and 4.4 are discussed together since they are 'closely related and refer to the acquisition of technical and **work-related knowledge and skills**' (emphasis added). It is also extremely unusual for TVET to be coupled with higher education. In fact this linkage derives from the Muscat Agreement which connected TVET with upper secondary and with tertiary education and training.

Target 4.5 sought to cover the elimination of gender disparities as well as ensuring equal access to 'all levels of education and vocational training for the vulnerable'. These concerns are powerfully covered by Paragraphs 7 and 8 which underline gender equality in achieving the right to education for all. Inclusion and equity focus on addressing all forms of exclusion and marginalization. Surprisingly, the very strong pledge in Paragraph 7 that 'No education target should be considered met unless met by all' and about ensuring that 'no one is left behind' goes along with removing the commitment in FFA to ensuring 'equal access to all levels of education and vocational training for the vulnerable'. In the FFA this had been the third mention of vocational training in three different targets. Now it was gone.

Target 4.6 aimed to **'ensure** that all youth and at least x% of adults, both men and women, achieve literacy and numeracy' (emphasis added). It can

be seen that this was not a pledge to provide universal **adult** literacy and numeracy. But in this case, the *Incheon Declaration* went substantially further than the Target language. Paragraph 10 read: 'We further commit to ensuring that all youth and adults, especially girls and women, achieve relevant and recognized functional literacy and numeracy proficiency levels and acquire life skills, and that they are provided with adult learning, education and training opportunities'(emphasis added). Even if 'life skills' had proved to be a highly problematic concept when it was included in Dakar EFA Goal3, it is very important that the Declaration text underlined not merely adult literacy but 'adult learning, education and training'.

Target 4.7 had a huge catch-all ambition – to 'ensure that all learners acquire the knowledge and skills required for sustainable development, including among others through education for sustainable development and sustainable lifestyles' and a whole lot more such as a culture of peace and non-violence, human rights, cultural diversity, and global citizenship. Most of these hoped-for aspirations from education are no longer to be found in the Declaration; the only survivors are education for sustainable development (ESD) and global citizenship education (Paragraph 9). Several of the other items are found in the Declaration, but they are no longer seen as part of the education curriculum. The *Universal Declaration of Human Rights* captured some of this curricular ambition rather more economically than Target 4.7: 'It (education) shall promote understanding, tolerance and friendship among all nations, racial or religious groups' (Article 26).

Apart from the seven Targets in the FFA there were three Means of Implementation, covering appropriate learning environments, scholarships, and qualified teachers.

Target 4a: In respect of **learning environments** where the Target language had been of building and upgrading effective facilities for all, there is a general assurance in the Declaration (Paragraph 9) that education will take place 'within well-resourced, efficient and effectively governed systems'.

Target 4b: This argued for a percentage increase in scholarships for developing countries 'to enroll in higher education, including vocational training, ICT, technical engineering and scientific programmes in developed countries and other developing countries'. Where exactly this scholarship target

came from is still not clear, but it was not from the Muscat Agreement. It was possibly from one of the BRICS countries which have large scholarship programmes. But intriguingly this is the only one of the FFA targets that doesn't get picked up by the Declaration. However, it was one of the four targets which the Intergovernmental Negotiations sought to change. Instead of the percentage, the proposal read 'substantially increase support for scholarships available to developing countries' (UN, 2015b: 33).

Target 4c: This particular Target was one of those arguing only for a percentage improvement: **'increase by x%'** the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially LDCs and SIDS' (emphasis added). The Target was in fact a watering down of what had been in the Muscat Agreement: 'all governments ensure that all learners are taught by qualified, professionally-trained, motivated and well-supported teachers' (Muscat Agreement, Target 6). In reaction to Target 4c, the Declaration had only a single powerful reference to teachers: 'We will ensure that teachers and educators are empowered, adequately recruited, well-trained, professionally qualified, motivated and supported within well-resourced, efficient and effectively governed systems' (Paragraph 9). This was of course a hugely ambitious pledge, and not least in a world where so many teachers lack good salaries and hence motivation.

## Targets vs Text: The Incheon Framework vs the Incheon Declaration.

### Some Preliminary Conclusions

1. The FFA Target wording is different from the Incheon Text. Sometimes, the Text is more ambitious than the Targets; sometimes less. So there is no very clear alignment of the Declaration Text with the FFA Target wording.
2. It can be assumed that many UN Member States will prefer to stick with the Targets rather than with the Text of the Declaration.
3. However, the largest recommendation brought to the attention of the Incheon Drafting Committee was probably the suggestion of **dropping** the percentages which were present in no less than four of the FFA Targets. This came from the Intergovernmental Negotiations on post-2015

in New York, and from the Incheon NGO Forum, supporting the line from the Intergovernmental Negotiations. This proposal has an obvious, universalizing appeal.

4. But it would have been very problematic to debate this proposed change to four Targets in Incheon. Given that UNESCO wanted its Goal and Targets to be part of the same process as the UN, it was stymied in Incheon. It could not formally propose the confirmation of the existing FFA Targets as it knew these were up for debate and possible change, either in the very week of Incheon, or in future Intergovernmental Negotiations on the development agenda. Nor could it propose, like the NGO Forum, the adoption of the revised targets. What would happen if these revised targets were not confirmed by the next meeting of the Intergovernmental Negotiations? Hence the no-comment and no-debate outcome as far as the FFA Targets in Incheon were concerned.

5. It could of course be possible that there are some countries that don't want to open up the debate on any of the 21 Targets, including the four Education ones, because they may see that if these are revised then any of the other 148 Targets could be debated anew. This would then mean that the whole process which appeared to be complete with the OWG outcome back in July 2014 would have to be restarted. Many countries may not want to entertain a restart, a whole year after the OWG provided its outcome document in July 2014.

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# COMMENTS ON THE WORLD EDUCATION FORUM

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# Building consensus towards an indicator framework to monitor education beyond 2015

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**Key words:** Post-2015 education, Sustainable Development Goals, Statistics, Indicators, World Education Forum

**Summary:** As the Sustainable Development Goals and targets move towards adoption at the UN in September, this article looks at how are countries are taking the lead with UIS and other partners in defining the indicator framework that will be used to monitor education progress from 2015.

## A proposal for thematic indicators presented at the World Education Forum

At the World Education Forum (WEF) recently held in Incheon, Korea, the global education community came together to discuss goals and targets in the Sustainable Development Goals (SDGs) as well as a framework to monitor the education targets beyond 2015. They focused on an initial proposal<sup>1</sup>, which includes a broad set of 42 indicators, developed by the Technical Advisory Group on Post-2015 indicators (TAG), which is chaired by the UNESCO Institute for Statistics and includes experts from international agencies. This proposal, which was based on results from a public consultation involving Member States and a wide range of education stakeholders, was presented in the draft Framework for Action<sup>2</sup> as well as in the more detailed TAG paper, an official WEF document which is available in four languages.

At the Forum, there was rich discussion on the proposed set of indicators and wider issues, such as: support for countries to build the technical capacity required to collect and use key measures; greater efforts needed to capture the breadth of the targets, especially in areas such as education

quality and equity as well areas which may fall outside of formal education (e.g., early childhood, skills and knowledge of youth and adults, etc.); and the need to minimize the potential unintended consequences of prioritising a small set of **global** indicators as part of UN processes.

## Proposed global education indicators rated highly by national statistical offices

The work to develop thematic indicators also feeds into a broader UN process to define a small set of **global** indicators for the targets of the 17 SDGs (total of 100-120 indicators). In March, a technical report<sup>3</sup> by the UN Statistical Commission (UNSC) reviewed recommendations submitted by international agencies for global indicators, which included a subset of education indicators which drew on the TAG recommendations. Representatives of national statistical offices then assessed them based on feasibility, suitability, and relevance.

National statisticians gave the proposed education indicators high scores, ranking them third best after indicators for health and energy targets. Sixty seven per cent of education indicators received the top grade in at least one of the three criteria. Nevertheless some of the proposed indicators were considered to be too ambitious for global monitoring. It seems reasonable to expect that alternative indicators may be needed as consultations and efforts continue to develop more robust indicators over the next three to five years.

## A country-led process – the Inter-Agency and Expert Group on SDG indicators

The UNSC assessment and list of global indicators were recently submitted to the Inter-Agency and

<sup>1</sup> <http://www.uis.unesco.org/Education/Documents/tag-proposed-thematic-indicators-post2015-education-agenda.pdf>

<sup>2</sup> <http://www.uis.unesco.org/Education/Documents/wef-framework-for-action.pdf>

<sup>3</sup> <https://sustainabledevelopment.un.org/content/documents/6754Technical%20report%20of%20the%20UNSC%20Bureau%20%28final%29.pdf>



Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs), which was established by the UN Statistical Commission to develop a proposal for a global indicator framework for the entire post-2015 development agenda. This group is composed of experts from 28 Member States, elected by and representing different regions of the world. International and regional agencies are not members, but rather observers to the group. There is a separate High Level Group (HLG), consisting of 15-20 different Member States from the IAEG which will provide strategic leadership for the SDG implementation process with regard to monitoring and reporting as well as efforts to foster capacity-building, partnership and coordination. The terms of reference for the HLG<sup>4</sup> and the IAEG<sup>5</sup> are available online.

The first meeting of the IAEG-SDGs took place from 1-2 June in New York, where the Philippines and Italy were elected as Co-Chairs. Most of the meeting was devoted to procedural matters and the sharing of information on current regional activities related to the selection of post-2015 indicators. After reviewing the UNSC's technical report on priority indicators, the delegates decided that the first step should be to develop a conceptual framework for sustainable development to allow for the systematic mapping of goals and targets and ultimately the selection of global indicators. National statistical offices felt this was a necessary and feasible next step despite the pressure to submit the proposal for global indicators by the end of November 2015. In the meeting, the group proposed to create two work streams open to all members: the first to develop the theoretical statistical framework and the second to explore inter-linkages between targets and goals. If this proposal is accepted, the group is expected to work on both streams from June to September and will also draw on the technical expertise of international and regional agencies as well as academic, research and civil society experts, when appropriate. The group will convene a meeting in October in order to finalise its proposal for the global indicator framework.

## Where do we go from here?

The track for **thematic** indicators has been laid out in the draft Framework for Action which will be further developed to produce a final document that will be submitted for adoption at a Ministerial meeting to be held at UNESCO in November 2015. In order to build consensus and further refine the existing indicator framework, the Technical Advisory Group will be extended to include representatives from Member States (two technical experts on education statistics from each of five regions) that are also members of the IAEG-SDG or HLG, described above, and technical experts from civil society organizations in addition to the current members from international agencies. The framework will be further aligned, if needed, as a result of changes to **global** indicators introduced through UN processes.

The track for **global** indicators started with the first IAEG-SDGs meeting. The IAEG will develop a proposal by November 2015 for submission to the UN Statistical Commission which meets in March 2016. The UNSC will review the proposal and make its recommendation at a political level which is not yet defined, but could be the ECOSOC meeting in July or the UN General Assembly in September 2016.

The role of the UNESCO Institute for Statistics will be to maintain its observer status in the IAEG-SDGs while convening two meetings of the extended TAG between June and November 2015. The UIS will continue to serve as an essential bridge between the thematic and global streams of work. In addition to the indicators for education, which cut across a number of SDG targets, the UIS is also leading efforts to define indicators in relation to other areas of the UNESCO mandate, namely science and technology in addition to culture and communication.

<sup>4</sup> <http://unstats.un.org/files/HLG%20-%20Terms%20of%20Reference%20%28April%202015%29.pdf>

<sup>5</sup> <http://unstats.un.org/files/IAEG-SDGs%20-%20Terms%20of%20Reference%20%28April%202015%29.pdf>

# Reconciling and Re-connecting the Global and the National

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**Key words:** Education 2030 Agenda and Targets that Fit, Skills and Literacy within Lifelong Learning, Global and National Agenda and Common Moral Imperatives.

**Summary:** Global ambitions and human solidarity can be translated into achievable results by national and local action and commitment, which can be inspired by, and in turn strengthen, a global vision and common moral imperatives

The Education 2030 Goal and its Targets, discussed in WEF in Incheon, 19-21 May 2015, but still in draft until UNESCO General Conference in November 2015, were seen to be universally relevant, to both North and South. This is the one overarching education goal out of perhaps 17 global development goals (still under negotiation at UN, to be given final shape in September at a summit of countries) for SDG 2030, with no less an ambition than protecting human survival and promoting prosperity and dignity for all within planetary limits.

In the context of the continuing rich world-poor world gap in education, some argue a gap of 100 years, in terms of mean years of schooling of their adult populations, what do common goals and targets actually mean? Isn't the paramount challenge what can be done to leapfrog into the future not waiting another 100 or even 50 years? Should we be principally concerned about making the Goal and Targets appear to be seen as one-world proposals, or rather find ways to unite as the people of one-world and enable all countries to progress rapidly in their diverse contexts?

The Education Goal and its Targets can be common only at a general level of abstraction, given the importance of contexts and the broad gap just noted. Then surely the targets have to be adapted and contextualized to fit each country to make them implementable? This is of course why the framers of the Muscat Agreement (in May 2014)

and the Open Working Group (OWG) at the United Nations in July 2014 had indicated several of the Targets as 'x%', to be decided nationally.

These percentages may be removed, as strongly urged by the NGO and civil society lobby at Incheon in order to raise the global bar for all countries. But this does not eliminate the need for each country to assess its situation and decide what trajectory of progress each can set.

Another concern is that the damage done by the careless formulation of Goal 3, and the adoption of a narrow and conventional view of literacy in Goal 4 in Dakar EFA 2015 Framework remain to be fully appreciated. Remember the fuzzy use of 'life skills' rather than a clearer statement about essential skills for life and work and remember also how adult literacy was isolated and separated from skills development and lifelong learning, with a not unpredictable result in literacy achievements. The lesson has not been learned and history seemed to be repeating itself in Incheon.

The target statement about 'equal access for all women and men to affordable quality technical, vocational and tertiary education, including university' (Target 4.3) is apparently contradicted by the next target statement pledging to 'increase by x% the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship' (Target 4.4).

Then the literacy for youth and adults is presented as an isolated endeavor in Target 4.6, not recognizing the essential links with skills or the lifelong learning processes – the very same mistake made in setting EFA 2015 goals and strategies in Dakar with lamentable consequences.

It would be unfortunate to be weighed down for the next 15 years with the lingering holdover from Dakar of vague targets and obfuscation in these critical areas. There is a job cut out for the UNESCO Institute for Lifelong Learning (UIL) in Hamburg and all concerned about lifelong learning

in making these targets and related indicators clearer and more practical, undoing the damage done by the Dakar Framework.

We also need to be attentive and try to understand better and clarify the tensions between the universal and the national and local in the wider framing of all the education targets at WEF. Education 2030, and for that matter SDG 2030, will not be an international treaty, with compliance and enforcement provision and legal language in it. In fact, the draft framework fails to mention education governance issues and education financing issues in the proposed seven targets and the three means of implementation. These two crucial concerns are included as an add-on in a separate section as “modalities of implementation” but not made part of the three proposed commitments under “means of implementation.” Only obfuscation in diplomatic parlance can separate modalities of implementation and means of implementation.

The negotiators and drafters of the Education 2030 Framework do need to capture clearly the moral obligation and the ethical imperatives to deliver on what we have failed to deliver fully these last fifteen years. Only a sense of moral and ethical obligation can unite people from all parts of the world to engage in meaningful action. The Framework should aim to inspire all countries to adopt meaningful, affordable but aspirational ambitions. It should spell out as much as possible the guidelines for actions needed in countries and for the international community in the next fifteen years to fulfill these ambitions. The success of the Education 2030 agenda will depend to a large extent on how the peoples of the world and the civil society, in rich and poor countries alike, mobilise themselves and their governments.

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## Impressions about Incheon

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**Key words:** cooperation; WEF; Brazil; education; human rights.

**Summary:** Brazilian educational system prioritizes happiness and self-realization.

In Incheon, what caught the attention was that so many people referred to education as an instrument for economic development. However, we should consider education as a fundamental human right. Education itself exists for pleasure and happiness, highlighting the sense of love of wisdom that is the prerogative of every good philosophy. Economic development is totally welcome, of course, but it should be seen as a (good) collateral effect. The “telos”, the “ultimate goal” is, or it should be, at least, happiness.

Having said that, indices such as PISA shouldn't be interpreted as the only parameters that matter, but it should be accompanied by an index of happiness. Interestingly, James Heckman (Nobel in Economics – 2000) has emphasized his criticism concerning an educational model limited to a mere score in mathematics and grammatical knowledge. In fact, it makes no sense to consider that a country is well developed educationally only because of its excellent ratings in mathematics, if at the same time the suicide rate among adolescents in the country is immense and if this stems from a culture in which you press the youth beyond healthy limits.

Obviously, Brazil needs to improve its ranking in PISA, though by no means should it do so by copying methodologies of countries whose cultural backgrounds are quite different from ours. Note that even the well-positioned countries in PISA admit the need to reform their educational models in order to encourage more creativity, freedom of thought and pleasure in the learning process.

Another point that should strike us as relevant is the perception that there are many models of cooperation among countries, and some of

these go far beyond mere financial interests. The fundamentals of the Brazilian social programs, which are successful in the fight against hunger and poverty, have been made available by our Minister of Education, Renato Janine Ribeiro, to any countries that want to reproduce them according to their own needs. Interested parties can contact us via e-mail:

brazilianexperience@mec.gov.br

Finally, opportunities like those provided by Incheon have just one significant downside: the immense lapse of time between our meetings. Considering the importance of the issue, fifteen years is too long a time between the World Education Forum in Dakar and the next one in Incheon.

*[Global Citizenship Education (GCED) is just one of many items included in the seven targets of the Education SDG. The following two pieces illustrate just how challenging it could be to develop appropriate indicators to take account of the ambitions of GCED. Editor]*

# Creative Global Citizenship Education (GCED) for Sustainable Development in the 21st Century

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**Key words:** Global issues; global curriculum; inter-disciplinarity; individual engagement; contextualization

**Summary:** The case for a truly global citizenship education is laid out in all its cognitive and non-cognitive dimensions. As an element within one of the targets in the draft education SDG it can be seen that making GCED a reality will indeed be an ambitious undertaking.

The world in the 21st century faces the global issues of climate environmental change, new green clean energies, poverty, water, youth unemployment, accompanied with a profound crisis of values, moral hazard, conflict, violence, intolerance, extremism. Global Citizenship Education (GCED) claims to change people, communities, and nations if it is well embedded in the global education system. The global issues and challenges require global solutions through a new creative GCED, ensuring all learners acquire the knowledge and skills needed to promote sustainable development, promotion of a culture of peace and non-violence, appreciation of cultural diversity and culture's contribution to sustainable development. GCED requires new innovative educational contents, transformative pedagogy, and actual practice worldwide. For actualization of the GCED, a new global citizenship educational curriculum encompassing not only innovative cognitive elements of creativity, problem solving, critical thinking, analytical reasoning but also non-cognitive components of universal values and morality, honesty and integrity, responsibility, should be developed. It's a tall order.

To address these global issues facing the world, the UN Secretary General Ban Ki-moon launched the UN Academic Impact (UNAI) in November 2010, followed by the fostering of global citizenship in the Global Education First Initiative (GEFI) established in September 2012. Moreover, he also launched the Sustainable Development Solutions Network (SDSN) in August 2012, which aimed to find practical technological solutions to the many

global challenges of sustainable development.

In the 21st century, students must be encouraged to explore "new knowledge with no answers as yet" and be helped to acquire abilities to think critically and to solve problems creatively. The new challenge facing higher education is to impart broad knowledge that transcends the barriers of academic disciplines. The academic departments in universities have traditionally been established along the dividing lines of academic fields. But, the problems and challenges in the real world do not occur along the lines of predetermined academic disciplines. To educate the future global leaders in the 21st century, higher education must emphasize interdisciplinary and trans-disciplinary training that networks among various academic fields.

A new creative GCED should be introduced and implemented for resolving the interconnected challenge of the global community in the 21st century. Actually, global citizenship education must start from individual to communal, to national, and then expand to a global basis. However, without the global mindset and follow-up actions of global citizenship on an individual basis, true global citizenship education cannot be accomplished worldwide. To change and transform the world, we ourselves as educators and leaders must implement global citizenship education first. Each individual should be an actor of GCED and must demonstrate examples of GCED.

Global citizens must be educated to be responsible for all he or she says, does and writes; honest and diligent in his or her academic and social life; willing to live together locally and globally; willing to help and sacrifice for others. Global citizens must restore impaired moral and ethical values; and learn how to coexist among human beings as well as with natural environment harmoniously, and must prevent climate change and desertification to save the earth. The global partnership between worldwide higher educational institutions and UN global educational initiatives should be further expanded to alleviate the knowledge gap

between developing and developed countries, and to improve the equitable quality of education, especially in developing countries.

Another important task is the development of the curriculum for global citizenship education. Furthermore, we have to take into account an appropriate contextualization for each country in applying the curriculum. Finding maximum, not minimum, common denominators is necessary and the universal values like human dignity and democracy should not be compromised. In developing the curriculum, the participation of all sectors and stakeholders including public and private sector, civil society, NGOs, and youth should be encouraged, not in silos, given the interdisciplinary nature of this issue. Global citizenship education should also embrace all related initiatives like Global Education First Initiative, United Nations Academic Impact, Alliance of Civilizations, and Community of Democracies so as to foster synergies and complementarity.

In conclusion, we have to demonstrate and educate for global citizenship, which is sensitive to human dignity, tolerance, and mutual respect and understanding. Education has a rare opportunity to contribute to the international peace and security by providing fundamental solutions to the issues like intolerance, terrorism, and violent extremism we are now facing. – I did say it was a tall order!



# The World Education Forum with Unfinished Task to Find the Real Meaning of Global Citizenship Education in the Post-2015 Era

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**Key words:** The 2015 World Education Forum; Global Citizenship Education; Sustainable Development Goals.

**Summary:** Although it is a big achievement that Global Citizenship Education (GCED) gained a spotlight in the 2015 World Education Forum (WEF), we have long way to go to understand and share the real meaning and role of GCED in the post-2015 era. In many ways, unlike the previous two education fora in 1990 and 2000 that came out with global goals and frameworks, the 2015 WEF came out principally with a Declaration.

## Overall review on the 2015 World Education Forum (WEF)

The 2015 World Education Forum (WEF) finished on May 21st 2015 and adopted the Incheon Declaration. The 2015 WEF was very different from two other fora which were held in Jomtien in 1990 and in Dakar in 2000. While the other two forums could be very independent only focusing on education, the 2015 WEF cannot be independent from the Sustainable Development Goals (SDGs), which will be agreed upon at the UN General Assembly in September 2015. People had been curious whether we would have three separate global goals in 2015, the Post-2015 Development Agenda, Sustainable Development Goals and the Post-EFA Goals. At the end of 2014 with the UN Secretary General (UNSG)'s Synthesis Report on the Post-2015 Agenda, it became clear that the Post-2015 Development Agenda (so-called Post-MDGs) was merged to SDGs. And now when the 2015 WEF is ended, we also noticed that the Post-EFA Goals will be also merged to SDGs. Therefore, it seems likely that the task to set global education goals has not ended with the 2015 WEF, but rather it actually starts from now.

## Regarding the issue of Global Citizenship Education (GCED)

The advent of Global Citizenship Education (GCED) is one of the most interesting things in the 2015 WEF. Most of other issues including lifelong learning, secondary education, TVET, literacy and numeracy had been covered in the previous fora and global education targets. However, GCED offered a whole new agenda, and it gained special attention during the WEF with various meetings and a special exhibition targeting on GCED. The Korean government, especially, made GCED part of its own agenda and proclaimed that Korea would support it. 'Global Citizenship' has become a global issue since 2012 when the UNSG Ban Ki-moon set up three priorities of Global Education First Initiative (GEFI), which are 1) access 2) quality and 3) global citizenship.

The Korean government and other supporters of GCED had a great job making it as one of the most salient agendas in the 2015 WEF. However, I believe that though GCED gained lots of attention, it did not get the right attention. More often, it has been considered as simply a new agenda, an agenda from the Korean government, or one of the various education agendas. GCED is pivotal for achieving SDGs. But, arguably, the success or failure of the new global goals depends on GCED. The SDGs cannot be achieved without transformation of our economic system, our way of thinking, our attitudes and value systems. If the whole world simply follows the previous growth model, the so-called industrialization model, the eco-system of the globe will be devastated very soon. Without changing the current value system based on human greed, SDGs will simply bring forward the date for the end of the earth. Therefore, GCED is not merely a new education agenda or one of various agendas, but rather it is the single most important agenda not only in the education sector but also in the development sector. In that sense, I think GCED should gain more attention and concern among both education and development sectors.

## Incheon and after: Prospects for adult learning

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**Key words:** Adults, global targets, financial risks

**Summary:** Adult learners' needs were well recognised at the World Education Forum, but adult educators must be alive to the serious risks that gains won there will be lost before the SDG process is over.

Four years ago, as the debates about what should follow Education for All in 2015 began, most adult educators had low expectations. The experience of EFA was that the grand promises of halving adult literacy by 2015 were accompanied by at best modest actions. The Rio Plus 20 conference on sustainability, which proposed SDGs for post-2015 had just two modest mentions of education beyond school, confirming their pessimism. Yet at Incheon, in Korea in May they could take delight in the strength and breadth of the commitment to lifelong learning adopted in the inter-ministerial declaration. The hard work of advocacy in the intervening years, at Dakar, Muscat, Santiago, and New York, and in the consistent commitment of the Consultative Conference of NGOs supporting EFA, produced a welcome overall education goal (SDG4) for 2015-2030, endorsed by the UN's Open Working Group and confirmed in Korea: 'Ensuring equitable and inclusive quality education and promoting lifelong learning opportunities for all'.

Even better, the text of the declaration was unequivocal in saying that 'no education target should be considered met unless met by all'. The lifelong learning commitment was to ensure 'that all youth and adults, especially girls and women, achieve relevant and recognized functional literacy and numeracy proficiency levels and acquire life skills' as well as further adult education and training opportunities for life and work.'

Why then have the celebrations of adult educators been muted following such a positive outcome? First, because some days before Incheon saw the publication of the zero draft for the Financing for Development conference in Addis Ababa in July

this year. Its recommendation on future funding through the Global Partnership for Education omitted adult learning and education altogether. Whilst the Incheon declaration called on Addis to fund the whole of the SDG4, it will be critical to expand the narrow commitment proposed to the finance ministers.

Second, Incheon did not debate the Framework for Action that has been drafted for the new educational goal. That will only be endorsed, following the adoption of the SDGs in New York in September, at the UNESCO General Assembly in November, and clearly there remains work to do to ensure that the generosity of commitment in the overall declaration is translated into inclusive and stretching targets for adult learning and education.

Third, there is still major work to be done to create indicators to match the declaration's intent and which are capable of measuring progress on the targets. Yet most of the proposed available indicators relate to formal schooling, and we do not have a great history of developing new and robust indicators for work with adults. If the spirit and inclusiveness of the Incheon declaration do survive these hurdles we shall of course be delighted. It will make a welcome contrast to the failure of will and resourcing that led to such modest progress for adults post-2000. But assuming the hurdles are all overcome, a new phase of advocacy and monitoring work awaits adult educators – in ensuring that global agreements are matched by local practice. That, too, will be a challenge.

Despite the risks, this is a moment to celebrate the generosity of vision of the Incheon agreement, and to assert that rights-based Sustainable Development Goals can only be achieved through the active learning of adults – in understanding, adapting and shaping the changes needed to achieve them.



# Promoting Korean Experience in the Absence of International Narratives on Educational Development

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**Key words:** Korean educational development experience, the World Education Forum 2015, voices from the Global South

**Summary:** The Korean educational development history was the only story presented to the world audiences in this Incheon Forum, but still not many other insightful stories were shared by the Global South. Now, the world community needs to recognize that the Global South is ready to learn not by looking at others, but by looking back for themselves.

## Beyond numbers and targets: Where is our story?

Now the Incheon party is over. There were some worries on this world event, pointing out, for example, the absence of emerging donors, of strong leadership, and of specific action lines. My own view, however, is that the most notable absence was caused by 'a void of narratives' in the world educational development discourse. Here, I argue that the narrative is a discourse structure presenting a qualitative storyline which can be written through historical and procedural perspectives, thus allowing us to look into detailed contexts of development beyond the numbers. It seems to be critical to establish narrative structures in educational development because a trace of the past we followed has more complicated stories behind it which cannot be simply tailored by the numbers, and labeled as failures or successes.

Instead of such a narrative, the World Education Forum was filled with a discourse on numbers, targets, and indicators, which were essential components to draw a clear picture of the coming future. The statistical evidence was presented in specific numbers so that we could easily recognize our current status after more than a decade since the Dakar Forum; as we all know, the world did not achieve its set targets. In contrast, it was difficult to find speeches and sessions including

interesting narratives to attract the audiences, which could have informed of us about 'how' we got to the current state for the last decade or more, and what lessons we might have learned from our past experiences with some cases of success and failure. This atmosphere led the Incheon audiences to have a lack of any historical sense, while just pushing them ahead to set the targets for the future and urging an immediate action to draw more funding.

Of course, in this situation, it was quite natural to see that there were not many voices from the Global South. There were many representatives from the developing countries, of course, but admittedly they were rather represented by the numbers they collected, than by their voices and their stories to share. As a result, we lost a chance to argue against the numbers and to share the lessons from the real practices in the Global South. No one was interested in the history and cases of the international educational development in the developing countries beyond setting the targets. That is why I call this forum a 'void of international narratives on educational development'.

## Korean educational development story: The only narrative to be sold in Incheon

However, there was only one exception; it was the Korean educational development story, glorified in front of the international audiences. This was the only one narrative that had survived and was actively promoted as a transferable case. The Korean educational development story was fully-packaged with a solid narrative structure to be promoted and sold to the other international audiences. Then, what made the Koreans look back while the others looking ahead? Why was the Korean educational history highlighted, while we did not hear other voices of the Global South?

Actually, it was not the first time for Korea to promote its own educational development story in world education arena. In 2012, a group of about 60 Koreans got on to the flight to Ouagadougou in

order to attend the ADEA Triennale. The Korean government and research institutions held special sessions for introducing Korean educational development history. This included a thorough review of Korean educational development history in various educational sectors such as science and engineering, TVET, lifelong learning and general education. It was a good start of showing the presence of Korea in international educational development arena - at least I thought so, though there were concerns over the real impact of this promotion. Also, it was all that Korea could do for the international educational development community as Korea was at the stage of just forming its academic interest in this area.

After three years, in 2015, the Korean educational research agencies and government have expanded their budgets for international educational development. The number of staff and institutional supports have been increased. I found, however, that the academic trend of Korea has not been much changed comparing with the condition of three years ago. The Korean institutions seemed to be busy promoting their own developmental experience as a success story with evidence of high scores in PISA and rapid economic development. Though this promotional activity had its own value as there were some demands from member countries which wanted to know the Korean 'recipe' of educational success, it should have been noticed by the Korean experts that Incheon should have been more a time to contemplate ways of bridging the North and South with harmonizing efforts beyond promotional activities. Also, the promotional activities eclipsed a serious issue of discussing how Korean experience can be transferred to the context of global South and a critical challenge of establishing a real narrative of Korean educational development experience.

### **Learning from our own experiences in the global South**

The world should recognize that the global South is now ready to learn not only from the success cases of the other developed countries such as Korea, but also from their own educational development history and field practices by looking back. I assume that narratives which describe a field practice and an historical development still have a power in a global education development arena as they indicate how we succeeded or failed in our grand journey. People may want money, targets

and a way of collecting calculable data, but still they may want some stories unheard which enable them to draw more specific lessons in setting a new direction. Nevertheless, does UNESCO have stories to share? Does it have a system to collect stories from the South? At least, I think, this global campaign may not be sustainable without a narrative mechanism of recognizing the real value of the 'process' and the 'practice' that was experienced in the developing countries during the last decade. The world community needs to recognize that there are many more stories to be told and many unheard voices in the pre-Incheon era.

## And Sadly Leaving Incheon Behind

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**Key words:** World Education Forum 2015, UNSDG, post-2015 education goals

**Summary:** After fifteen years since Dakar, at Incheon Korea, UNESCO seemed to have proven its weakened leadership, resources, and influence in leading the global endeavor for education development by relying on the UNSDGs.

The catch phrase of the World Education Forum 2015 was “Toward inclusive and equitable quality education and lifelong learning for all”. This is virtually the same as the SDG goal 4 “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” As UNESCO’s Assistant Director General, Tang Qian, presented it at the outset in Incheon, UNESCO is in a close collaboration with the UN. Unlike Jomtien and Dakar when the UN was not so ready to come out with goal-targeting in education, in Incheon the UN, through the initiative of the Open Working Group (OWG), has in fact, influenced UNESCO in setting the education agenda and targets for post-2015. Considering its withering capacities and resources, UNESCO is lucky enough to have the UN Secretary General, Ban Ki-moon, a Korean, who has been quite enthusiastic in promoting the importance of education. Even more, UNESCO successfully persuaded the Korean government (in fact they readily accepted the suggestion) to host the expensive event of a global gathering, 15 years after Dakar in the very critical and symbolic year of 2015. Once the logistics for the global event were secured by Korea’s commitment, UNESCO did not have to do so much relating to the seven targets and three means of implementation, since they had already agreed to take over those of the OWG which had been under preparation by the UN as a part of their SDGs.

As such the three pages of the Incheon Declaration indeed reveal UNESCO’s comfortable position in meeting its post-2015 responsibilities. In retrospect, Jomtien and Dakar produced thick

pages of declarations, frameworks for action, and extended commentaries, but the spirit and implementation of these were later eclipsed as the power and influence of the MDGs of the UN ascended. Having witnessed the delicate and *real politik* rivalry between the EFA agenda and the MDGs, UNESCO seems to have decided to pick up the low hanging fruit without painfully trying to reach the high hanging ones. Why not piggy-back on the education goal and targets of the UN’s OWG, as the UN, a strong and dependable champion of education, was rushing toward the goals and targets a step ahead of them? Even, the missing discussions of the Framework for Action at Incheon seemed to be rather a deliberate choice of UNESCO to let them (the UN) row the boat. It must have been a typo that the program booklet of Incheon included any mention of the Framework for Action, as there were almost no detailed public discussions about it during the days of the WEF. No one explained why. Rather, UNESCO asked us to wait for the FFA until Addis Ababa and New York will be over. So UNESCO got what they wanted at Incheon, a decorative Declaration full of familiar education ambitions that have been raised a good deal during the past decades. On the other hand, the Korean government also got what they wanted at Incheon, the notion of GCED as a new agenda item, the advertisement of Korean education development, and Korea’s international image of “great giver” for any summit meetings. So, both UNESCO and the Korean government had win-win games, while the global education issues, problems, and solution failures remain business as usual.

# Challenges for Costing and Financing the Post-2015 Education Agenda

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**Key words:** Post-2015 Education Agenda, costs and finance

**Summary:** A conventional method will not be effective for estimating costs of educating the marginalized children and of achieving learning outcomes, and for targets whose definition itself is not clear. Similarly, who should pay for education, both as a human right and a driver for development, how to involve the private sector more systematically for service delivery and finance, how the results-based financing can be compatible with the new agenda, all pose difficult financing challenges.

## Background

The World Education Forum held in May 2015 discussed and agreed on the direction of the post-2015 education as the Incheon Declaration. The process leading up to Incheon has not been straightforward. This partly comes from a more open and consultative nature of the process, inviting diverse stakeholders in the discussion. In this sense, it has been a sound and worthwhile endeavor. But it also comes from the dual tracks of discussions. One of them took place mainly at the EFA Steering Committee (EFA-SC) and culminated in what is called the Muscat Agreement that was endorsed by the participants of Global EFA Meeting held in Muscat, Oman in May 2014. Another track of discussion took place mainly under the Open Working Group (OWG). They produced a proposal on the Sustainable Development Goals that holistically covers the entire post 2015 development agenda, including the education-related set of targets. The education community represented at EFA-SC tried its best to have one goal, one set of targets and one strategy for implementation for the post-2015 education agenda. It has largely been successful, but some important departures still exist between the two tracks. Efforts to close the gap will continue during and after the Incheon Forum. This short

note touches on issues of costing and financing the post-2015 education agenda that arise from the common ground of the two tracks.

## Costing

In March 2015, the EFA GMR team issued a policy paper (no. 18) that estimates the cost of achieving the new education targets by 2030. It claims that an annual financing gap over 2015-2030 will be US\$22 billion to achieve quality universal pre-primary, primary and lower secondary education in low and lower middle income countries. This is certainly the result of plausible exercises on this line, despite difficulties. I will mention just a few of the issues.

First is the nature of problems that children face. Conventionally, the planning of EFA used a unit cost approach, based on the known information on the developmental and operational costs of certain subsectors. It was useful to grasp a rough estimate of necessary costs to expand the education system. Children who currently are out of the school system have at least one and often multiple reasons – poverty, distance, language, social and cultural barriers, security concerns, etc. – which appear in more acute ways for the remaining most marginalized segment of children.

Second is the issue of what to cost out: input, process and outcomes. The education goal toward 2030 emphasizes learning and its outcomes. Despite a rich stock of studies on school effectiveness and education production functions, this author does not know how to convert the entire scope of a system that assures quality learning into costing.

Third, and even more challenging, is conceptual ambiguity of some of the targets. This includes, to begin with, how to define being ready for primary school, learning outcomes, proficiency in literacy and numeracy, skills for decent work, and the contents of education for sustainable development and global citizenship.

## Financing

How to finance the post-2015 education agenda is clearly a critical issue. Political commitment without financial backing does not work, as history shows. But the question of who should bear the costs of education and how is not at all simple to answer with a unanimous voice. There is an issue here between education as a human right and education that has private and social returns, mixed with the terms “free and compulsory” as used in various conventions versus parental willingness to pay for quality (private) education in reality, even for primary education. The private sector players, including the service providers, CSR, and foundations are already very active and participate in strategy-making and financing. This happens in the actual context of not really so predictable donor finance for education.

All this will stimulate the discussion of whether and what numerical targets on education financing should be agreed on. Moreover, getting firm words of political commitment on government spending on education, or donor allocation for education will trigger serious inter-sectoral competition for resources.

On another footing, the manner of financing that is increasingly used in the international cooperation, i.e. results-based financing, has a strong effect on the way government plans, implements and produce results in the education sector. Selection of indicators to go with the global goal and targets of the post-2015 education agenda will also come in to influence the discussions at the country level, including financing.



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# **PART 2**

# **EDITORIAL**

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# EDITORIAL

## FINANCING EDUCATION AND SKILLS: NEW AND OLD MODALITIES: NEW AND OLD PARTNERS

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### Education in the Financing for Development (FFD) Conference, 13-16 July 2015, Addis Ababa

In the approximately 200 side events attached to the FFD in Addis, education and skills development were not that visible. There were said to be over 6,000 participants in the conference, but very few of these had education as their principal focus. Perhaps because of the sequence of events from the WEF in Korea in May, to the Oslo Education Summit in early July, to Addis in mid-July, there was one side event sponsored by Korea, Norway, Ethiopia and UNESCO, focusing on *The Investment Case for Education*. A second key side event involving education was one jointly supported by the Global Fund to Fight AIDS, TB and Malaria, the Global Partnership for Education (GPE) and UNAIDS on *Financing Health and Education*. This was one of the few events to be promoting two distinct sectors in one panel. But that was about the extent of education events in Addis.

Apart from the Ethiopian Minister of Education, there were few other Education Ministers. This is entirely understandable. As a financing conference, Finance Ministers were omnipresent. And the issues and debates in the side events, the corridors and the plenary sessions were about 'tax reform', 'domestic resource mobilisation', 'blended finance', 'multi-stakeholder partnerships', 'from billions to trillions', 'Islamic finance', and of course 'development cooperation'. A whole library of materials could have been collected on these topics at the side events. By contrast, there were lean pickings on education. Just the EFA GMR's Policy Paper 18 on *Pricing the right to education*; a couple of promotional flyers from GPE on 'Quality education for all children' and 'Key results'; the two-pager 'Oslo Declaration' from the Education Summit; and the 20 paragraphs of the *Incheon Declaration: Education 2030* in six languages.

The last few lines of the Oslo Summit, a week before the FFD, had some text that 'insists' the FFD 'commits to a scaling up of investments and

international cooperation for education' (Oslo, 2015: 2). This did not happen. But Oslo did set up a 'Commission on the financing of global education opportunities, to report before the UNGA on post-2015 in September 2016.

However, the final version of the *Outcome document of the Third International Conference on Financing for Development* (also called the *Addis Ababa Action Agenda* [AAAA]) did contain quite a range of material relating to education, skills, capacity development, human resource development, and science, technology, engineering and maths (STEM).

We shall just note the way that education and skills are in fact handled in the *Outcome document* even if there is no reference to the seven education targets linked to Incheon's draft Framework for Action. There is a sense in which the Addis text is less school-based than Incheon.

Early on in the document (para.7), in the Section on 'A Global Framework', there is a powerful claim about the investment impact of education on sustainable development, and on the importance of supporting countries facing particular challenges. The 'rights of all children' are to be protected and no child is to be left behind.

In the same section (para. 16), in a key paragraph on productive employment and decent work for all, there is the first mention of skills, in connection with supporting credit for small and micro-enterprises. There is to be 'adequate skills development training for all, especially for youth and entrepreneurs'.

Intriguingly, the first full paragraph (78) on formal education comes in the Section on 'International Development Cooperation', which rather inappropriately suggests that education is closely connected to official development assistance (ODA). The text first re-affirms the link between quality education and the achievement



of sustainable development. It then emphasizes the crucial importance of reaching those children living in great poverty, children with special needs, migrant and refugee children, and those in conflict situations. Third, its most general affirmation is the intention to scale up 'investments and international cooperation' to 'allow all children to complete free, equitable, inclusive and quality early childhood, primary and secondary education'. This language is directly reminiscent of Incheon; and there is even, like Incheon, the reference to a strengthened role for the Global Partnership for Education. The paragraph ends with a sentence about upgrading education facilities, and increasing the percentage of qualified teachers, 'including through international cooperation'. Clearly, there is a strong perception in the *Outcome document* that global education provision is linked to ODA.

Apart from a brief reference to the importance for international migration of the recognition 'of foreign qualifications, education and skills' (para. 111), there is a crucially important acknowledgement of education and skills in the key Section on 'Science, technology, innovation and capacity building' (para. 119). This time, the language is rather different from that of Incheon. Now, science, technology, engineering and maths education (STEM), TVET, and tertiary education are seen to be crucial elements in science, technology and innovation strategies. The *Outcome document* does affirm the role of increased scholarships for developing countries, but it goes beyond Incheon in its proposal to strengthen tertiary education systems, and 'increase access to online education in areas related to sustainable development'.

Addis goes further than Incheon in a powerful paragraph (115) in the same Section about the vital role of 'capacity development' being 'integral to achieving the post-2015 development agenda'. This paragraph does not mention education or skills, but is centrally concerned with the role of country-driven capacity development, strengthening institutional capacity and human resource development.

Addis also goes further than Incheon in encouraging technology transfer between foreign companies and local enterprises, including the transfer of knowledge and skills (para. 117). But it underlines, in addition, the key role of 'traditional knowledge, innovations and practices of indigenous peoples and local communities' and the rights of people to maintain, control, protect and develop their

traditional knowledge and culture.

Four points may be made about the education commitments in this *Outcome document* of FFD. First, despite the key priority of domestic resource mobilization in the document (and in the conference), it is only through scaling up 'investments and international cooperation', including through strengthening the GPE, that the main pledge about education at different levels is made. Second, though the draft covers, however briefly, most of the target items from the Incheon Framework for Action, it contains no reference to adult literacy, numeracy or adult education, and there is no mention of global citizenship education (GCED), or education for sustainable development (ESD). Third, the commitment to STEM and TVET comes in a section of the document concerned with science, technology, innovation and capacity building which is quite separate from the earlier commitment to education, under international development cooperation. Lastly, and most importantly, the Addis Ababa *Outcome document* covered most if not all of the 17 SDGs but treated them according to its own priorities, and without feeling the need to reproduce the text of the goals and targets of the SDGs. It thus avoided the situation faced by the World Education Forum where it could not effectively discuss or even agree the Education Targets as these might be later changed by the UN processes leading up to the UNGA summit in September.

A final, final point. We can't usefully contrast the Incheon Declaration with the *Outcome document* of the FFD. The former is entirely concerned with a single sector, Education, and it deals quite effectively with many of the arguments for an ambitious investment in education. But it does so in just three pages. The Addis Ababa Action Agenda (*Outcome document*) covers the whole spectrum of the global governance and financing of development in 38 pages. Its mandate is to review at the highest level all the dimensions of finance, trade and aid, not to mention tax, debt, science, technology and innovation. It does however pay serious attention to the role of education, skills and knowledge as we have tried to show above.

## Financing for Education and Skills

Before we leave the AAAA (*Outcome document*), and look at the main concern of this issue of NN52 (Financing for education and skills), we should note that the AAAA makes no reference to percentages

to be determined nationally in setting targets. It is however intriguing that though education and health are briefly referred to as 'essential public services', it is in the section termed 'International development cooperation' that education receives its main mention (78), with a strong link to GPE. This puts education, along with health, in the same key section that deals with official development assistance (ODA), where developed countries, including all EU member states, are encouraged 'to step up efforts to increase their ODA and to make additional concrete efforts towards the ODA targets'(51). This positioning of course may encourage a view that the education targets are somehow linked to international aid, as we have already noted.

### **Education: Global and Domestic Obligations, public and private**

Four of the seven key 'Action Areas' of the AAAA are concerned with a) domestic public resources, b) domestic and international private business and finance, and c) international development cooperation, and d) Science, technology, innovation and capacity building. These may prove useful for covering some of the main concerns analysed in NN52.

### **Global financing gaps and ODA**

Just as we noticed the iconic figure of 250 million children and young people not acquiring basic skills in NN50 on *The global politics of teaching and learning*, so now the parallel figures are about the annual financing gaps of US\$ 22 billion, US\$ 36 billion, US\$ 38 billion, and US\$ 39 billion (see Benavot; Bahadur/Schmidt-Traub; and Jalbout in NN52). These calculations sometimes cover some 46 low and lower middle income countries, sometimes 82; and they differ depending on whether they cover early childhood, primary and lower secondary, or extend to upper secondary (see also Steer and Smith, *Financing education*, 2015). Few if any of the calculations try to cover fully the complexities of supporting ESD and GCED, to mention just two of the many additions in the Incheon targets to the Six EFA Dakar goals (see Yoshida NN52). The debate, on the side of Incheon, about whether all the targets are to be universal or whether some are to be considered in terms of percentages set nationally has also got major implications for costs.

These calculations have led some (including

Jeffrey Sachs) to suggest that only a Global Fund for Education, building on the GPE – as has already happened in health – will provide sufficient leverage for the funding required (see Bahadur/Schmidt-Traub). Interestingly, however, the notion of a Global Fund for Education didn't get into the Incheon Declaration, even though the GPE did get a mention as 'part of a future global coordination mechanism'. The GPE does also get a mention in the AAAA, but just as one example of 'scaling-up and strengthening initiatives', and not as the obvious target for any proposed Global Fund for Education.

### **The centrality of domestic resource mobilization**

While these large funding gaps have often been seen in terms of their implications for ODA, the crucial importance of tax to GDP ratios at the country level has begun to be underlined. Arguably, to debate the funding gaps without due attention to domestic resource requirements is completely one-sided. It is welcome therefore to have the tax to GDP ratios discussed so firmly in Archer (NN52), and to note that 'Domestic public resources' and all the associated tax matters is the first of the AAAA's Action Areas, even if tax to GDP ratios are not specifically mentioned (AAAA, paras 20-31).

### **Joining up the dots: Tax to GDP ratios and the rise of private schooling?**

It may be worth exploring whether there is any connection between very low tax to GDP ratios and the growth of private schools, for example in Pakistan and Nigeria. Where the state raises very little, comparatively, for public services such as education, it may well be that this proves fertile grounds for so-called low fee private schools to emerge. There are no less than three accounts of private schooling in NN52, in Ghana, Nigeria (Lagos State) and Peru (Riep, Adefeso, and Balarin). It will be important to take account of their domestic tax raising status, but also to note with Fredriksen (NN52) that for ensuring that the majority of the resources for education are mobilized domestically, 'the single most important condition will be high, sustained economic growth'. He adds that at least in the case of Sub-Saharan Africa (SSA), it already spends a higher share of GNP (4.7%) and public budgets on education (18%) than other developing regions.

## **Locating the rise of the private within wider education governance arrangements**

The rise of low cost private schools is not an isolated phenomenon, nor is it identical in all contexts as the articles in NN52 illustrate persuasively. But the wider global environment in which they are located is one which has also seen the marketization of microfinance (see Charmes NN52). In addition, it is one where several development cooperation agencies have openly altered their approach 'from social development to economic growth as the engine of development' (in the words of Boeren for the Netherlands' cooperation). The same is as true of Japan; indeed the very words 'powerful engine for economic growth' are used of the private sector in Japan's new development cooperation charter. Equally, for the UK's DFID, Justine Greening, the Secretary of State, commented in early July 2015: 'At DFID, our relationship with business has never been closer' (Greening, 2015). It is a sign of the times that this ongoing shift that the word 'private' occurs no less than 45 times in the 38 pages of the AAAA, even if 'public' occurs 65 times.

## **Agreeing the benchmarks and delivering on time**

It is one thing to agree, as in the Incheon Declaration, to aim for adherence to the benchmarks such as 4% to 6% of GDP to education, but as the example of China securing 4% can illustrate, it can take a very considerable time from a country's first agreeing a target in 1993 to finally reaching it in 2012 (see Li in NN52). The same challenge is clearly there in the case of the target of 0.7% of GNP for ODA for all developed countries. The AAAA's welcoming the decision by the European Union, confirming its collective commitment to the 0.7% target by 2030, needs to be seen in this light (AAAA, 51).

## **The many faces of non-state funding of education**

The value of the FFD Conference in Addis is that it focused attention both in the plenary sessions and in many side-events on the sheer range of non-state provision and funding of education. Thus, it was entirely appropriate for the major national and international NGOs to be present in Addis. Many readers of NN would assume that the well-known bilateral and multilateral agencies

are allocating a good deal more to education and particularly to basic education than large international NGOs. The article by Ndaruhutse and Naylor in NN52 may be surprising to many readers in demonstrating the sheer scale of major NGO support to basic education over against that of several of the bilaterals and multilaterals. Nor is it just a comparison of quantities; the authors also argue that their case study shows major international NGO programmes are more closely aligned with the EFA goals than much bilateral aid. In the same spirit, the OECD's latest *Development cooperation report 2014* illustrates that the world's largest NGO, World Vision, had a budget in 2010 that was larger than that of 13 individual DAC providers (OECD, 2014: 111).

Since the FFD is focusing attention inevitably on Ethiopia, we have included an illustration for that country of a 'free private school' which has been running since the 1990s entirely on external charitable donations of some £100k per year, for the benefit of very poor children, often orphans. The illustration of Asere Hawariat School in Addis (see Kinahan NN52) is critically important for emphasizing that not all very valuable initiatives in education are easily classifiable within the discourse of sustainability.

## **Philanthropic support to education, North and South**

Like the case of the NGOs just mentioned, educational philanthropy also raises some surprising issues. It has of course been known for some time that in the case of US private foundations, global health philanthropy outstrips global education philanthropy by many times; but less attention has been given to what it is about health as opposed to education that gives it such a powerful appeal to US philanthropy. On the other hand, there is evidence reported by Srivastava in NN52 that the priorities are by no means the same when it comes to private actors and foundations in the South; often education turns out to be their first choice. Clearly, if the notion of a global fund for education, mentioned earlier, is to be taken seriously, much more will need to be known about the differential philosophies underpinning philanthropy in different contexts.

## **Revisiting Arab donors**

It is almost five years since NN44 looked at Arab

donors in the context of 'Non-DAC' and 'Emerging' donors. At that point, it appeared as if there had been a decline in Arab aid despite a rise in wealth. By contrast now, despite the wider financial crisis and the turmoil associated with the Arab Spring, Arab donors and foundations are making their mark, in several different ways (see Jalbout NN52). Many readers may be surprised to learn from this article that UAE is now the top donor relative to its GNI/ODA ratio worldwide; it had reached no less than 1.25 per cent in 2013. Beyond this, its education foundations and conferences have become internationally known.

### **China's aid or South-South Cooperation**

Despite Japan publishing a new development cooperation charter and regularly organizing its influential TICAD event, its aid has continued to decline since the decade of its being the world's top bilateral donor. On the other hand, China has continued to keep clear of the donor club, but is now being ranked sixth in the world. While still preferring the discourse of South-South cooperation, and presenting itself as a developing country, it is expected to take on wider international responsibilities, as the world's second largest economy (Huang NN52). Interestingly, neither the Incheon Declaration nor the final draft of the AAAA provide any benchmarks for the ambitions of South-South cooperation. Intriguingly, however, the AAAA explicitly affirms the principles of South-South cooperation, including 'respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs, and mutual benefit' (AAAA, para 56).

But what is very evident from the articles by Liu Jing and Wan Xiulan (NN52) is that China's financing of education and skills covers a whole spectrum of different modalities. But it is made more complicated by the sheer range of government sources engaged in financing different dimensions of China's cooperation, especially with Africa. Beyond this, the statistical review of China's aid data remains challenging (King, 2015).

Given the absence of benchmarking for South-South cooperation and the principles of common but differentiated responsibilities (CBDR), it will be very important to see how far China engages effectively with the final UN summit around the world's new development agenda in September. Will these turn out to be more critical than its joint

Forum on China-Africa Cooperation (FOCAC), to be located in South Africa in December 2015? Its most recent paper of May 2015 on 'China's position on the post-2015 development agenda' suggests that the 'Chinese Government attaches great importance to the Summit' in September 2015.

### **Financing the multiple faces of TVET**

Unlike the other draft targets for SDG 4, the topic of TVET is dramatically more complex. As can be seen in more detail in Palmer (this issue), TVET can cover training funds (see Walther), skills funds (see Allais) and ODA support to private enterprise (see Langthaler). Commonly, and including in the EFA GMR, the cost and financing of TVET have been restricted to a calculation of what proportion of secondary school youth access technical and vocational education (see Hilal). Unlike the politics of the public and the private in pre-schools, schools and universities (see Adefeso, Balarin, Riep and Tilak), there is no parallel debate when it comes to a review of the power of dual training systems – where financing comes from the private employers and from the public off-firm training institutions. In the case of informal sector training which is still the largest segment of training in many countries, there has been little analysis of this as private sector provision, though it is valuable to see this acknowledged for micro-enterprises in the AAAA (para. 35). Admittedly, micro-finance institutions have been an additional source of funding for a very small proportion of the informal sector, but these have been changing their philosophy away from solidarity towards the market, as has been noted above (see Charmes).

To a greater extent than the other targets for SDG4, therefore, skills development continues to be influenced (or plagued?) by crucial problems of definition. Because of the importance of foundation and transferable skills to many educators, the universalization of lower secondary education can be recommended as a priority for the Dakar EFA Goal 3. Indeed the scorecard for Goal 3 is actually entitled 'Skills and lower secondary education' in the GMR 2015. Without more comprehensive definitions of skill, the financing of TVET is in danger of being treated as a very minor component of school education.

### **Financing and uncertainty**

Perhaps one of the reasons that health can raise dramatically more funding than education, at least



from US foundations, is that there continues to be real uncertainty for education about 'what really works to improve learning in developing countries' (see Schiefelbeins). Returning to Yoshida, we note that this is exactly the challenge he identified in costing quality, along with what he terms the 'conceptual ambiguity' of some of the targets. Similar confusion is present about what constitutes the attraction, and positive dimensions, of Islamic as opposed to Western education in Northern Nigeria (see Hoechner). Equally, the attempt to promote only one-world universal targets and not targets reflecting national contexts - which was evident around the Incheon NGO Forum - is blind to the massive differences between the rich and poor worlds in education (see Ahmed), or to the very particular challenges of the countries of the Sahel (see Fredriksen). Even more demanding is the identification of what specific areas are appropriate for private sector promotion when the over-riding concern is with education as a public good (see Singh). This is precisely the problem being faced by several Gulf Council countries which are anxious to diversify educational funding beyond their current dependency on the state and its oil revenues (see Ameen). In their many different ways, these continuing uncertainties about the meanings of educational indicators, goals and targets make for major difficulties in assessing the scale of funding required. This may be one reason why national statisticians ranked educational indicators only third best after indicators for health and energy targets (see Motivans).

## Financing and diversity

One of the red threads running through the AAAA *Outcome document* is **multi-stakeholder partnerships**. It is a shorthand for creative approaches to finance acknowledging the contributions of very many different actors. It is captured here in a few lines (para. 10):

Multi-stakeholder partnerships and the resources, knowledge and ingenuity of the private sector, civil society, the scientific community, academia, philanthropy and foundations, parliaments, local authorities, volunteers and other stakeholders will be important to mobilize and share knowledge, expertise, technology and financial resources, complement the efforts of Governments, and support the achievement of the

sustainable development goals, in particular in developing countries.

Another angle on the same ambition is the encouragement of innovative financing mechanisms. These are also referred to many times in the *Outcome document*, and they often draw private sector finance into partnership with public funding. Hence the term 'blended finance' which also turns up frequently in the document.

NN52 illustrates some of these mechanisms in the field of education, through the use of social impact investments (Kharas), different kinds of social impact bonds (Gustafsson), and employer-linked student financing (Vussonji). Often the very term 'innovative financing' involves some explicit acknowledgement of a role for private finance, as in this comment from the AAAA (para. 46): 'We encourage the use of innovative mechanisms and partnerships to encourage greater international private financial participation in these economies.'

It sometimes appears that these new approaches have been more tried out in the developed economies than in the developing world, and that they appear to promise more than they deliver in reality. This is why it has proved useful for the Open Society Foundations to offer a targeted course on *Innovative Financing for Education: Arguments, Options and Opportunities* (See Taylor).

Another approach to education funding, results-based financing (RBF), is not strictly speaking 'innovative', as it has been around for a very long time - see the phrase payment-by-results which goes back to 1863!<sup>1</sup> But it is now being explored by a whole range of both public and private, multilateral and bilateral, providers, including by NGOs such as CORDAID (see Vroeg and Bosch).

Other methodologies, such as rates of return - see Patrinos - may also be challenged by the sheer complexity and diversity of new funding approaches, but it is interesting to note, with Patrinos, that one of the critical factors in current debates about rates of return is a concern with the **quality** of education, whether at primary, secondary or tertiary.

## In conclusion

We mentioned at the beginning of the first Editorial that one of the key pledges of Dakar

<sup>1</sup> (<https://www.tes.co.uk/article.aspx?storycode=6041160>)!

World Forum on EFA was '*no countries seriously committed to education for all will be thwarted in their achievement of this goal by a lack of resources*'. This was interpreted as an aid commitment at the time. Now, 15 years later, ODA remains vitally important, but the core messages about financing, including of education, coming from the FFD Conference, are very much more complex. The three letters – SDG – are by no means dependent on the three letters – ODA. But upon another three letters – tax. This word occurs more often in the *Outcome document* than ODA.

The Dakar Goals, and the MDGs which followed them after the Millennium Summit in 2000, were widely interpreted as being for the developing countries and not for the developed world. The *Outcome document* from the FFD Conference certainly does not read as a prescription for the South, but as a one-world proposal for financing the SDGs. It will be important to see if that universal focus is retained when the goals and their targets come to the United Nations in New York in September.

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# **GLOBAL RESOURCE MOBILISATION FOR EDUCATION & SKILLS**

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# In Search of Sustainable Financing for Technical and Vocational Skills Development

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**Key words:** Technical and vocational skills; financing

**Summary:** No-one seems to be talking about the financing needs of technical and vocational skills in the post-2015 agenda. While we can't put a price tag on them, since there is no clearly defined target yet, it is worrying that the issue of financing for technical and vocational skills is getting little attention outside of the specialist technical and vocational skills development (TVSD) constituency. Just as we need to see a stronger connection between the TVSD community who are already working on improving TVSD indicators, and the technocrats who are drafting post-2015 education indicators, we need to see a stronger connection between the TVSD financing experts and the financing for development experts.

Technical and vocational skills development (TVSD) spans many domains; in many countries it exists in schools and institutes under the authority of multiple ministries, including of course the ministry of education and ministry of labour; it exists in the private sector in enterprises and private vocational institutes; it exists at pre-tertiary and tertiary levels; and there are huge amounts of TVSD in both formal and informal economies.

The financing of TVSD is equally complex, and can come in the form of public funding from national government (e.g. via the direct payment of teacher salaries or grants to institutions, or by tax incentives, scholarships, training vouchers), from individuals (via training fees), from enterprises (e.g. via fee payment, in-house training, levy-payments and other means), and from national or sectoral training funds (e.g. via grants, levy exemptions etc). TVSD financing can equally come from development partners – both DAC and non-DAC – in the form of project grants, soft loans or budget support.

Sustainable TVSD financing is not simply about

getting more money for the pot, or even about using the money in the pot more efficiently. TVSD financing is intimately linked to the development and sustainability of quality, relevant and equitable training systems. TVSD financing mechanisms can themselves be used to promote TVSD policy objectives. It is therefore imperative that TVSD financing issues be discussed alongside TVSD objectives. However, more often than not, policy makers and politicians may view them more separately; and this degree of separation appears to have been carried into the post-2015 discussions on technical and vocational skills.

## TVSD financing and post-2015 financing: in different silos

Over the last 10 years, the issue of technical and vocational skills has been rising on the policy and political agendas of many governments around the world (e.g. see *NORRAG News* 48, 2013). In the post-2015 development agenda discussions over the last three years, technical and vocational skills have featured in many of the proposals put forward (see King and Palmer, 2013), and in the latest formal proposal of the Open Working Group on Sustainable Development Goals (SDGs) (UN, 2014), technical and vocational skills are the topic of no less than three targets under the education goal. Accompanying this interest in securing 'technical and vocational skills' as part of a post-2015 education target have been some more recent discussions about what kinds of indicators might be used (e.g. see UNSC, 2015; UNESCO, 2015: 285-290; UNSDSN, 2015). Inevitably, thinking on indicators for technical and vocational skills has been accompanied by discussions about lack of data and problems of monitoring (see UNESCO, 2015: 127); an issue that has long been raised, including by this author (e.g. King and Palmer, 2008; Palmer, 2014a; 2014b; 2013).

Meanwhile, the wider education post-2015 discussions have moved beyond talking just about indicators and monitoring to also talking about financing. Discussion (e.g. UNESCO, 2014a) has



tended to focus on two main types of financing; including from governments (e.g. % of government budget allocated to education) and from donors (e.g. % of ODA or its equivalent allocated to education), with financing from other sources including the private sector being mentioned, but getting less attention. For general education, delivered in schools, this kind of financing focus on government budgets and donor money might make sense. But for technical and vocational skills financing, this focus is very narrow. It ignores what in many countries is the largest source of technical and vocational skills financing; direct and indirect financing from enterprises, including for on the job training in apprenticeships.

### Forget about the price tag

Meanwhile, the April 2015 Education For All Global Monitoring Report 2015 (UNESCO, 2015) provides the latest cost estimates for part of the proposed post-2015 education agenda - achieving universal pre-primary, primary and lower secondary education completion - but does not attempt to cost other aspects of the proposed agenda, including technical and vocational skills.

Indeed, no-one seems to be even *talking* about the financing needs of technical and vocational skills in the post-2015 agenda, let alone trying to estimate what they might be. There are obvious reasons for not trying to estimate the cost of technical and vocational skills in the post-2015 development agenda; there is no clear focus (on what kind of technical and vocational skills should be measured), no real target (the OWG proposed target talks of an x% increase in the number of youth and adults who have technical and vocational skills), and insufficient data.

However, standing back from a focus on trying to cost a post-2015 technical and vocational skills target - which for reasons above is not possible - it is still worrying that the post-2015 financing discussions appear not to have addressed the mechanisms and framework of financing of technical and vocational skills, including continuing vocational education and training (CVET). And the July 2015 Financing for Development (FfD) conference in Addis Ababa (UN, 2015a) also does not look like it will cover this; the draft outcome document of the Addis Ababa Accord (UN, 2015b), simply refers to the need to 'enhance technical and vocational education and training'.

### TVSD financing discussions among the TVSD constituency

But we should perhaps not be too harsh on the post-2015 and FfD documents. The TVSD community's own documents are not well developed, or not up to date, on TVSD financing.

For example the 2012 *Recommendations of the Third International Congress on TVSD* (UNESCO, 2012), simply noted the need to: 'diversify sources of funding by involving all stakeholders, in particular through the use of appropriate incentive mechanisms', and to 'promote targeted funding schemes to facilitate access of disadvantaged groups'.

Meanwhile, the draft revision (UNESCO, 2014b) of UNESCO's normative instrument concerning technical and vocational education (UNESCO, 2001) goes only a little further on the specifics of TVSD financing, noting that: 'Incentive mechanisms and regulatory frameworks should be set up to diversify sources of funding and involve all stakeholders', and that such stakeholders include enterprises, individuals, local authorities and public-private partnerships. It notes the importance of giving TVSD institutions greater operational and financial autonomy so that they can build partnerships and generate revenue. And, critically, it notes the need for more financing mechanisms that can increase efficiency, stimulate the demand for TVSD, and promote better outcomes by 'shifting the traditional input-based models to more performance-based financing ones'.

There have certainly been several recent initiatives with regard to TVSD financing; for example: CEDEFOP's work on financing training,<sup>1</sup> including setting up a database on financing adult learning in EU countries;<sup>2</sup> a European Commission organized workshop on 'Financing VET' in November 2014; and reviews of TVSD financing in developing countries. And there are several older pieces that are still key reference texts on TVSD financing (e.g. Falch and Oosterbeek, 2011; Johanson, 2009; Ziderman, 2002).

Just as we need to see a stronger connection between the technical and vocational skills community who are already working on improving TVSD indicators (Palmer, 2014b), and the

<sup>1</sup> <http://www.cedefop.europa.eu/en/events-and-projects/projects/financing-training>

<sup>2</sup> <http://www.cedefop.europa.eu/FinancingAdultLearning/>

technocrats who are drafting post-2015 education indicators (Raikes, 2014), we need to see a stronger connection between the TVSD financing experts and the financing for development experts. This currently does not look like it will happen unless the international TVET community moves rapidly to make its voice heard.

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# Education for All Global Monitoring Report 2015 – Money Matters

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**Key words:** Domestic funding; donor funding; financing estimates and gaps; new commitments; comparison with health funding and military funding.

**Summary:** Fifteen years ago the signatories of the Dakar Framework for Action considered it “essential that new, concrete financial commitments be made by national governments and also by bilateral and multilateral donors”. The recently released Education for All Global Monitoring Report 2015 assesses the extent to which this became a reality, and looks at the need for new commitments to reach new education targets 2015-2030.

Since 2000, the poorest governments increased their allocations to education, in some cases considerably, but still not sufficiently. Domestic expenditure increased by 0.8% of GNP in low income countries and by 0.5% in lower middle income countries between 1999 and 2012. However, this was the result of higher tax-to-GDP ratios rather than countries prioritizing education in their national budgets. Indeed, the share of

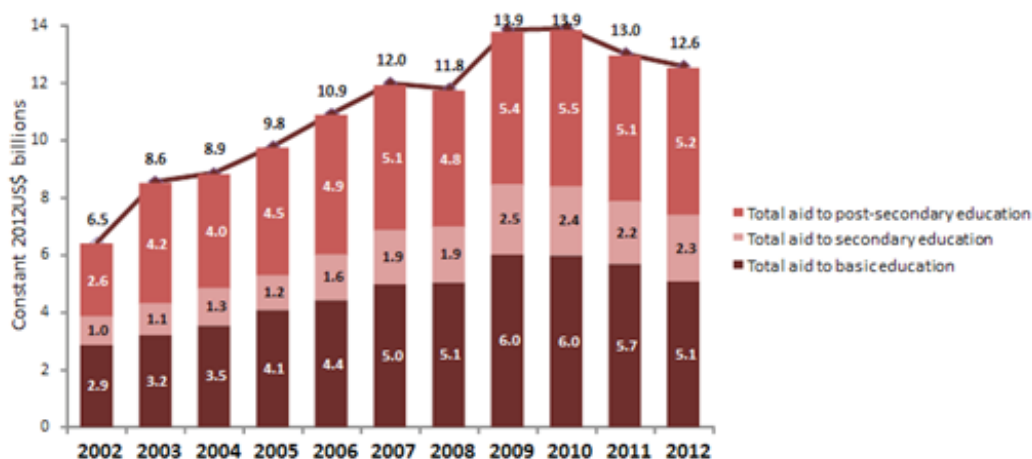
education in total government expenditure barely increased over the fifteen years in these countries and remained at 15%, the lower end of the recommended range (15-20%) (UNESCO, 2015a).

Donor governments also increased their contributions to education. Aid to the sector more than doubled between 2002 and 2009. But the financial crisis marked the beginning of a clear downward trend and, between 2010 and 2012, total aid to basic education fell by 15% (Fig. 1).

The 2010 Global Monitoring Report (GMR) (UNESCO, 2010) estimated that, just to achieve universal primary education between 2008 and 2015 in 46 low income countries, an additional 1.5% of GDP, was needed, much of it from external sources. The annual cost of also achieving universal lower secondary education was estimated at about 2.5% of GDP. These estimates were a call for countries to step up their efforts. The fact that they did not, just as donors did not live up to their promises either, is a major factor that explains why key Education for All (EFA) targets were not reached.

In March 2015 the GMR published revised cost

Figure 1: Aid to education fell by US\$1.3 billion between 2010 and 2012



Source: OECD-DAC, 2014 in UNESCO (2015)

estimates for a core set of the proposed post-2015 education targets (UNESCO, 2015b), including universal pre-primary, primary and lower secondary education with strong consideration of the cost implications of equity and quality. The paper showed that, because many countries are unlikely or unable to increase their public education expenditure to the levels required to cover the total cost of meeting the new targets, there will remain an annual funding gap across all low and lower middle income countries of **US\$22 billion**. This estimate is broadly consistent with a recent proposal by the Sustainable Development Solutions Network, which projected that a global fund for education would need to be replenished annually with US\$15 billion. It has been released in time to contribute to discussions being held at the Financing for Development Conference in Addis Ababa<sup>1</sup>, and the international meeting in Oslo scheduled in July 2015<sup>2</sup>.

This new costing exercise closely follows the methodology used in the 2010 GMR (UNESCO, 2010), although two differences in the scope of the analysis mean that the results are not comparable: first, coverage has expanded from 46 to all 82 low and lower middle income countries; and second, the time horizon has been extended from 8 years (2008-15) to 16 years (2015-2030), which spreads the total cost over a longer period.

In absolute terms, the estimates found that the annual total cost of universal pre-primary, primary and lower secondary education in low income countries is projected to more than triple, from US\$10 billion in 2012 to an average of US\$36 billion between 2015 and 2030. In lower middle income countries, costs are higher due to their larger population and level of GDP per capita, meaning

that the annual total cost in these countries is projected to more than double, from US\$90 million in 2012 to an average of US\$203 billion over 2015-2030 (Table 1).

The increased costs reflect two factors. First, if we are to achieve universality in access from pre-primary to lower secondary, the number of children and adolescents enrolled will need to rise significantly so that no one is left behind. The number enrolled in pre-primary education will need to more than double by 2030, and to increase six fold in low income countries from 4 million to 25 million. Second, spending per student must grow considerably if we are to improve quality in line with the SDG agenda. For example, the cost per primary education student in low income countries is estimated to increase from US\$65 to US\$199.

In relative terms, governments will need to increase domestic public expenditure on pre-primary, primary and lower secondary education from 2.3% to 3.4% of GDP in low income countries and from 2.6% to 3.3% of GDP in lower middle income countries between 2012 and 2030.

Splitting the total annual finance gap by income group, the paper shows that it totals US\$10.6 billion in low income countries, and US\$11.8 billion in lower middle countries. Current aid levels only cover a small part of the gap. In low income countries, development assistance for pre-primary, primary and general secondary education amounts to US\$2.3 billion and would therefore need to more than quadruple to fill the gap.

Learning from the implications of the financial shortfalls for the success of EFA, we must underscore the need for new commitments if we

Table 1. Annual total cost by education level, US\$ billion, 2012 and 2015-2030 (average)

	Low income countries		Lower middle income countries		Low and lower middle income countries	
	2012	2015-2030 average	2012	2015-2030 average	2012	2015-2030 average
Pre-primary	0.7	5.2	7.1	29.3	7.9	34.5
Primary	7.1	20.6	52.0	110.0	59.2	130.6
Lower secondary	2.4	10.5	30.6	63.6	33.0	74.1
Total	10.3	36.3	89.7	202.9	100.0	239.2

Source: UNESCO (2015)

<sup>1</sup> <http://www.un.org/esa/ffd/overview/third-conference-ffd.html>

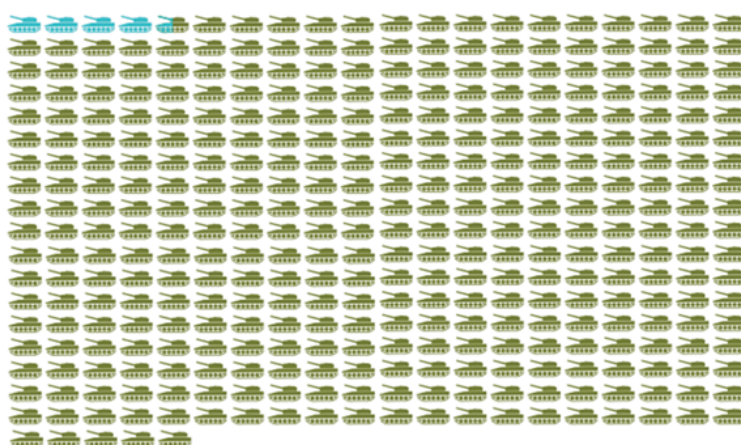
<sup>2</sup> <http://www.globalpartnership.org/event/oslo-summit-education-development>



are to be able to successfully implement the new sustainable development agenda. And, while the overall financing gap in education may appear large, it is equal to just 4.5 days of annual global military expenditure (Fig. 2). Other sectors can attract such large sums: at present 53 percent of US foundations' grants are allocated to health and only 8 percent to education. If we work together to make a better case for education's central role in development, we may be able to close this finance gap and achieve our goals.

Figure 2

**For every child in low and lower middle income countries to benefit from an expanded basic education of good quality by 2030, there is an annual external funding gap of **US\$ 22 billion****



**This is equivalent to just 4.5 days of military spending**

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## Why the World Needs a Global Fund for Education

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**Key words:** Sustainable Development Goals (SDGs), Global Partnership for Education (GPE), Global Fund for Education (GFE), Financing for Development

**Summary:** The Sustainable Development Goal on education will require matching greater ambition and effort within countries with increased international support including through a Global Fund for Education that builds on today's Global Partnership for Education (GPE). The Financing for Development Conference in Addis Ababa and the September UN SDG Summit offer a unique opportunity in 2015 to launch a Global Fund for Education and commit to an ambitious plan to achieve global education priorities.

A high-quality education is the human right of every child. This right is enshrined in the 1948 Universal Declaration of Human Rights and forms the center of the Education for All Initiative launched in 2000, the Millennium Development Goals, and the upcoming Sustainable Development Goals (SDGs). Indeed, SDG 4 will be the most ambitious global commitment to education in history, focusing on universal completion of schooling from pre-primary to secondary level for all girls and boys. Yet, the world will not achieve these ambitious goals unless international support is scaled up and better organized, including through a Global Fund for Education that builds on today's Global Partnership for Education (GPE).

Ensuring universal quality schooling will require better policies as well as greatly increased resources, including for well-trained and motivated teachers, improved curricula, education infrastructure, learning materials, and the use of modern information and communication technologies. The 2015 Education for All Global Monitoring Report projects that even with aggressive increases in domestic resource mobilization, countries will need an additional \$39 billion per year in international finance to close

the financing gap for universal access to upper-secondary education. This gap will need to be closed through official development assistance (ODA), which must therefore increase four-fold for low- and lower-middle-income countries. And these figures probably low-ball the true needs since the EFA-GMR estimates do not cover upper secondary completion and tertiary education.

The upcoming Addis Ababa conference on Financing for Development must tackle the financing challenges for the education sector, but it must do so also with regard to major non-financing challenges that must be addressed in the education sector. In doing so we should learn from the lessons in health – the sector that has experienced the most rapid and sustained progress under the Millennium Development Goals – as described in a recent SDSN Working Paper (SDSN, 2015) that underwent an extensive public consultation.

Progress in health was achieved through a unique global partnership comprising national governments, civil society organizations, business, international organizations, and science. The pooling and scaling up of international financing through Gavi and the Global Fund to Fight AIDS, Tuberculosis and Malaria supported countries in crafting and implementing long-term strategies for addressing the health challenges. Both institutions promoted unprecedented innovation in delivery, technologies, and organization through their ability to work with the private sector, civil society, and governments.

The education sector lacks the organization and scale of international support that is needed to achieve the education SDG. As the premier pooled financing mechanism in the education sector, the Global Partnership for Education (GPE) has successfully promoted increased domestic funding for education. It has strengthened country-owned planning processes and brought together partners for advocacy, capacity building, and implementation. Today, the GPE reaches

around 60 countries with total annual donor funding of nearly \$1 billion. Yet, given the financing gap of \$39 billion, the scale of the GPE must be increased by several orders of magnitude to some \$15 billion per year by 2020. To reach this scale of financing the GPE must become the Global Fund for Education.

Building on the successes of the GPE, and in line with the experience of Gavi and the Global Fund in health, a scaled-up Global Fund for Education would provide funding at scale to support the implementation of national strategies to achieve the education SDG in all countries that require international financial support, particularly low- and lower-middle income countries, as well as countries in conflict situations.

Some question the need for such a Global Fund, but the experience in health shows clearly that rapid progress requires not only greater domestic and international resources; it also depends on overcoming the high fragmentation of international support for education. At times of empty public coffers in most donor countries, pooling and effective use of scarce ODA resources should be the number one priority in international support for education.

We propose that an effective Global Fund for Education build on the GPE around the following principles:

1. **Support for nationally-owned strategies that have been independently vetted:** The Global Fund for Education should support national action plans to achieve SDG 4 that are transparent, quantified, monitorable, supported by broad sections of society, and that mobilize adequate volumes of domestic resources. National action plans will be subject to the scrutiny of an Independent Expert Review Committee comprising experts from UNESCO, UNICEF, the multilateral development banks, and other experts that would make funding recommendations to the board of the Global Fund
2. **Adequate volumes of pooled financing:** To close the external financing gap, donor governments, philanthropists, civil society organizations, and businesses need to provide at least \$4-5 billion annually during the first three years of the Global Fund for Education rising to some \$15 billion by 2020.

Innovative financing instruments such as social bonds can also raise funds, but these should all flow through a common fund.

3. **Strategic and independent board:** The Global Fund for Education requires a strategic board composed of globally eminent individuals representing all key stakeholders: donor governments, businesses, philanthropic donors, civil society, and recipient governments. The board should be independent of any international agency.
4. **Direct disbursement to in-country recipients:** Like the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Fund for Education will provide funds directly to national governments or other recipients – such as sub-national governments, civil society organizations, international organizations, or businesses – nominated by national stakeholders without needing local intermediaries.
5. **Focus on marginalized children:** Countries with large numbers of out-of-school children, including those in conflict or in the midst of humanitarian crises would be funded on a priority basis, subject to each country making the maximum appropriate domestic effort.
6. **Investment in global public goods:** The Global Fund for Education would invest in information technologies for education, education accounting systems, metrics and assessment programs, and other public goods that support national education programs.
7. **No new institution:** The Global Fund for Education will build on the GPE and therefore does not require a new institution. The governance structures of the new fund would need to reflect its larger mandate and scale of operations.

The Incheon Declaration laid forth some of these principles, but fell short of a whole-hearted call for scaled-up financing with the appropriate global architecture to support its implementation. World leaders will meet again at the July Conference on Financing for Development in Addis Ababa and the September SDG Summit at the United Nations. These two events provide a unique opportunity to ensure that the SDGs will support a goal-based approach to achieving education priorities, just

like the MDGs galvanized health.

Norway and Norwegian leaders have played a central role in transforming public health, and the country is poised to do the same with education. The Government has organized a summit on education finance in early July 2015, which offers a unique opportunity to work with UN Secretary-General Ban Ki-Moon, the Global Partnership for Education, major philanthropists, and leaders from civil society and business in order to prepare the ground for announcing the Global Fund for Education later this year.

Clearly, the Global Fund for Education will not resolve all challenges in the education sector, but it is impossible to see how the education SDGs can be achieved without pooling greater volumes of international financing and promoting greater innovation. We hope that world leaders rise to this challenge. Children around the world deserve no less.

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# Financing the Massive Education Catch-Up Needed in Sub-Saharan Africa

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**Key words:** lag in building basic human capital, funding needs, catch-up growth, population growth, aid priorities

**Summary:** This article looks at aid priorities for education in Sub-Saharan Africa, in light of the needed catch up in building basic human capital, compared to other regions.

Compared to other developing regions, Sub-Saharan Africa (SSA) needs much higher levels of funding over the 2015-30 period to catch up in building basic human capital. To build such capital is a development stage that no nation can “leapfrog”. What does this mean for education aid priorities? Some facts:

**First, SSA has achieved solid progress towards Universal Primary Education (UPE) since the year 2000.** The first pan-African conference of ministers of education (Addis Ababa 1961) called for this objective to be reached by 1980. Impressive progress was made: Student and teacher numbers in 1980 exceeded by a wide margin what was projected. However, the population of school age grew by 80% between 1960 and 1980, four times faster than projected in 1961. Therefore, the Gross Enrolment Ratio (GER) – although doubling from less than 40% in 1960 to 80% in 1980, fell short of the target. Between 1980 and 1990, the GER declined to 73% and at the Jomtien conference (1990) the target was slipped to the year 2000. In that year, the GER had barely regained its 1980 level of 80% and the target was further slipped to 2015 (Dakar 2000). In 2012, the GER had reached 102%, an impressive growth.

**Second, regarding financing, the education stagnation in the 1980s and 1990s was largely caused by economic decline:** SSA's GDP per capita *declined* annually by 0.9% in the 1980s and by 0.5% in the 1990s. As a result, education budgets grew by only 1% annually between 1980 and 2000 as compared to a 2.4% increase in the school-age population. Conversely, the 22 point

GER gain between 2000 and 2012 (despite 2.5% annual growth in the school-age population) was largely thanks to resumed economic growth. During the period 1999-2007, about 2/3 of the rise in *public* education funding was generated by economic growth even though this was a period also marked by strong growth in aid (by 35%) and in the share of GNP spent on education (from 3.5% to 4.5%).

**Third, the two main challenges making UPE such a moving target will remain up to 2030:**

- i. **Slow demographic transition:** SSA's population aged 5-14 is projected to increase by 35% between 2015 and 2030, compared to *declines* for South and East Asia (-2%) and Latin America (-5%). Between 2000 and 2015, the growth was 46% for SSA, 2% for South Asia, a slight decline for Latin America and a 32% decline for East Asia.
- ii. **Catch-up growth to complete the EFA agenda:** Due to low primary enrolment (40%) and literacy (9%) in 1960 and decline during the 1980s and early 1990s when other regions made major progress, SSA's need for catch-up growth is massive. In 2012, the GER was only 20% in pre-primary and 50% in lower secondary education, 30 million children of primary school age were out of school, and 27% of those aged 15-24 years were illiterate. In addition, less than 60% of those starting primary education reach the final grade and a high share of those did so without having learned basic literacy and numeracy skills.

**Four, the overwhelming majority of the resources needed must be mobilized domestically and, even more so than in the past, the single-most important condition will be high, sustained economic growth.** Aid is unlikely to increase much during the 2015-2030 period and SSA already spends a higher share of GNP (4.7%) and public budgets on education (18%) than other developing region. Also, to build basic human capital, governments (and donors) must make

budget trade-offs in favour of population groups who missed out on basic education. Because such groups have less political clout than the rapidly increasing number seeking entry to post-basic education, the political economy of achieving this will likely be even more difficult in the future than in the past.

**Five, while aid as a share of total education funding is likely to decline, the impact of aid in promoting poverty reduction and equity could increase hugely if the aid were more strategically targeted on areas and population groups where it would provide *additionality* in increasing the impact of total education funding.** In particular, aid should to a greater degree help give voice to the large number of children, youth and women who now miss out on basic education (in the way aid since the early 1990s has successfully helped promote girls' education). More aid should also be used to help avoid the situation in which whole generations of young people miss out on education in emergency situations and in failed states.

**Six, prioritization of aid must recognize that SSA is a huge and increasingly diverse region.** Its share of the world's school-age population is projected to grow from 20% in 2015 to 26% in 2030. And while some countries are making major strides, others are not. **Thus, in the absence of major efforts, completing the EFA agenda risks remaining a moving target even beyond 2030.**

**The countries in the Sahel pose a particular challenge.** For example, in 2013, Niger was last among the 187 countries ranked on UNDP's Human Development Index. Despite impressive growth since year 2000 -- the GER in primary education grew from 31% in 2000 to 71% in 2012 - Niger needs massive catch-up growth, caused by a high share of children out-of-school, high dropout and extremely low learning outcomes. In addition, Niger has the world's highest illiteracy for youths (73% for males, 83% for women) and adults (81% for males, 89% for women). Meanwhile, despite recent economic growth, Niger's GDP per capita is lower than at independence and its fertility rate is the highest in the world. As a result, the population is projected to grow from 19 million in 2015 to 69 million in 2050. The combined population of Chad, Burkina, Mali, and Niger is projected to increase from 67 in 2015 to almost 190 million in 2050.

**What impact should these developments have on the use of increasingly scarce aid?** Failure to

address these catch-up growth needs will have very serious implications for SSA's development prospects and, in turn, for peace and stability in the region: For example, 1/3 of SSA's labour force could be illiterate in the 2030s (as much as 2/3 in Niger) and more than 1/3 of children risk being born to illiterate mothers (2/3 in Niger), reinforcing the vicious cycle of poverty, inequity and high fertility rates. **And the impact will be felt beyond SSA.** Already, the flow of economic refugees across the Mediterranean as well as to more successful SSA countries is a major concern.

# Cost Effective Strategies for Improving Latin American Education

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**Keywords:** teacher training, salaries, management, use of research, policymaking, flipped classes

**Summary:** Some 90% of Latin American children reach the last grade of primary school, but only 20% of the population aged 16-65 reach the reading and numeracy abilities required to participate in a modern society. This poor performance seems to be the result of ineffective use of resources, such as use of frontal teaching with heterogeneous groups of students.

Latin America is reaching universal access to education, but much of this education is still of low quality. Over 94% of the total number of children of official primary school age are attending primary or secondary school and 90% of children entering the first grade of primary school eventually reach the last grade of primary school (UNICEF Global databases 2014). However, over 80% of the population aged 16-65 have difficulties coping with the reading and numeracy activities that are common in modern life (IALS, 2000).

Differences in reading levels by socioeconomic status are huge. Reading tests administered by the UNESCO Regional Office show that two thirds of 4th graders in the upper half of the socioeconomic distribution are able to understand simple messages in writing, but in the lower half of the distribution only few students can. Furthermore, even the best students in expensive private schools only perform at the level of the average student in OECD countries.

These poor results cannot be explained by the amount of resources, but from the training of teachers. A fair amount of GNP is allocated to education (4.5%) and there are 21 pupils per teacher (below the world average of 24 students per teacher). Therefore, the main constraints for improving education seems to be: poorly trained teachers (prepared to work only with the elite students that received early stimulation and

started school with a good vocabulary); severely underpaid teachers (annual salary around 50% of per capita GDP compared with 95% in OECD countries); and ineffective school management (primary schools' best teachers seldom teach in first grade).

Increasing teachers' salaries (to raise the quality of entering teachers) would have a direct impact on costs, but improving teachers' allocation to particular classes would only demand management decisions. For example, reallocating the school's best teachers from the upper grades to the initial grades would make a boost in students' achievement with no additional cost. However, improving initial teacher training would require helping the Schools of Education to increase their faculty with doctorate degrees (from the present 10% to at least half of the faculty members) and, probably to organize or expand Graduate Schools of Education.

On the other hand, the *Escuela Nueva* model in Colombia showed that teachers' performance could be upgraded by using carefully evaluated texts (learning scripts) that help small groups of students to try out interesting learning experiences. This strategy has been applied in 20.000 Colombian rural schools and evaluations carried out by World Bank and UNESCO conclude that *Escuela Nueva* schools have better levels of Spanish and Math than urban schools (in tests to third and fifth graders). In addition, the *Escuela Nueva* students have higher degrees of self-esteem (Forero, 2006). D. Kirp wrote a vivid description of this model in *New York Times* (February 28, 2015).

Unfortunately, there is no agreement on what "Really Works to Improve Learning in Developing Countries" (Evans and Popova, 2015). At most, we have a few examples of failed changes (USA reduced class size from 1980 to 2005, but student outcomes remained constant). Therefore, it is hard for policy makers to find the best cost-effective alternative among the large amount of competing

proposals. Should the country start to increase time-on-task by reducing teacher absenteeism and frequent interruptions of class per day? Switch from traditional teacher-centred instruction (that does not work well in heterogeneous classrooms) to small groups working with scripted materials or 'flipped classes'? Upgrade teachers' training in formal courses or coach school principals to help their teachers to reflect on the effectiveness of specific practices?

In summary, there are serious constraints for the design of successful improvements and for implementing cost-effective strategies. Furthermore, it is especially difficult to agree on the time and teams required to prepare the eventual trainers of the new breed of effective teachers and how to get the initial group of experienced mentors that will provide quality induction to the new teachers.

Therefore, it is relevant to recall that "Almost every country has undertaken some form of school system reform during the past two decades, but few have succeeded in improving their systems from poor to fair to good to great to excellent" (McKinsey, 2010). There is a high probability that this pattern will be replicated in Latin America in the next decades. So implementing the ambitions of the SDG in Education must bear this in mind!

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## Dutch Aid, Trade and the SDGs

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**Key words:** ODA, SDG, Trade, Netherlands, Education, Development Cooperation, Policies

**Summary:** Dutch development cooperation has adopted a strong focus on economic self-reliance, trade and mutual interests while adhering to the MDGs and SDGs. Shifts in the development cooperation budget tell the story.

In my article for NORRAG News 51 (Boeren, 2014), I described the changes in Dutch development cooperation up to 2010, especially with regard to the support to education. A clear shift had been made from social development to economic growth as the engine of development and from aid (one-directional support which nurtures dependency) to economic collaboration and trade (which serves mutual interests). Development cooperation became an integral part of the Dutch foreign and economic policies with an emphasis on creating and supporting conditions for self-reliance of development partner countries and the promotion of mutual interests. Support was focused on four areas where the Netherlands is considered to have 'a comparative advantage' to other countries: food security, water, sexual reproductive health and rights, and peace and the rule of law. A growing role of the Dutch private sector in development cooperation was foreseen. Support to basic education no longer fitted in this new policy framework and is being phased out.

This shift in policy is reflected in the composition of the budget as can be seen from the tables below.

Support to basic and secondary education is fully stopped in 2015. What has remained is the support to post-secondary education which, although fluctuating, has remained fairly stable over the years.

The share of the budget which is earmarked for the sustainable trade and investments is steadily increasing from 14% in 2014 to an envisaged 29% in 2017. In this domain the focus is on strengthening the private sector and improvement of investment opportunities in developing countries, improving the international trade system, and strengthening the Dutch trade and investment position. This focus on economic self-reliance and trade can be regarded as linked to SDG 8 (promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) with possible spillover effects on poverty reduction, improved nutrition and healthy lives.

The other budget lines on 'Sustainable development, food security and water', 'Social development' and 'Peace and safety for development' cover the majority of the other SDGs. None of these SDGs can be achieved without an educated population and qualified work force; hence all levels of education should get due attention in the new development agenda.

Strengthening the private sector and improvement of investment opportunities in developing countries are important but inadequate instruments to create economic self-reliance if not combined with other enabling strategies.

Table 1. Dutch ODA disbursements 2007 - 2013				
Year	2007	2009	2011	2013
Disbursements, Total ODA, in US\$ x million	6.224.260.000	6.426.080.000	6.343.960.000	5.435.450.000
Education, Total	716.547.850	544.590.150	410.466.093	222.875.449
Basic education, Total	557.305.400	283.377.080	148.995.643	80.445.804
Secondary education, Total	1.978.165	28.688.490	13.399.710	22.056.726
Post secondary education, Total	113.761.540	154.290.090	135.508.621	103.358.896
Unspecified, Total	25.699.260	78.234.490	112.562.119	17.014.023
Education as % of Total ODA Disbursements	11,5%	8,5%	6,5%	4,1%
Source: OECD International Development Statistics				

Table 2. Dutch ODA expenditures 2014-2017					
		2014	2015	2016	2017
Total in € x million		3.251.897	2.475.165	2.492.521	2.504.309
				indicative	indicative
1	<b>Sustainable trade and investments</b>	14%	21%	23%	29%
2	<b>Sustainable development, food security and water</b>	17%	23%	25%	27%
3	<b>Social development</b>	31%	38%	34%	29%
3.1	Sexual and reproductive health and rights; HIV/Aids	13%	16%	17%	17%
3.2	Equal rights and opportunities for women	1%	2%	2%	2%
3.3	Strengthened civil society	14%	18%	13%	9%
3.4	Increase in number of well trained professionals, strengthening of higher and vocational education institutes and stimulating policy relevant research	3%	2%	2%	1%
	<i>Research programmes</i>	0,33%	0,18%		
	<i>Education programmes</i>	0,13%	0,03%		
	<i>International higher education programmes</i>	1,12%	1,77%		
	<i>International education institutes</i>	0,03%	0,02%		
	<i>Global Partnership for Education</i>	0,92%	0,00%		
4	<b>Peace and safety for development</b>	32%	16%	16%	16%
5	<b>Strengthened frameworks for development</b>	6%	2%	2%	0%
Source: Dutch Government Budget					

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# How 4% was Achieved: the Process of Realizing Education as the Priority

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**Key words:** education funding, 4%, education as the priority

**Summary:** This article analyzes the target of reaching the goal of education funding accounting for 4% of GDP in 2012. It is found that realization of the target comes from the support of policy, national finance and the efforts of local government. Primary education, compulsory education, rural education and education in central and western regions are main elements of the 4%. After realization of 4%, how to establish reasonable education investment classification and sharing system will be a key and difficult question facing the Chinese government.

China is a typical government-led country for education development; thus government investment is of great importance for education development. Early in 1993, the Chinese government proposed the target of realizing that domestic financial education investment would account for 4% of GDP by 2000; however, the target was not realized until 2012. How was the Chinese government's education input distributed and changed?

## Total Amount vs Per Capita

The National Bureau of Statistics (2014) showed that the proportion of national financial education expenditure in GDP increased from 2.46% in 1993 to 4.16% in 2012. The rise is related to the increase in proportion of state revenue in GDP which rose from 19.15% in 2007 to 21.95% in 2012. We can see that education is an important input area in public finance. Nevertheless, we have to point out that the proportion is still very low compared with other countries. In 2011, the OECD average national financial education expenditure accounts for 6.1% of GDP.

## Compulsory Education vs Non-compulsory Education

The nation pays a good deal of attention to compulsory education. In 2006, the *Compulsory Education Law* was revised and this provided much more detail on enhancing the input of compulsory education. After that, the Ministry of Education (2012) said that China has fully popularized nine-year compulsory education in 2011. The National Bureau of Statistics (2014) shows that input of compulsory education rose from 50 Billion *yuan* to 101 Billion *yuan* during 2007 to 2011, an increase from 34.5% to 36.75%. Compared with non-compulsory education (16.70%), the average annual growth rate of compulsory education is higher (19.46%). The deputy minister of Ministry of Education, Du Yubo, (2014) pointed out a principle for realizing the 4%, namely, newly-added expenditure is allocated to compulsory education.

## Primary VS Secondary VS Tertiary Education

From 2007 to 2011, primary education was the main area of national education input, and secondary education and higher education equally shared the rest. It is related to nine-year compulsory education in China. Besides, what needs to be pointed out is that input of pre-school education is greatly increased in realization of the 4%. From 2008 to 2012, as Du Yubo (2014) pointed out, the increase of financial input of pre-school education is the fastest, with a growth rate of 49%. It is directly related to the development target and huge development requirements of pre-school education proposed in 2010.

## Rural VS Urban, Eastern Region VS Middle and Western Regions

Rural area is a main region of the national education input. From 2007 to 2011, the ratio of education expenditure in rural as well as urban areas is basically kept at 3:2. According to Du

Yubo (2014), no matter in rural or urban areas, no matter compulsory education or secondary vocational education, free school has become a reality up to 2014. What's more, more than a half of resident students of compulsory education in the rural areas in middle and western regions can enjoy free accommodation, living supplement and subsistence allowance.

### Central Government VS Local Government

Local government takes the main responsibility of China's education input. The National Bureau of Statistics (2014) shows that the education input proportion of local government at all levels accounted for 94.56% in 2009 and rose to 94.97% in 2013. It is related to the education strategy of realization of 4%. In *Opinion on Further Increasing Input of Financial Education* issued by State Council (2011), it details the indicators and clarifies the government responsibilities, emphasizing that local government carries the main responsibilities, usage and management. What's more, it established a new incentive system, awarded good implementers as well as punished poor implementers. But what must be clarified is that because of the economic and educational development levels, the scale and areas of education input between different regions still has a big gap, for example, between Shanghai and Guizhou.

It is noteworthy that the realization of the 4% has depended on three important reasons, namely, policy, national finance and efforts of local governments. The increase of total expenditure input is a direct reason for realizing the 4%. In order to reach this 4%, strategies such as quantifying targets, distributing responsibilities, broadening financial resources and establishing rewards and punishment system were applied. And the primary education, rural education and education in middle and western regions were the main areas of education input. Local government carried the main responsibility for education input. Although 4% has been realized, China's education input still falls behind other countries and needs further enhancement. The Ministry of Education proposes that the 4% will be mainly used as a guaranteed basis, to supplement shortcoming and to facilitate fairness, which are to provide basic public education service in the future. However, after the era of the 4%, optimization of education input structure, realization of reasonable classification, and the sharing mechanisms will be developed.

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# National Policy on Education: Issues in Financing of Higher Education

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**Key words:** Public good, externalities, India, higher education, financing, UGC, Private Universities, % of GDP, Student fee, Student loan, National Knowledge Commission, Yashpal Committee, National Policy on Education.

**Summary:** In the overall context of discussion on formulating a new education policy in India, the need to clearly articulate the issues in financing of education is highlighted. The critical importance of public financing of education is also stressed. The government has to make a firm commitment to funding education.

The first national policy on education was formulated in 1968, 18 years after development planning in independent India was launched. It was exactly 18 years later again that the second national policy on education was formulated in 1986, which was then marginally revised in 1992. During the last few years, the need for another national policy on education has become increasingly felt, given the significantly changing landscape in all spheres of development, and in the education sector in particular.

In the absence of any new policy, during the last couple of decades changes in the education sector were introduced with executive orders and uncoordinated initiatives. Immediately after coming to power, the current government indicated that it would come out with a new national policy on education.

This short note focuses on higher education, and especially on the financing of higher education. Higher education is widely acknowledged as an important public good, and as a social responsibility. Because of its direct relationship with development, and more importantly the externalities it produces, state funding of higher education assumes critical importance. It is necessary that the state makes a firm commitment to the funding of higher education. It has been

repeatedly reiterated that we should spend at least six per cent of GDP on education, as stated in the 1968 National Policy on Education, and 1.5 per cent on higher education, as recommended by the Committee on Financing of Higher Education of the Central Advisory Board of Education in 2005. While there is need to revisit these targets, these may be viewed as minimum targets for the immediate future. These resources need to flow out of general and specific tax and non-tax revenues of the government (at central and state levels). Presently, however, less than about four per cent of GDP is allocated to education.

There should be a proper sharing of responsibilities in funding higher education in India between the union (central) and state governments. While the central government, directly or indirectly through the university grants commission (UGC), fully funds the central universities, only the development expenditure of state universities and colleges is funded by the union government. Recent commissions / committees (e.g. National Knowledge Commission, Yashpal Committee) have suggested that the union government should fund state universities and colleges as well, beyond only covering development expenditure.

The higher education sector needs to be adequately funded, keeping in view the goals relating to expansion, improvement in access of marginalised groups, the improvement in quality to an acceptable level, and the achievement of excellence in a large number of selected institutions. Before expanding further the higher education system with new universities and colleges, it is necessary to ensure that the existing institutions are reasonably well developed and are put on a sound financial footing. Like the 'operation blackboard programme',<sup>1</sup> the government may need to launch a similar programme to ensure investment in essential basic infrastructure

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<sup>1</sup> 'Operation Blackboard' outlined in the 1986 National Policy on Education, and commenced in 1987, aimed to upgrade physical facilities in primary schools across the country

facilities in all institutions of higher education. To promote quality and excellence, substantial resources need to be allocated to promote research in all universities and other institutions of higher education. Reasonable proportions of budgetary allocation to higher education need to be committed to research and also to scholarships to promote equity and merit. The flow of funds to the higher education institutions needs to respond to the varying needs of different institutions on the one hand, and the performance of the institutions on the other.

A related issue that one has to examine is: whether it is justified to allocate public funds to private universities and colleges, which are defined otherwise as 'self-financing' and are treating education as a 'business', as the Yash Pal Committee (2009) observed rightly. The issue becomes particularly important as state resources are not enough to adequately finance even the public institutions of higher education. So financing of private institutions may mean 'public pauperization and private enrichment' (Panikkar et al., 2011).

Since higher education produces a wide set of social benefits to the whole society, there is no justification to expect the higher education institutions to significantly rely only upon student fees. Earlier committees constituted by the UGC and the All-India Council for Technical Education have suggested allowing these institutions to generate about 20 per cent of their budget requirements through student fees and other sources. A Committee of the Central Advisory Board for Education (2005) has suggested that this 20 per cent may be seen as an upper limit so that equity considerations of higher education are not traded off.

Similarly, while student loans are becoming increasingly popular, these also cannot be seen as a reliable method of financing higher education on a large scale. The adverse effects of student loans on students' attitudes and approach towards higher education and the values that these loans impart, besides its accentuating role in commercialization of higher education, need to be carefully examined before further expanding loan programmes.

Strong higher education systems are created in some developed countries with liberal funding by the state and equally liberal funding by the society at large, specifically through donations

and endowments from the corporate sector and individuals, including alumni. In some of these countries, student contributions in terms of fees constitute a relatively minor source of overall funds. It is necessary to develop a framework in India that promotes this missing source of funds – the non-state and non-student sector. Besides trying to link some of the provisions of the Corporate Social Responsibility Act specifically to the higher education sector, innovative measures to promote individual and corporate donations and endowments to higher education need to be found. A proper system of matching grants to higher education institutions needs to be put in place.

Lastly, at least a 10-20 year plan of funding of higher education that corresponds to a long term plan of higher education development in the country needs to be produced, based on sound principles of financing of higher education. Such a plan should assure the higher education institutions of a steady flow of funds for a 10-20 year period, with sufficient provision for rewards and punitive action. This might also require that every institution prepares a sound, feasible long term plan for development. Perhaps the new national policy on education will give some attention to this.

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# The Funding of Higher Education through an Export Industry

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**Key words:** Internationalisation, tuition fees, Asian higher education, higher education markets, higher education funding.

**Summary:** Australia has built quite a remarkable export industry in higher education in the Asian region and is now seeking to achieve sustainability through new markets in other regions of the globe.

If the inward flow of international students is an acceptable if blunt measure of the internationalisation of national higher education systems, then Australia is one of the world leaders on a per capita basis. Around one quarter of the students in Australian higher education are from overseas. In some universities and courses this proportion is much higher. Most of the teaching and learning is undertaken onshore in Australia, though there is some offshore provision, principally in Asia, where some universities have satellite campuses.

Many Australians are probably unaware that education is now one of the nation's major exports. When expenditure for tuition fees, accommodation, food and daily living is factored in - including for international students undertaking senior secondary schooling in Australia with the objective of gaining entry to an Australian university - education ranks as Australia's third largest export industry, surpassed only by the extractive industries of coal and iron ore mining.

Australia's success in internationalisation is partly due to a lucky alignment: a Western-style higher education system located in Asia among nations with under-developed university systems yet growing demand, tuition in English, a strong, high quality university sector - one with sound quality assurance arrangements - and a generally safe, multicultural environment. Add to this the favourable national policies that have supported unified national marketing, the inducement of the prospect of permanent residence for graduates,

and universities anxious to generate new revenue streams and you have the recipe for a thriving alignment of demand and supply.

Australia's international students were once welcomed on quite different terms. The internationalisation of Australian higher education began in the 1950s under the Colombo Plan, with sponsored students from developing countries taught through an Australian aid program. Presently however, international students are, in the main, full fee-paying students, unsubsidised by Australia, and universities are free to set their own prices according to what the market will bear. For domestic students, higher education fees are regulated by the government and are typically only 25-35% of the fees paid by international students. Clearly therefore international students are financially attractive for Australian universities (even though their recruitment, admission, teaching and support are most costly than for domestic students) and their fee revenue supports other university operations. International students provide discretionary income and the viability of some universities is dependent on their success in maintaining international student enrolments.

International students are not only about revenue of course. International students bring vibrancy to campuses and programs and assist all students to be globally aware and culturally sensitive. They also help Australia build strong, trusted relationships with its neighbouring countries as we enter the Asian century. International students enrich Australian higher education. Despite this, Australia's international education industry is the subject of regular concern and occasional bursts of strident criticism. The integration on campus of international and domestic students is not always as effective as it could, and should, be. Worryingly, some international students struggle due to inadequate incomes, unsatisfactory accommodation and poor support networks.

The most recent public criticisms of the

international education industry have been of academic standards, with claims of dodgy recruitment practices by overseas agencies, the forging of educational records, soft marking and management pressures to pass international students with sub-par knowledge and skills. The actual extent of such problems is not clear.

A significant disruption to the market dynamics may be imminent. First, the source markets are shifting. The largest number of international students are presently from China. Anticipated growth in the Indian market has not happened, partly due to unfortunate incidents some years ago in which Indian students were subjected to violence. Australian institutions are increasingly looking to South American nations as new markets, assuming rising middle-class incomes and increasing public demand for higher education that cannot be met by existing national systems.

Second, the Australian government is committed to deregulating domestic undergraduate pricing, though this policy direction is highly contested and has been rejected in the upper house of parliament. Domestic deregulation would almost certainly push up fees overall, in the leading universities perhaps markedly so. Higher fees for domestic students would reduce the favourable margin that is presently achieved with international students. The market behaviours of Australian universities would certainly change significantly.

# The Power of Tax: The Case of Education

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**Key words:** tax, financing, revenue.

**Summary:** If we are serious about expanding sustainable financing for education we need to focus less on external aid and more on domestic resource mobilisation, particularly tax justice. Unless tax-to-GDP ratios rise, governments will struggle to finance comprehensive education systems. A lot can be done to end harmful tax incentives, stop aggressive tax avoidance, outlaw over-invoicing and increase progressive revenue collection.

## Introduction

For a long time education advocates have focused on securing more aid for education – yet, in practice, aid to basic education is declining and remains unpredictable. So, increasingly advocates have focused also on sustainable financing of education through domestic resource mobilisation, arguing for a greater share of national budgets to be invested in education. Popularising benchmarks of 20% of national budgets and 6% of GDP has had some success in leveraging new commitments and these found their way into the declaration of the World Education Conference in Incheon (UNESCO, 2015). However a fair share of a small overall budget is still small – and this has led a new generation of education campaigners to look more seriously at the overall size of the government budget and to argue that we need to pay attention to the power of tax.

## Piketty and Tax to GDP Ratios

In 2014, the Education for All Global Monitoring Report (UNESCO, 2014) did some important work looking at tax to GDP ratios, observing that, *“a modest increase in tax-raising efforts, combined with growth in the share of government budgets allocated to education, could help raise education spending by US\$153 billion by 2015 in 67 countries, a 72% increase from 2011 levels.”* This is 100 times

more than the total amount of global aid that goes to support basic education in Africa. Based on these calculations, Rwanda, which has a tax to GDP ratio of just 12.8%, could have increased spending per primary school child by 75% by 2015. Meanwhile Uganda, with a present tax to GDP ratio of 12.5%, could have increased spending by 50% over the same period. This is the scale of increased investment that can make a real difference, enabling all children to be in school and learning.

Piketty (2014), in his book *Capital in the Twenty-First Century*, highlights the importance of these tax to GDP ratios. He charts the evolution of the state from what he calls the **“regalian state”** of the 19th century to what he terms the **“social state”** of the 20th century. If your share of taxes in national income is only 8% (as was the case in Europe in the 19th century) government can only credibly perform “regalian functions”, financing *“police, courts, army, foreign affairs, general administration etc.”* Today GDP to tax ratios are much higher and this is normalised in richer countries at over 30% (for example: U.S. 30%, UK 40%, Germany 45%, France 50% and Sweden 55%) enabling a social state to emerge that takes responsibility for universal education, health, pensions and social protection etc. If we look in detail at a cross section of low and middle income countries in each continent we see some startling patterns in the 2012 data on tax to GDP ratios (see Wikipedia). The emerging economies – Turkey, South Africa, Brazil and Mexico all have ratios around 20% to 30%. The lower income countries with some of the biggest development challenges have ratios of 10% to 20% and there are some shocking outliers of states such as Afghanistan, Haiti and Bangladesh with ratios of under 10%.

When we look at these data it becomes abundantly clear that the struggle to universalise access to quality education must go hand in hand with the **struggle to expand the tax base**. It is unrealistic to build a social state in Piketty's terms without attention being paid to this critical element of the



tax base. Fortunately there are some simple ways in which countries can expand their tax base in a progressive way.

### Ending harmful tax incentives

One simple way to dramatically increase tax revenues is to stop giving away unnecessary tax incentives and holidays to multi-national companies. ActionAid (2013a) estimates that \$138 billion annually is given away unnecessarily in harmful tax incentives to multinational companies by developing countries. These are incentives given to attract investment but in most cases the incentives are a long way down the list of factors that make a company invest in a particular country. Companies will do what they can to push for a tax break, but not receiving a tax break is very rarely a deal-breaker for them. Yet in much of sub-Saharan Africa, these tax exemptions can amount to the equivalent of 5% of GDP. If these incentives were stopped you could fill the global financing gap on education within three months.

The Education for All Global Monitoring Report (UNESCO, 2014) calculates that if Ethiopia eliminated tax exemptions and devoted 10% of the resulting revenue to basic education, then it would have *“an additional US\$133 million available, enough to get approximately 1.4 million more children into school”*.

In a similar way, governments also lose valuable revenue by selling natural resource concessions for much less than their true value. The EFA GMR (UNESCO, 2014) notes *“The Democratic Republic of the Congo incurred losses of US\$1.36 billion from its deals with five mining companies between 2010 and 2012. This is the same amount as allocated to the education sector over two years between 2010 and 2011”*.

### Challenging aggressive tax avoidance

Another key way to increase tax revenue is to challenge aggressive tax avoidance. ActionAid's report *“Sweet Nothings”* on Associated British Foods in Zambia (ActionAid, 2013b) showed that aggressive tax avoidance by just one company deprived the Zambian government of funding that could have provided primary education for 48,000 children. In another expose, *“Calling Time”* ActionAid (2010) showed that a woman selling beer outside the largest SAB Miller brewery in

Ghana paid more tax than the entire brewery and in fact paid more tax than the entire company did, not only in Ghana but across the whole of Africa.

In Tanzania, the Global Campaign for Education's (2013) *“A Taxing Business”* report observed that the amount lost to tax dodging by big companies could pay for the training of all Tanzania's untrained primary school teachers, as well as training and salaries for more than 70,000 additional teachers, building 97,000 new classrooms, and ensuring every primary school-aged child has a reading and mathematics text book.

### Exposing over-invoicing

One way of avoiding tax is by *“over-invoicing”* (Neate, 2014). A recent study commissioned by the Danish trade minister showed that *“more than \$60bn has been illegally moved in and out of Uganda, Ghana, Mozambique, Kenya and Tanzania over 10 years, with most of it passing through tax havens”*. Over-invoicing basically means that importers pretend to pay more for goods than they actually pay and the extra money is slipped into offshore bank accounts: *“In one notable case an American company invoiced for plastic buckets at \$972 each”*. It is through scams like this that much more money floods out of Africa than arrives in aid – depriving governments of the revenue needed to invest in education.

### Increasing revenue raising capacity

All of these practices could be challenged if developing country governments had stronger revenue authorities with technical expertise to strengthen tax systems, close tax loopholes and combat corporate tax avoidance. This would be one of the best and most sustainable uses of aid. One study quoted by EFA GMR (UNESCO, 2014) showed that for every \$1 spent in aid to support tax systems, \$350 in tax revenue was raised. Unfortunately under 0.1% of aid is presently spent on supporting tax systems.

### Conclusion

In the coming months there will be new estimates of the overall financing gap for achieving progress on globally agreed education goals and targets. Attention will be placed on a single headline figure for what external aid is needed to ensure

all countries achieve progress. These calculations will almost certainly not have looked at alternative and more sustainable ways of raising this funding - through coordinated action on tax justice. In some countries national tax justice campaigns have already emerged and under the umbrella of the Global Alliance for Tax Justice ([www.globaltaxjustice.org](http://www.globaltaxjustice.org)) more broad based campaigns are emerging. In the coming years, education advocates need to be making common cause with such tax justice campaigners - because expanding the tax base is the most realistic means of securing sizeable increases in financing for education.

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# **THE CHALLENGE OF THE PRIVATE, NON-STATE AND INNOVATIVE FINANCING ROUTES**

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# Financing the Post-2015 Agenda: the Scope for Social Impact Investments

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**Key words:** post-2015, social impact, impact investing, financing for development, education finance.

**Summary:** Reaching the sustainable development goals will require integrated approaches to economic, social and environmental issues. Impact investing is an innovative way for business to contribute in such an integrated way that shows great potential for growth although significant obstacles to the industry remain.

A deliberately open and inclusive goal-setting process has led to a set of proposed sustainable development goals (SDGs) that are ambitious in scope and universal in applicability. The goals reflect a ramp-up in both breadth and depth. No estimates have been agreed on for specific financing requirements, but the scale is implicit in the joint report by multilateral development banks to the Development Committee in April 2015: “From billions to trillions: transforming development finance” (World Bank – IMF, 2015). The post-2015 agenda is a “beyond-aid” agenda that calls for everyone to contribute. In today’s constrained and unpredictable financing environment, non-traditional funding sources like social impact investing can be an important part of the response.

Social impact investing is defined as investing for the purpose of social and environmental impact as well as financial returns. It actively seeks to have a positive impact on society. All businesses that seek to contribute to the SDGs through an integrated approach will have the characteristics of social impact investors. Because impact investing mandates a financial return on investment (and at least seeks the protection of the principal) it can be a powerful self-sustaining financing stream that presents an attractive alternative to grants and philanthropy for public and private donors.

Impact investing is a rapidly growing industry. Impact investment funds had a total of \$46

billion in assets under management in 2013 and a year-over-year increase of nearly 20% (JP Morgan, 2014). It could be poised for a break-out in terms of volume expansion. Impact investing was targeted by the G8 as a major opportunity, and the synthesis report by the chair—the United Kingdom—documents how a few reforms could lead to rapid development of the industry (Social Impact Investment Taskforce, 2014). Most impact investments are in developed countries and the potential for social impact investing to contribute to the SDGs may well be felt first in developed countries. But there is also scope in developing countries; by some estimates, an estimated \$1 billion was allocated to education in developing countries.

Impact investing is facing two hurdles: (i) proven business models that investors feel comfortable to support; and (ii) the removal of regulatory impediments that were often designed for different times.

There are ever-more examples of successful business models. In education, private schooling models like Bridge International Academies in Kenya and the Beaconhouse School System in Pakistan show that socially and financially sustainable models are possible and can be scaled up far more rapidly than alternatives based on grants, or those that rely on government service provision. Many governments in developing countries do not have the money or administrative capacity to expand education rapidly. In these circumstances, impact investing has the most potential.

Who invests in impact investing companies? Bridge boasts investors including the Omidyar Network, OPIC and Bill Gates, but they are also attracting investors, especially high net-worth individuals, interested in pure financial returns.<sup>1</sup> One of Beaconhouse’s first campuses was

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<sup>1</sup> <http://www.bridgeinternationalacademies.com/company/investors/>

financed by the International Finance Corporation, the World Bank's private investing arm. Impact investing often provides an opportunity for investors to diversify risk as companies serve a different market segment—one that targets low-income households for example—so impact investments can still be valuable in a portfolio as the lower expected financial returns can be offset by lower risk.

Impact investors report that the most difficult financing to mobilize is between the “innovation” and the “scaling-up” phases. They can get philanthropies or small grants for the initial innovation, and can tap capital markets when the “proof of concept” is complete and there is a sufficient track record of financial returns for investors to review, but they need patient capital for the in-between phase. This is also the conclusion of the U.K. synthesis report on impact investing.

One obstacle for impact investors in social sectors like education or health surrounds the fees that can be charged for services provided. Impact investors need an income stream and charge parents and families; Bridge, for instance, currently charges \$6 a month per student. But in some countries there is strong opposition; indeed the SDGs suggest that primary and secondary education be free, something that would destroy impact investing in the sector unless alternatives, like Chile's government voucher system, are put in place.

Impact investing is also hampered by legal and regulatory impediments. In some countries, like Egypt, firms may be classified as non-profit or for-profit but not in-between. Other countries, like the U.S. and the U.K. have allowed for hybrid legal forms that are more suitable for impact investment. Similarly, in some countries, institutional asset managers (such as charitable foundation or pension fund trustees) have a fiduciary responsibility to maximize financial return. The intentionality of impact investors to pursue objectives other than profit could deter fund managers from including impact investments as part of their portfolio.

The sustainable development goals provide an opportunity for countries to measure how they are faring on a range of social, environmental and economic targets. Impact investors measure how companies are contributing to similar objectives. With companies being called upon to contribute

more to the achievement of the SDGs, it is natural to expect that social impact investing will be an attractive option for investors seeking to align themselves with the post-2015 agenda.

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# Transnational Venture Capital and the Rise of 'Low-Fee' Private Schools: The Case of Pearson and Omega Schools in Ghana

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**Key words:** transnational corporations, venture capital, low-cost private schools, Pearson Affordable Learning Fund, education financing

**Summary:** Transnational corporations are considered by some to be part of the global 'solution' to education financing in the post-2015 context. This article critically examines the education corporation, Pearson, and its investment in Omega Schools - a chain of 'low-cost' private for-profit schools in Ghana.

As global financing of education continues to fall short and demand for access and skills continues to grow, private corporations have emerged as new financiers, investors, partners, and providers of education. Pearson plc, the self-acclaimed 'world's leading learning company', is a case in point. This brief article will review the Pearson Affordable Learning Fund (PALF): a commercial investment fund established in 2012 by Pearson that makes private equity investments in for-profit companies providing 'low-fee' private schooling throughout Africa, Asia, and Latin America. Here the focus is on Pearson's investments in the Omega Schools' Franchise in Ghana.

Pearson describes PALF as 'a for-profit venture fund, in response to the vital market opportunity and government need for low-cost private education in the developing world' (PALF website). Pearson launched PALF with \$15 million of initial capital and in January 2015 it was announced an additional \$50 million would be invested over the next three years, bringing the Fund's total assets under management to \$80 million (PALF website). By 2020, Pearson expects PALF's investments to help provide 'millions of the poorest children in the world with a quality education, in a cost-effective, profitable and scalable manner' (PALF website). PALF, therefore, has two primary objectives: (1) demonstrate to governments, donors, and investors that private equity investments in chains of low-cost private schools can help universalize

basic education in a cost-effective manner, and (2) develop new markets and sources of profitability in the low-cost private school sector.

PALF makes strategic investments in 'optimal markets' where conditions are conducive to growth and returns on investment. Beyond partnering with local 'edu-preneurs' who exhibit the capacity to deliver low-cost and 'innovative' solutions, Pearson targets contexts where the regulatory environment is more 'open' to private sector participation and profit-seeking and where a sufficient number of prospective customers exist who can financially sustain the for-profit enterprise.

In 2012, PALF became a private equity investor and shareholder (at an undisclosed amount) in the Omega Schools' Franchise in Ghana. In Ghana, low-cost private schools can be registered as for-profit institutions, which is not a common practice in other 'developing' countries. By 2014, Pearson's investments helped Omega expand to 40 profit-generating schools with more than 20,000 fee-paying students.

Omega Schools operate on a 'Pay As You Learn' system whereby student/customers pay GHS 1.50 (about US\$0.65) per day for classroom services. Income generated from daily tuition fees to cover the operational costs of each school, including teacher salaries and other material inputs, while also turning up a surplus. Profits are then used to finance the construction of new schools in the franchise and/or provide capital return to company shareholders. Pearson's commercial investments in Omega Schools are therefore expected to produce market-returns as a result of profits accumulated from user fees. Pearson sets 'market-based returns as conditions of continued investment' ('Pearson makes new investments', 2015). As a result, the financial sustainability of Omega Schools is precarious since continued investment by Pearson is conditional upon market-based returns.

In order to increase profit-margins, chains of low-

cost private schools like Omega can benefit from economies of scale by producing high volumes of services, at very low cost. However, Omega's main source of cost-cutting has come as a result of the exploitation of teachers' labour. Since the company hires unqualified 'teachers' without professional teacher training or accreditation who are paid a fraction of what qualified teachers in the public sector make in Ghana (that is, 15-20% or roughly \$3 per day). While this cost-cutting (or 'cost-effective') practice is advertised as a strategy for reducing fees to a level that are intended to make Omega Schools 'low-fee' and 'affordable' options for the most economically disadvantaged pupils in Ghana, in reality, this is not the case.

User fees charged by Omega suggest that low- to lowest-income households in Ghana would have to expend 25-40% of their annual household income to access these services. Fee-paying private schools like Omega are more an elective for those who can already afford to pay rather than be a method for extending access to the most marginalized. In a sample of 437 pupils taken across four different Omega Schools, only 1 out of 437 students questioned had not been enrolled in classes at another school prior to Omega (Riep 2014). This finding refutes any suggestion that Omega Schools are significantly extending initial access to basic education through its provision of 'low-fee' private education.

The joint venture between Pearson and Omega Schools represents a 'bottom of the economic pyramid' scheme (Prahalad, 2005) — that is, a capital accumulation strategy to develop new markets and sources of profitability by selling low-cost private education services to the world's 'poor'. Omega plans to grow to more than 200 for-profit institutions in the next few years, while extending its services beyond Ghana and into other West African markets. With 500 fee-paying students in each school, Omega's shareholders, including Pearson, will profit largely from the sale of basic education services to low and lower middle income communities in West Africa.

Private sector participation and private corporations are considered part of the global 'solution' to education financing in the post-2015 context. Chains of so-called 'low-fee' private schools like Omega have gained increased levels of international policy focus and advocacy, considered to be cost-effective panaceas for universalizing basic education. In 2011, Omega received a \$250,000 grant from Google.org to

initiate a similar chain of schools in Sierra Leone. And in 2013, the UK government's Department for International Development (DFID) provided a financial grant to Omega Schools as well. But as the international community of concerned governments and donors seek out new sources and recipients of education financing, private enterprises that aim to develop 'low-fee', yet for-profit, education services for the most vulnerable must be carefully and critically interrogated to determine who really 'wins' and 'loses' as a result. The case of Pearson's joint venture with Omega Schools demonstrates that commercial investments and for-profit edu-businesses are driven more by their own bottom line than by developing innovative models of education.

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## Low-Fee Private Schools in Peru

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**Key words:** Default privatization, low-fee private schools, regulation, educational segregation, citizenship

**Summary:** Low fee private schools are a growing phenomenon in many low and middle-income countries. This article looks at the rise of low-fee private schools in Peru.

Low fee private schools are a growing phenomenon in many low and middle-income countries. Their emergence usually takes place in the context of default privatization processes which, though often aided by generous legislation, are not the product of government design but a more bottom-up response to the unavailability or perceived inadequacy of public education services, especially in such countries' poorest areas.

Hailed by some as an area of hope and greater opportunities for the poor (Tooley and Dixon 2005a, b), questions have been raised about the regulatory environments in which low-fee private schools operate, and about the extent to which such schools might be trading on the dreams and hopes of the poor without really offering much in exchange (Robertson and Dale 2013).

A case study of default privatization and of the rise of low-fee private schools in Peru provides insights into the complexities of this sub-sector of private education (Balarin 2015). Peruvian low-fee private schools have emerged, en masse, in the past decade against the backdrop of a legal decree passed in 1998, which sought to promote private investment in education by reducing legislative constraints for opening private schools, allowing private schools to operate for-profit and offering generous tax credits to investors. This led to a surge in the supply of private schools, which since 2004, when the country entered a decade of strong and steady economic growth, has been met with an equally important growth in demand for private schooling. Private school enrollments have gone from 13 percent in 1998 to 26 percent in 2014.

In the city of Lima, which holds almost one third of the country's population and approximately half of all enrolments in basic education, private school enrollments are now at 50 percent, up from 29 percent in 2004 (Cuenca 2013). Evidence shows that the trend is well established in most major cities in the country.

In Peru, the growth of private education has taken place in the context of a process of decentralization, through which executive capacities have been devolved to newly created regional administrations whose administrative capacities are still weak. In this process, regulatory functions with regard to private schools have almost disappeared. Licenses for new schools are granted by local authorities which do not perform any regular supervisory role with regard to private schools, nor collect any regular data that could facilitate their regulation or the development of knowledge about this growing school sector.

Evidence from other studies shows that Peru is one of the Latin American countries with the greatest degree of school segregation and where, consequently, students' socio-economic characteristics are most strongly correlated with their educational achievement (Benavides, León, and Etesse 2014). Research also shows that the school system is deeply stratified, with schools catering for very distinct populations on the basis of their residential location and purchasing capacity. These trends are marked in both the public and private sectors, but the range of stratification is greater in the latter, where supply is often beyond the reach of the state's regulatory control.

Poor families who choose to send their children to low-fee private schools navigate the school market with no public funding and very little information to enable and support their choices. Driven less by an ideological preference for the private, or by the status concerns that often drive the choices of middle and upper class families, poor families' choice of private schools derives



from very practical concerns about service availability in their areas, student-teacher ratios and the lower risk of sending their children to a small school near their home where they can keep an eye on them. Families are also concerned about the quality of teaching and learning, but their parameters for judging quality are often weak or even misguided. It is when faced with problems such as their inability to pay or the lack of responsiveness from schools that are often run as family businesses - employing unqualified staff or incurring inadequate practices - that families realize the potential (or real) implications of sending their children to a low-fee school: the likelihood of their children having to interrupt their schooling trajectories and the lack of protection from inadequate or abusive practices.

That their choice of school will provide their children with the opportunities these families hope for seems unlikely in a context where low fee private schools operate under such loose regulation and standards. Such a claim has further support from the Peruvian national assessments, which have shown that children in private schools operating in areas with high concentrations of poverty tend to have similar, and in many cases worse, results than those in public schools operating in those same areas.

Beyond this, however, lie the implications for citizenship and social justice of an unregulated school market that separates children from different socio-economic groups in entirely different schools, with the negative consequences this tends to have for the children from the poorest backgrounds.

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# Non-State Funding of Education – a Case Study from Ethiopia

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**Key words:** networks, personal links, precariousness.

**Summary:** Funding through personal networks: effective for now, but precarious in the long term.

The Asere Hawariat School in Addis Ababa, Ethiopia, currently has 1,100 pupils, drawn from those sectors of the community who would find it difficult, if not impossible, to afford the incidental fees – registration and other costs – associated with government education. It has always been financed by voluntary contributions.

When the school began in the very early 1960s, it was small and largely funded by contributions from expatriate teachers who had taught the founder, Asfaw Yemiru, when he was a student at the British Council-run General Wingate School. It was given an early boost by an award from the Haile Selassie Foundation.

As the school grew it was largely financed by the Swedish Rädga Barnen charity, and this continued until the mid-1990s when a change in Swedish funding arrangements meant that the responsibility for funding fell to the Asere Hawariat School Fund, a UK based-charity founded by a group of former volunteers at the school. At the time they had no notion of what this would entail, or where the money would come from!

Now this Fund supplies almost 100% of the running costs, amounting to £9,000 per month, along with occasional injections of extra cash for vital infrastructural and other demands. This all has to be raised by public appeal. Some of this comes from individual donations; some from schools and churches; some from charitable Trusts and Foundations and some from bequests. It can occasionally feel a little precarious.

This model is, currently, sustainable through a network of people who have heard of, and in some cases visited, the school. Many former volunteers

who worked at the school in its early years are generous both with their financial contributions and in encouraging others to donate. The trustees of the Fund give talks to a wide variety of groups, and sometimes these talks have unexpectedly generous financial spin-offs. This work is made easier by the inspiring personal story of the founder, Asfaw Yemiru, and by his international recognition (he is a past winner of the World's Children's Prize for the Rights of the Child and of an award given him by Tierra de hombres in Spain).

However, this network covers less than 50% of costs. The rest comes from trusts and bequests. It is, as I have already said, a somewhat precarious model, and its long-term sustainability is far from assured.

This model of funding has proved remarkably effective over the years, but there are many factors that suggest that it is probably a one-off and is over-dependent on personal links. The Trustees of the UK fund are very aware that generational change both in Ethiopia (on-going) and in the UK (eventually) will inevitably change things.

In the medium term both sides of the equation are actively examining alternative models which will ensure the future of the school and those it seeks to help. There are no obvious immediate answers.

# Much ado about Nigerian Private Schools – a Case for PPP?

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**Key words:** low cost private schools, public-private partnership, Nigeria, Lagos, education, public schools, private schools

**Summary:** As the second private schools' census is conducted in Lagos, this article explores how the expansion of private schools (especially of the low cost variant) is stimulating changes in the government's ideological stance on private schools, and asks whether these changes present opportunities to design and establish effective PPPs in the state.

Many education researchers and policymakers are waiting with bated breath to see the results of the second private schools' census to be held in Lagos. This census is a big deal because in 2010 the first private schools' census to be conducted in this state - the most populous in Nigeria - revealed that there were a staggering 12,000 private schools in Lagos, as compared to 1,500 state schools. Critics argued that the bulk of these private schools were tiny, with average enrolment sizes below 100, a far cry from public schools which are typically much larger. However, analyses of the data revealed not only that an average of 48% of enrolled children at primary and secondary levels attended private schools, but that the share of pre-school enrolment in the private sector exceeded 70%. Galvanised by this startling reality, the government swung into action, constructing dozens of impressive multi-storey brick edifices across the state in an attempt to lure parents – particularly of pre-schoolers and primary-aged children - back to the public school system.

There is much evidence to suggest that the decision to move from fee-paying private schools to tuition-free state schools is predicated on much more than an expansion in access. In Nigeria, it has been found that some of the most important determinants of private school choice are strong levels of accountability within the schooling system, perceptions of care, and proximity to the

home. In Nigeria, these characteristics are often difficult to replicate in highly centralised and bureaucratic public education systems. So, 5 years after the first census of private schools, it will be interesting to see what has changed. Has any significant school shifting from private to public schools occurred? Why and how?

Whilst we await the hard data, some analysts estimate that there are now more than 15,000 private schools in Lagos. They argue that whilst state provision has also risen significantly, the share of enrolment that accrues to the private sector continues to grow, especially at pre-secondary school levels. A critical look at trends in the growth of private schooling suggest that this estimate may not be far from the truth. Other interesting observations are made: Sizeable overseas development funds are being channelled into strengthening the market for low cost private schools, and even the state has relaxed in its war against what used to be known as 'mushroom schools', now preferring to engage in constructive dialogue with associations that represent these low-cost schools. The notion of competition between the public and private sector, whilst still very much evident, is certainly less fierce than it was years ago.

Perhaps the time is ripe to shift the discourse further along the change curve, from state tolerance and tacit support of private education providers, to an exploration of opportunities to establish innovative, large-scale public private partnerships which harness the strengths of both the state and the private sector to deliver quality education to the 4.5 million school-aged children in Lagos. What can parental behaviour regarding school choice tell us about how to design policies and programmes that help teachers teach better and students learn more? The results of the private schools' census may yet offer some of the most compelling evidence for de-emphasising ideological positions regarding the role of the state and the non-state sector, and refocusing attention on what works for the children of Lagos state.

## Reference

The private schools' census is being carried out by the Lagos State Ministry of Education.

## Funding Education as a Key Public Good

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**Key words:** public good, investment in education, state obligations, development planning.

**Summary:** Preserving education as a public good with enhanced investment is essential for common well-being.

Insufficient funding for education has been a major constraint on achieving Education for All targets and the education-related Millennium Development Goals. This trend is being reinforced as Governments disinvest in education, and private providers are mushrooming, with scant control by public authorities. This is leading to a *mercantalization* of education. It is detrimental to education as a public good, and vitiates its humanistic mission; it also erodes social responsibility in education.

Modalities such as the Sustainable Development Solutions Network and calls for more partnerships between United Nations and business to achieve the Sustainable Development Goals can jeopardize education as a public good, unless intergovernmental mechanisms with a human rights accountability framework are devised as an essential prerequisite. Without this, a human rights-based approach to post-2015 development agenda being embraced will remain merely lip service. Governments must also be cautious of the repercussions of corporate influence on education as a public good that the United Nations Global Compact promote in the post-2015 process.

Decreasing investment in education is a matter of serious concern in the context of proposals submitted in September 2014 by the Open Working Group on Sustainable Development Goals to the UN General Assembly: “By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.” The future agenda envisages that basic education is provided ‘free of charge’. This is indeed the core responsibility of governments. It should, therefore,

be clearly stipulated that States will not disinvest in public education by relying on private providers, but provide necessary resources as a matter of their obligations towards the right to education. Education should receive strong commitments from global leaders for its funding as a global public good.

In that perspective, States must be reminded of their international obligations under human rights law to provide maximum resources for the realization of the right to education and make them available on a consistent and predictable basis. This is all the more important as the right to education, from which both the individual and the society are beneficiaries, is not only a human right in itself, but is also essential for the exercise of all other human rights. Education as a foundation for human development is of paramount importance for common well-being.

Guided by the principle of social justice which is at the core of the global mission of the United Nations to promote development and human dignity governments should protect education against forces of privatization and safeguard it as a public good. This is critically important in the face of advocacy and engagement by the World Bank, supporting profit-seeking companies for investing in education to the detriment of education as a public good.

Beyond the corporate sector, other stakeholders have roles and responsibilities in education, and public investment in basic education can be enhanced by mobilizing contributions of local bodies, private donors and communities through proper incentives and institutional mechanisms, especially through a national legal and policy framework for domestic resource mobilization for education. This can be invaluable in supplementing Government funding. Governments can also encourage public utility foundations engaged in education to invest more in education. Moreover, corporate social responsibility can be harnessed to supporting education development projects

on a priority basis. All those valuing education as a public good and as a social cause should be encouraged with an 'enabling environment' and good governance to contribute to national investment in education. Besides, international development cooperation in line with the Paris Declaration on Aid Effectiveness (2005) and in a spirit of international solidarity remains of abiding importance for future development agenda. In considering recommendations and analysis presented in the Report of the Intergovernmental Committee of Experts on Sustainable Development Financing (August 2014), safeguarding education as a public good should be an overriding concern.

# Impact Bonds for Early Childhood Development in Low and Middle Income Countries

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**Key words:** Innovative financing, impact bonds, impact investing, early childhood development, outcomes

**Summary:** The impact bond, a mechanism which provides upfront private capital for social services with repayment by government or a third party payer contingent upon outcome achievement, could be one way to bring more funding and improve outcomes for neglected areas such as early childhood development. Though several impact bonds exist that support children in their early years in developed countries, we have yet to see any in low and middle income countries.

We know that early childhood development (ECD) interventions such as maternal and child health and nutrition programs, parenting programs and quality pre-primary education lead to a multitude of short and long-term positive outcomes (Manuelyan Atinc and Gustafsson-Wright, 2013). Despite this knowledge and concrete example of programs that work in these settings, we fail to see many low and middle income countries with ECD reaching scale and even less so reaching the disadvantaged individuals who would benefit the most. A few of the dismal indicators include 165 million stunted children worldwide, an under-five mortality rate of 82 deaths per 1,000 live births in low-income countries and a mere 17 percent of children accessing preschool in low-income countries (UNICEF-WHO-World Bank, 2012; WHO, 2012; World Bank, 2013). And these statistics don't even include the longer term health, education, employment and crime statistics that result from a poor start in life.

There are four main constraints to achieving scale: 1. insufficient financing, 2. poor quality and capacity, 3. knowledge gaps and 4. insufficient political will. The challenges posed by these constraints suggest that innovative financing mechanisms might be considered to crowd in upfront capital for ECD and improve quality. Until now, the private

sector has mainly played a role for ECD in the provision of services such as preschool education (although mostly to higher income levels) and financial support or advocacy via corporate social responsibility (CSR) or philanthropic ventures. The landscape of financing the social sector is rapidly changing however and there is promising potential for harnessing this new landscape to benefit ECD.

Impact investing, a concept that describes investments that pursue both financial and social or environmental returns or so-called blended value, is increasingly being used to finance the social sector in both developed and developing countries (Bugg-Levine and Emerson, 2011). This market has begun to attract such diverse investors as financial institutions, family endowments, foundations and pension funds (Saltuk, 2014; Social Finance, 2012).

A particular class of impact investing, **social impact bonds** (SIB), also called pay-for-success (PFS) financing in the United States and social benefit bonds (SBB) in Australia, has gained particular attention in recent years. In this model, private investors put up capital to fund a social intervention and governments repay the investor only if an agreed upon outcome is achieved. **Development impact bond** (DIB) is a term used for a SIB that is implemented in low and middle income countries where a donor agency or a foundation is the outcome funder as opposed to the government (although some combination of government with third party is also possible) (CGD - Center for Global Development and Social Finance, 2013). As of May 1st 2015, 43 social impact bonds are being utilized in developed countries to, among other social issues, provide high quality preschool education, reduce prison recidivism, provide family support and increase youth employment. In developing countries, several projects are underway to establish impact bonds in various areas including health and education.

The nature of ECD makes it a promising candidate for this tool. Unlike other services which may have

entrenched interests, the multitude of agencies and non-state entities financing and providing ECD services, potentially allows for more room for experimentation. Also, the preventive nature of ECD programs fit well with the core feature of impact bonds which is that preventive investments will result in improved outcomes and potentially cost avoidance later on. There is ample evidence that early childhood interventions impact school readiness, learning and other outcomes.

How could impact bonds address some of the constraints in ECD that were identified above? First, they can bring in needed upfront capital to finance interventions while government is currently paying for costly remediation resulting from a failure to invest in prevention. Second, they can help tackle the quality issue since repayment of the investment is contingent upon the successful achievement of outcomes. Third, they can address gaps in knowledge by providing evidence on what works and by bringing together stakeholders and amplifying access to information. Fourth they can serve to increase political will to invest in ECD and align interests across society by demonstrating the potential of early interventions to achieve important short and longer-term outcomes.

While individual impact bond transactions are unlikely to make much of a dent in the outsize problem of achieving ECD at scale in the developing country context, larger impact bond funds like those being used in the United Kingdom may be able to contribute more substantially where problems are both deep and wide in reach. Where impact bonds have the largest potential is their ability to produce a systemic shift in how we think about service provision, taking advantage of knowledge and expertise that exists in both the public and private sectors to move us beyond a conversation about access to one about improving lifelong outcomes for the youngest among us across the globe.

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# Enabling the Promise of Innovative Financing for Education

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**Key words:** pooled fund, impact investing, development finance, summer school

**Summary:** The Open Society Foundations has been engaging in innovative financing since 2010. This submission presents an overview of their attempts to advance the field through supporting the exploration of a range of instruments and approaches and, more recently, focusing building the capacity of national level stakeholders to advance innovative financing for education.

The challenges facing the education sector are clear, as the integrated Sustainable Development Goals increase attention and require significant resources to improve quality and expand access to universal education through the secondary level. With stagnating and unpredictable ODA and an estimated annual funding gap of \$39 billion,<sup>1</sup> the framing for this edition of NORRAG rightly questions the status of the ‘apparently promising world of innovative financing for education’. Since the Leading Group on Innovative Financing for Development<sup>2</sup> established a task force to explore opportunities in the education sector in 2010, much has been written about ‘promising’ instruments and financing arrangements but evidence of generating significant and sustainable additional funding at scale remains elusive. Innovative financing has been presented as an opportunity to generate and leverage funding for the sector through novel mechanisms and partnerships. It has also generated skepticism and is plagued by polarizing debates, largely around the assumed promise of the private sector in the financing and delivery of education as a public good.

The Open Society Foundations entered this space in 2010, ushered in by our experience as a

participant in the Liberia Education Pooled Fund,<sup>3</sup> a partnership among a multilateral organization, a private foundation and a developing country government that provided critical funding for education while also strengthening local systems and capacity in a fragile and conflict-affected setting. We have since partnered with organizations and researchers to define the concept,<sup>4</sup> explore the application of existing instruments,<sup>5</sup> imagine alternative approaches,<sup>6</sup> and to map the landscape and activity for approaches such as impact investing.<sup>7</sup> Our experience has revealed a need for increased dialogue and understanding across the various stakeholders in the sector, and, more importantly, for education activists and specialists to develop a deeper understanding of not only innovative financing, but development financing more generally.

To this end, we shifted our focus away from shaping the global discourse and exploring potential instruments to developing a better informed and integrated constituency of stakeholders to advance the issues and instruments at the national level. In 2012, we partnered with Central European University to develop a week-long course, *Innovative Financing for Education: Arguments, Options and Opportunities*.<sup>8</sup> Since then we have gathered 80 participants (including researchers, activists and practitioners from the education and finance sectors) from 23 countries to understand and debate the potential and challenges that innovative financing for education present. Our faculty have the opportunity to workshop the ideas and mechanisms that they are developing,

3 <http://www.opensocietyfoundations.org/sites/default/files/liberia-education-pooled-fund-20100831.pdf>

4 <http://www.opensocietyfoundations.org/reports/innovative-financing-education>

5 [http://www.dilipratha.com/index\\_files/DB-education.pdf](http://www.dilipratha.com/index_files/DB-education.pdf)

6 <http://www.opensocietyfoundations.org/reports/innovative-financing-global-education>

7 <http://www.opensocietyfoundations.org/reports/impact-investing-education-overview-current-landscape>

8 <http://www.summer.ceu.hu/innovfinancing-2015>

1 <http://www.globalpartnership.org/news/ministerial-statement-education-financing>

2 <http://www.leadinggroup.org/rubrique20.html>

and course participants are able to walk through the technical aspects of innovative financing, grapple with political economy and social justice implications, and consider the concerns and priorities of the full range of stakeholders. Participants have utilized the knowledge and networks gained through the course to inform their work and have published on the topic, developed graduate courses, designed mechanisms and partnerships, and influenced advocacy agendas.

Though elusive, innovative financing remains promising for the sector, evidenced by the increasing interest and engagement from bilateral and multilateral organizations. While we remain hopeful for movement in global financing bodies, OSF is committed to ensuring a broad cadre of stakeholders at the national level (including professionals in ministries education and finance, civil society institutions, and universities) who are better able to engage in the design and implementation of innovative financing instruments and develop nuanced advocacy agendas that seek to increase funding flows and improve aid effectiveness in the sector.

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# Financing Education and Skills: Emerging Models of Private Financing for Higher Education

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**Key words:** private financing, co-funding, employers, loans, risk-sharing, pay-as-you-go, disruption

**Summary:** While governments play an important role in funding education, students and families still need access to additional financing. Innovative financing mechanisms that tap into the top economic beneficiaries of an educational investment – students, their future employers, and the educational institutions – provide promising sources of sustainable financing for education.

**In Africa, demand for higher education is growing at 15% per year; however, the shortfall in education financing suppresses access to education and ultimately constrains economic growth.** Looking ahead, 65% of youth will aspire to attain a secondary school education by 2030, up from 46% in 2010 (AfDB, OECD, UNDP, UNECA, 2012). The total cost of school fees for these 380 million students seeking secondary education will be \$1.5 trillion between 2015 and 2030. In addition, the tuition costs for the 30 million students pursuing post-secondary education between 2015 and 2030 will be \$270 billion.<sup>1</sup> **Addressing finance-related challenges for students and their families will be particularly vital in the coming years given the vast number of youth expected to pursue higher education.**

**While governments play an important role in funding public secondary school fees, students and families still need access to additional financing.** Often, the public education system

requires them to pay for a portion of fees and/or other academic expenses. Further, uncertain economic growth (AfDB, OECD, UNDP, UNECA, 2014) and increased competition for government funds (Brookings, 2013) may limit governments' funding capacity or make it more volatile, thereby increasing students' need to access other funding sources. Given the limited government funding available for post-secondary and vocational education, students pursuing tertiary education and/or vocational training also need to secure financing for both tuition and other educational costs. Finally, the high personal, economic, and social returns that can be unlocked as a result of higher education suggest that there is latent demand for education, which can be realized by improving access to education financing.

**In order to tap into and further develop sustainable financing sources for education, we should look to the top economic beneficiaries of that investment, that is, the students, their future employers, and the educational institutions.** Many models have already emerged in which these stakeholders – including students, current or future employers, educational institutions, or even financial institutions – are working to overcome financing challenges. **Employers or educators** chiefly help by sharing the financing risk with students through partial payment of training costs or deferred tuition payments, respectively. **Students** can alleviate their own financing burden through income earned from work and/or their prior savings, often achieved in collaboration with a partnering school, company, or financial institution.

**In the employer-financed model, employers assume the financing risk by paying for some or all of the students' tuition.** When a future employer shares financing risk with students, they not only lower students' financing barriers to pursuit of higher education, but can also incentivize educators to develop curriculum and approaches that promote student employability. For example,

<sup>1</sup> Based on 20-24 year-old cohorts by level of educational attainment from 2010 to 2030 in 5 year increments. Assumes cumulative number of 20-24 year olds with secondary and post-secondary school through the period 2015 to 2030, and average school length of 6 years for secondary school and 3 years for post-secondary school. Based on average annual school cost US\$650 for secondary school and US\$3,000 for post-secondary school (data source: Aid for Africa, How much does school cost, 2014)

in South Africa, Harambee<sup>2</sup> provides work-skills training to disadvantaged youth. Employers work directly with Harambee to define their recruitment needs and pay placement fees that cover a small portion of students' training costs. In another model, Bridge International<sup>3</sup> provides direct training to its employees and bears the entire cost of the program, but if a teacher leaves prior to the expiration of the contract, she/he repays the organization for a portion of the training costs.

**In the educator-led model, the school assumes a greater portion of the risk by allowing for deferred tuition payment that is contingent on students finding employment.** Educators are only repaid, by the student and/or employer, once the student secures a job. For example, West Africa Vocational Education (WAVE)<sup>4</sup> charges students only a small upfront fee. After the student is placed in their first job, WAVE charges the student and employer an additional fee, both calculated as a percentage of the graduate's first month's income. WAVE is incentivized to deliver high-quality and relevant programs because revenue is contingent on employment. WAVE can scale up its operations rapidly if it has access to a much larger working capital facility through banking institutions. Insurance providers such as HUGinsure<sup>5</sup> can de-risk such transactions for banks, while holding WAVE accountable for performance through its insurance premiums.

**Another approach to addressing student financing challenges is to decrease students' need for education loans.** This intervention includes products to help students better manage their cash flow to cover educational costs, as well as programs that create opportunities for students to earn income while they are in school to offset education costs. **Some financial institutions offer tailored education savings products to help students and their families decrease or eliminate the need for loans when they enter school.** These savings accounts offer attractive terms, and often have additional incentives such as direct linkages to partner schools and enhanced savings if certain criteria are met. For example, United Bank for Africa (UBA) offers a "U-Care Savings Account"<sup>6</sup> to parents saving for their

children's secondary school education, and allows parents to make direct payments to registered schools through the account.

**To offset educational costs, some educational institutions have set up businesses to employ students part-time.** These businesses help cover students' tuition costs while enabling students to develop critical work-readiness skills. For example, the Maharishi Institute (MI) in South Africa created and now runs Invincible Outsourcing, a call center that employs MI students and pays MI directly for students' services to offset school fees charged. Students also receive a \$30 monthly stipend from Invincible Outsourcing<sup>7</sup> for expenses. Fundación Paraguaya,<sup>8</sup> a global non-profit operating in 20 countries, has created the Self-Sufficient School model to serve low-income rural students at the upper secondary level. The schools support students to run microenterprises on campus, which generate income for schools to reach sustainability.<sup>9</sup> Even more pioneering "pay-as-you-go" education financing models would eliminate the need for a large upfront investment (that can only be paid off over many years); instead students could learn skills in smaller units over longer periods of time, and pay tuition incrementally. Thus, students from low-income families can finance their own education rather than relying on government funding, which is already spread too thin.

A number of these emerging models addressing the financial barriers to education are being tested in developing economies. These models proactively engage and team up with the ultimate economic beneficiaries, that is, those who have a vested interest in ensuring access to high quality education, and in particular, with a view towards employability. However, these promising approaches are not yet at scale, from a regional or global perspective. Going forward, financiers interested in the education space can help advance the reach and depth of these programs.

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<sup>7</sup> <http://www.invincibleoutsourcing.com/education.html>

<sup>8</sup> <http://www.fundacionparaguaya.org.py/?lang=en>

<sup>9</sup> Center for Education Innovations, Financially Self-Sufficient Schools, 2014

<sup>2</sup> <http://www.harambee.co.za>

<sup>3</sup> <http://www.bridgeinternationalacademies.com>

<sup>4</sup> <http://www.wavehospitality.org>

<sup>5</sup> <http://www.huginsure.com>

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# The Implications of Changing Private Rates of Return to Schooling

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**Key words:** Education; Returns to Education; Labor Market Outcomes; Education Finance

**Summary:** High returns signal that tertiary education is a good private investment; the public priority, however, isn't a blanket subsidy for all, but a concerted effort to improve fair, equitable, sustainable cost-recovery at the tertiary level

In addition to being a basic human service, education produces some strong economic benefits. One of the most commonly cited is labor market earnings. Known as the returns to investment in schooling, they have been calculated since at least the 1950s. It is only recently that we have had such estimates for the vast majority of countries.

In many emerging economies, education and labor market experience are the only assets for a vast part of the labor force, especially the poor. Therefore, it is important for students, their families, providers and funders to know the economic benefits of investments in schooling. For the individual, weighing costs and benefits means investing as long as the rate of return exceeds the private discount rate (the cost of borrowing and an allowance for risk).

In a recent paper with Claudio Montenegro we report the latest estimates of the private – what the individual student earns – returns to schooling using comparable data from 139 economies and 819 harmonized household surveys. The results of the study show that there are significant returns.

The global average private rate of return to schooling is 10 percent per year of schooling. The returns are highest in Sub-Saharan Africa (13 percent). The five economies with the highest returns are all in Africa: Botswana, Ethiopia, Rwanda, South Africa and Tanzania. Returns are lowest in the Middle East and North Africa (7 percent).

The returns to schooling are higher for women. The overall rate of return to another year of schooling for women is 12 percent and 10 percent for men. At the primary school level the returns are about the same. At the secondary and tertiary levels, the returns diverge, with higher returns for females at the secondary (9 versus 7 percent for men) and tertiary (17 versus 15) levels.

In a stunning reversal from previous compilations, and what might be surprising to many, the private returns to university education are now higher than the returns to primary schooling. The returns to primary schooling are above 10 percent, and they decline sharply at the secondary level to just over 7 percent, before jumping to 15 percent at the tertiary level. Still, the returns are higher in Sub-Saharan Africa at all levels. There are variations by region: there are high returns to primary schooling in the Middle East and North Africa (especially for females), while the returns to tertiary are low. Returns to primary schooling are surprisingly low in South Asia.

The biggest change in the patterns observed is that the returns to primary education are no longer the highest. However, the results reported here are private returns. Policy makers need to know the social returns to schooling. In previous analyses, using older data than we have now, the social returns were estimated to be higher for primary schooling than for tertiary education. Social returns to secondary were the lowest (Psacharopoulos and Patrinos 2004). However, with the increase in the private returns to tertiary education, it may turn out that social returns are just as high for both primary and tertiary education. But given the other, non-wage benefits to primary schooling, the need to improve quality, and the imperative to build the foundations of the education system, the priority for many countries may still be primary education.

Yet, there are policy implications emanating from this compilation. There are three important policy lessons. The first is that there is a continuing need



to focus public investment on the poor. The returns to primary schooling may be falling because the quality is poor. If the quality is poor, then access to the secondary and tertiary levels for the poor will slow down and higher returns at the tertiary level will lead to growing inequality. A focus on the poor, starting with quality basic education, is also an investment in the higher education of the poor in the near future.

Therefore, the second implication is to invest in education quality. The focus on basic education emphasized access and not enough attention has gone towards quality. Access to basic education increased considerably over the last few decades. Lower returns to primary schooling do not imply that one should abandon basic education as a priority.

The third implication is that higher education should be expanded. High returns to tertiary signal that university is a good private investment. Therefore fair, equitable, sustainable cost-recovery at the university level is warranted.

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# NGOs as Donors to Education: What Role Might They Play in the SDG Agenda?

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**Key words:** non-governmental organisations; aid funding; basic education

**Summary:** since the turn of the century, non-government organisations (NGOs) have played a much more significant role in funding basic education than we might have expected, with a particular focus on supporting the countries furthest away from reaching the Millennium Development Goals. Looking ahead to the role of donors in supporting the post-2015 education agenda, evidence from analysis of three large international NGOs suggests that the larger NGOs are likely to continue to play an important role as education donors and individually may be giving similar financial volumes to some of the key bilateral donors.

When we talk about the key donors to education, our immediate focus is usually on the big multilateral, bilateral and UN organisations. We don't generally tend to think of non-governmental organisations (NGOs) or faith-based organisations as playing a substantial role in financial terms. Since the turn of the century, NGOs have become more influential in the education sector, often being represented on both donor and ministry of education coordination and technical committees. However, for a number of reasons, the financial size of their contribution is often difficult to establish as they do not channel their education aid through established mechanisms.

In a background paper for the *2015 UNESCO Education for All Global Monitoring Report*, we analysed the role of NGOs as education donors. We considered the volume of aid to education from bilateral government donors that is channelled via NGOs and found that in 2012, the total was US\$1.3 billion, which corresponds to 11 per cent of total education Official Development Assistance (ODA).

We then looked in detail at three large international NGOs (and their respective partner organisations) with significant education programmes: Plan

International, Save the Children,<sup>1</sup> and BRAC. For each NGO, we explored their sources of income, the prioritisation of education within their programmes, the types of education intervention and the countries in which their programming takes place, and changes over time in income and expenditure patterns.

The key findings of this analysis were that:

- Overall, their incomes have been growing in recent years;
- Grant funding makes up 25 to 50 per cent of the income of these NGOs;
- The education programmes of these NGOs are of a similar financial size to that of some bilateral and multilateral donors;
- Their programmes are more closely aligned to the Education for All goals than government (bilateral) aid with the vast majority of funding going towards basic education (pre-primary, primary and basic life skills), and work in secondary education having a strong focus on gender equality; and
- Education forms a core part of the programming of these NGOs in situations of emergency and post-conflict recovery.

By contrast, much of education ODA still goes to higher education, and to countries where the needs are less acute, and education receives only a tiny proportion of bilateral and multilateral humanitarian spending (UNESCO, 2014).

From the analysis, we can surmise that these three NGOs together receive around 18 per cent

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<sup>1</sup> Given that financial reports for Save the Children International only exist for the two most recent years, thus not permitting trend analysis, we focussed on an analysis of the activities and budgets of Save the Children UK and Save the Children US, the two largest members of the Save the Children group.

of all ODA to education channelled through NGOs. However, we cannot assume from this that these three NGOs comprise a similar proportion of all expenditure by NGOs on education, as the degree of grant funding and prioritisation of education among NGOs varies. What we can assume is that the NGO sector as a whole is playing a significant and increasing role in the funding of basic education when compared to official international aid, which suggests that they have an important role to play in contributing to the proposed Sustainable Development Goal and Targets for education.

Table: Total aid to education and basic education from case study NGOs (2012) and selected bilateral and multilateral donors (2013/14)

	Estimated total aid to education (US\$ millions)	Estimated total aid to basic education (US\$ millions)
Plan International	160	135
Save the Children	230	220
BRAC	65	55
Australia	233	128
Netherlands	214	149
France	301	167
Norway	216	180
Japan	250	84
UNICEF	58	34
Asian Development Bank	128	82

Source: Authors' own calculations and UNESCO (2014), EFA Global Monitoring Report 2013/14 Aid tables

## Further reading

UNESCO, 2014. *Teaching and Learning: Achieving quality education for all. Education for All Global Monitoring Report 2013/14*. Paris, UNESCO.

# Mind the Gap: Assessing the Philanthropic ‘Buzz’ in Global Education

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**Key words:** Philanthropy; education finance; post-2015

**Summary:** There is growing buzz about the potential of philanthropic actors to meet gaps in financing and to implement learning ‘solutions’ in the Global South. However, there are substantive gaps in data tracking philanthropic engagement, and in funding that global education attracts from international philanthropic organisations. Turning our attention to philanthropic engagement by Southern actors in the South may provide more clarity; however, knowledge gaps remain.

In impending post-2015 engagement, there is a growing buzz around the potential of philanthropic actors, particularly international and domestic ‘mega-donors’ and the purportedly growing numbers of local Southern foundations, not only to fill financing gaps in basic education, but also substantive gaps in scaling up ‘solutions’ for improved learning. Philanthropic actors are idealised as at once, non-market and non-state, and as naturally flexible, brisk, agile, and well-suited partners in complex ‘multi-stakeholder’ arrangements. This view is best encapsulated in the United Nations (2013) High Level Panel Report:

Foundations, other philanthropists and social impact investors can innovate and be nimble and opportunistic, forming bridges between government bureaucracies, international institutions and the business and CSO sectors. Foundations and philanthropists can take risks, show that an idea works, and create new markets where none existed before (p. 11).

Increased philanthropic participation has gained currency. This is despite emerging critical research that questions claims of effectiveness and efficiency; scale, scope, and reach; sustainability; and the broader impact of market-based philanthropic action on basic education.

Nonetheless, it is easy to see why big philanthropy is attractive. Jeffery Sachs (2015) estimates that if the world’s richest 80 people devoted just 1% of their net worth each year it would fill nearly the entire financing gap to cover schooling to lower secondary.

But what do we actually know about philanthropic engagement in education in the Global South? My ongoing research and recent review of the literature reveals serious gaps that we must consider.<sup>1</sup>

## The Data Gap

The realised potential of international and Southern domestic philanthropy is difficult to track. Sources for analysing philanthropic engagement in the Global South are fragmented and incomplete. Despite purported increases of international and Southern philanthropic actors in the Global South, their exact numbers and activities in education (and other sectors) are difficult to trace.

While there are some regional and global philanthropic networks, all do not collect data. There is relatively more information on American private foundation activity and on some emerging powers, notably on China and India. However, as a sector, data that are collected are not usually comparable, are inconsistently updated with few exceptions (notably, the Foundation Center), and are difficult to obtain in a disaggregated manner on sectoral engagement in education. This may be partly due to the noted tension in the transparency of operations in the philanthropic sector, but it is also related to the structural differences between ‘what counts’ as a private foundation or a philanthropic organisation in local contexts, and what the reporting motivations, compulsions, and mechanisms are.

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<sup>1</sup> This work is part of a larger research project, ‘Right to Education and the Emergence of Non-state Private Actors’, funded by the Social Sciences and Humanities Research Council of Canada.

## **The Funding Gap: Global Education vs. Global Health**

Global education has failed to capture the attention of international philanthropic investment relative to global health. According to the latest Foundation Center (2014) data, international health initiatives by US private foundations continue to outstrip education, a gap which has increased over time. Data show that in 2012, health received over \$USD 700.6 million in grants internationally, compared to \$USD 156.1 million for education, outstripping it by a factor of 4.5. Between 2002 and 2012, covering the majority of the global Education for All timespan, education saw a slight increase (\$USD 113.6 million to \$USD 156.1 million), but health enjoyed a substantial increase from \$USD 242 million to current levels. In addition, there have been years (2006 and 2011) where health has seen spikes in investment amounting to ten times that of education.

Global education has not yet seen similar initiatives of scale championed by philanthropic actors. Much of the philanthropic activity in global health may be attributed to high profile engagement by international mega-donors for the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) and the Global Alliance on Vaccines and Immunisation (GAVI), both substantively led by the Bill and Melinda Gates Foundation. The Gates Foundation has contributed or pledged a total of \$USD 1.4 billion to the Global Fund (Global Fund, 2015) and \$USD 2.5 billion to the GAVI Alliance (GAVI, 2015). In contrast, unlike its domestic program, in which 84.9% of spending was dedicated to education in 2012 (representing 12.6% of all spending), the Bill and Melinda Gates Foundation did not support education in its Global Development Program (Bill & Melinda Gates Foundation, 2012).

## **Filling the Gap? Southern Philanthropic Activity in the South**

If we turn our attention to Southern philanthropic engagement by Southern actors, we realise that our understanding of philanthropic activity in education globally may be myopic. Various reports note that in many countries of the Global South, the education sector is either the first or a very close second amongst the priorities of local philanthropic actors and foundations. The importance of local philanthropic activity in education has been noted in Latin America, Sub-

Saharan Africa, China, India, and various countries in Southeast Asia and the Pacific. The BRICS countries in particular have been highlighted as domestically reaping what one may call 'the philanthropic dividend' from their more recent economic developments. That is, they seem to have a new base of younger, goal-oriented, and strategy-focused donors.

The Hurun China Philanthropy Lists from 2011 through 2013 showed education as one of the top causes by local philanthropists, a trend that increased over time. A number of sources examining philanthropic and private foundation activity in India noted education as claiming the top share of giving. The Hurun Report's India Philanthropy List ranked 31 Indians who donated more than Rs. 100 million (\$USD 1.6 million) for the 2012 financial year. Education was the most popular cause, with a total of Rs. 122 million (\$USD 1.9 million). Over three-quarters of this came from domestic mega-donor, Azim Premji, Chairman of IT company Wipro, and founder of the Azim Premji Foundation focusing on primary education in India.

While philanthropic engagement in education may have some promise, data and comparative research on the sector within the Global South by local actors and the value-added by Northern actors are scant. There is little information in terms of the scope of activities, sub-sectors of engagement within education, and the long-term sustainability of initiatives.

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# **FINANCING EDUCATION IN CONFLICT AND EMERGENCIES**

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# Results Based Financing for Effective Resource Allocation in Education Systems in Fragile Regions

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**Key words:** Results Based Financing, Cordaid, education system strengthening, accountability

**Summary:** Cordaid implements Results Based Financing, an innovative payment and accountability system, to strengthen education systems in the most fragile and under-served regions of the world.

Although the benefits of education are overwhelming, an estimated 72 million children do not have access to education, particularly in fragile and conflict-prone regions. But if access to schools is not complemented with good quality and relevant education, the child is still left empty-handed. Too many children quit school without the required skills to enable them to find a job. The main causes of hampered access to quality education are chronic underfunding, failures in the organization of the public education system, as well as inefficient use of scarce resources (resulting in system leakages). Cordaid's approach tackles these issues.

Cordaid is a leading Dutch international non-governmental organization for relief and development aid. The mission of the Child & Education (C&E) unit of Cordaid is to contribute to the Education for All agenda by strengthening education systems in the Democratic Republic of Congo, the Central African Republic, Burundi and Malawi. We believe that interventions in schools and the educational system as a whole will generate results when all relevant stakeholders are involved and take their responsibilities. Stakeholders include the Ministry of Education (MoE), school inspectors, school managers and teachers as well as the community (as represented by the children and their parents). Our education programs are always aligned with national education plans of the Ministries of Education.

To create the desired changes, Cordaid uses Result Based Financing (RBF). RBF is an innovative

payment and accountability system which we use to improve education but also health and more recently security and justice systems. Contrary to a traditional input financing system, an RBF approach entails a direct link between funding and results. In RBF education programs, schools receive their payments only after results are achieved and have been verified. Schools are incentivized to enrol and retain marginalized children, such as girls, orphans and children with disabilities, and to improve quality and relevance of the education services (improved didactics, pedagogy and learning environment).

RBF is based on a split of functions between purchaser (i.e. an organisation that contracts the school/provider), regulator (MoE inspectors), provider (schools) and communities. Payments to school are made by a central fund holder (for instance the Ministry of Finance or a pooled (donor) fund), while the purchaser verifies and contracts service delivery at local level. The split of functions is regulated via a series of contracts that specify in a transparent way which services and qualities are expected and by what RBF actor (schools, districts and national school inspection authorities, and independent verification agencies).

In general, a local partner of Cordaid takes up the purchasing role of Contract Development and Verification (CDV) agency. CDV agencies negotiate with and contract targeted schools about RBF performance indicators. On a monthly basis, CDV agencies closely monitor and verify quantifiable results at contracted schools, whereas school inspectors specifically monitor the quality of education.

RBF also includes a 'counter-verification' survey to assess beneficiaries' satisfaction. Survey results are used to provide feedback on the performance of school managers and teachers. If satisfaction is (too) low, payments are suspended. In line with decentralization policies, schools are given autonomy to allocate their cash revenue



in their school plans the way they deem best (hiring additional staff, buying teaching materials, improving teachers' housing, etc.), rather than receiving centrally planned in-kind supplies. Autonomy stimulates entrepreneurship and enables school managers to find and implement creative solutions for often practical problems like supply of energy, building toilets or increasing the accessibility of the building for children with disabilities.

The RBF payment is a surplus to the overall financial resources of a school and equals in general to a maximum of 20% of the school's budget. In line with the social agenda of Cordaid, RBF allows for payment of additional subsidies to stimulate equality or to compensate for challenging circumstance (like remoteness or a hazardous environment). Through these extra payments, school managers and teacher are more likely to stay (instead of moving to more conveniently situated schools) and to increase their efforts to enrol vulnerable children and to retain children at risk of dropping out.

There is growing recognition of the success of our RBF programs. In South-Kivu, Democratic Republic of Congo, 68.000 children are enrolled at primary and secondary schools working with RBF. This group includes orphans and children with disabilities. In the Central African Republic (CAR) we rehabilitate through RBF 80 schools that suffered from riots. By the end of this year, we strive to have 50.000 children enrolled in primary schools that are included in our RBF program. Recently, RBF has been adopted as national policy by the MoE of CAR.

Apart from these concrete results the RBF programs contribute to several higher-order goals: a) a strengthened 'social contract' between governmental institutions, schools and civil society as a result of increased accountability and transparency structures as well as autonomy at decentralized levels; b) enhanced social cohesion as a result of inclusive education. We hope that that this may increase tolerance and contribute to peace-building processes; and c) increased self-reliance and self-esteem for the children who received an education; this may improve socioeconomic development later in life and the potential to earn a decent living.

We strongly believe that the Education for All agenda needs to be addressed systematically and that the RBF approach embodies a realistic

potential to address the shortcomings in education systems. We aim to do more research to find proof that education systems become more cost-efficient through RBF, where systems leakages are tackled and scarce resources are used more effectively. Future research will need to show that functional and transparent monitoring and accountability mechanisms that we set up as part of our RBF approach are also sustainable in the long-run.

### **More information:**

<https://www.youtube.com/watch?v=F2FtIDEA-zUM#t=19>

<https://www.cordaid.org/en/topics/child-education/>

# Education and Skills Development Financing in Occupied Palestinian Territories (oPt)

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**Key words:** Fragile, oPt, Education, VET, Humanitarian

**Summary:** The fragile context in the Occupied Palestinian Territories increases the demand for emergency funding at the expense of development funding, and threatens the on-going development and state building efforts.

The quasi status of Palestine, acknowledged internationally as a state, yet its context is characterised as occupied Palestinian territories (oPt), overburdens its development and adds to its fragility. Palestine is striving to build its own independent state following the international agreements and Oslo accord that resulted in the establishment of the Palestinian Authority (PA). The on-going vulnerable political status adds to the fragility of the oPt, as described by the UN Office for the Coordination of Humanitarian Affairs (OCHA): "The context in the oPt is a protracted protection crisis with humanitarian consequences, driven by insufficient respect for international law by all sides. Palestinians in the oPt face a range of serious protection threats related to these factors including threats to life, liberty and security, destruction or damage to homes and other property, forced displacement, restrictions on freedom of movement and on access to livelihoods, and lack of accountability and effective remedy. These threats are exacerbated by the inability of the sides to reach a political agreement, which could end the longstanding occupation and conflict" (UN-OCHA, 2014).<sup>1</sup>

Palestinians on the other hand are striving to build their own state. The PA national strategies of 2009-2011, 2011-2013, and 2014-2016 have set the strategic priorities within these directions, with education and skills development as a priority (PNA, 2011; State of Palestine, 2014).

Government allocation to education was over 19% in 2014 (State of Palestine, 2015). Palestine is highly dependent on donor funding with the private sector hampered by the Israeli occupation measures and restrictions (World Bank, 2013).

Donor assistance provided for education is split between: funding to the PA as budgetary support; support to development projects for either the PA, UN agencies, international and national NGOs; and, emergency/relief related support either through PA, NGOs or implemented directly by donors or international organizations. Budgetary support covered running costs and salaries and represented 19% of the budget, while the remaining support was provided either to education in general, basic education, pre-school, secondary and postsecondary. General support to basic education increased over the years 2002/2003 to 2010 (Hilal, 2013).

However, spending on skills development and vocational education and training (VET) through various modes has only reached 5% of aid to education (ibid). Spending on vocational education by the government is 1% of the MOE budget and spending on VET reached 0.34% of the government allocated budgets (Hilal, 2015). UNRWA is also a main provider for education and VET for Palestinian refugees in five regions including the West Bank and Gaza, and their total aid to education reached US\$ 379m in 2012 (UNESCO, 2015).

Education sector financing modalities by donors for the state building and development efforts are either direct support, or through Joint Funding Agreements (JFA) that funds the Ministry of Education and Higher Education (MoEHE) strategic goals through joint goals and agreements. The Sector Wide Approach (SWAp) enabled the move from project-specific support to a system-wide focus (Pettigrew, 2013). A Sector Wide Approach (SWA) led by the PA MoEHE is supporting the Education Sector Strategy, which integrated all the responding elements to emergency.

<sup>1</sup> For further info on the oPt: [www.ochaopt.org](http://www.ochaopt.org)

Meanwhile, emergency support for education is coordinated through the Humanitarian Country Team (HCT), which is a policy and decision-making body composed of UN humanitarian agencies, along with national and international NGOs, led by the UN Humanitarian Coordinator supported by OCHA, supporting joint appeals and Strategic Response plans (UN-OCHA, 2015a).

The state building efforts have contributed towards capacity building, system development and enhanced coordination mechanisms. With learning processes in place, and on-going national efforts for development, oPt's fragile context increases the demand for emergency funding at the expense of development funding, and threatens the on-going development and state building efforts. The 2015 GMR noted that education indicators have regressed over the recent years in Palestine (UNESCO, 2015).

Finally, and as concluded by the recent UN-OCHA report: "The overall situation is a protection based crisis, with negative humanitarian ramifications. This crisis in oPt stems from the prolonged occupation and recurrent hostilities, alongside a system of policies that undermine the ability of Palestinians to live normal, self-sustaining lives and realize the full spectrum of their rights, including the right to self-determination. **Were these factors removed, Palestinians would be able to develop their government institutions and economy without the need for humanitarian assistance**" (UN-OCHA, 2015b).

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# The Cost of 'Boko' and Alternative Education Options in Northern Nigeria

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**Key words:** northern Nigeria, Islamic education, Boko Haram

**Summary:** Low enrolment in secular education in northern Nigeria is often explained in terms of cultural resistance, especially in the context of Boko Haram. This piece sheds light on the financial hurdles making it difficult for poor parents to enrol their children in 'boko' schools, and motivating them to opt for Islamic education instead.

Few people know northern Nigeria's Islamist insurgents by their real name. But the *Jama'atu Ahlis-Sunnah Lidda'awati Wal Jihad*, or 'People Committed to the Propagation of the Prophet's Teachings and Jihad' have won notoriety under the label 'Boko Haram' (coined by the people of Maiduguri, the capital of Borno State, where the insurgency originated). Most commentators translate it as 'Western education is forbidden'. 'Boko Haram' has become shorthand not only for the insurgent group's name but also for its agenda. Repeated attacks on secular educational institutions, including the spectacular abduction of over 200 schoolgirls from a secondary school in Chibok in April 2014, seem to validate the label 'Boko Haram'. Yet, it should not blind us to the fact that the *Jama'atu's* rejection of 'Western' education is based not on "an atavistic, irrational, religiously based anti-modernism," but much beyond that, implies "a rejection of the Nigerian government and its institutions" (Brigaglia, 2012). The public education system stands in as it were for a secular state considered fake and corrupt.

The singular focus on the *Jama'atu's* rejection of 'Western' education has added to the confusion surrounding the group. If Boko Haram's agenda is to uproot 'Western' education, then, many commentators conclude, institutions of traditional Islamic education must be the movement's natural allies. Eliza Griswold for example declared in the popular online magazine, Slate, that "Boko Haram's swelling ranks are filled with boys and young

men who attended *almajiri* schools, West African madrassas" (Griswold, 2014). Nobel laureate Wole Soyinka takes the same line, arguing that "the foot soldiers" of Boko Haram "were bred in madrassas" (Soyinka, 2012). What empirical evidence exists suggests that the *Jama'atu* recruits from various different educational milieus. It is a commonplace that the parents enrolling their children in traditional Qur'anic schools in northern Nigeria don't appreciate secular knowledge. Yet, what emerged from my doctoral research on Qur'anic schooling, for which I conducted over 13 months of ethnographic fieldwork in Kano State in northern Nigeria between 2009 and 2011, is a different picture. Not a rejection of secular education, but finances appeared to be a major factor determining school choices in Kano.

Officially, basic 'boko' (Western) state education is free. Yet, paradoxically, despite receiving more state funding than any other form of education, it is far from being the cheapest education option in northern Nigeria. First of all, this is because study in 'boko' schools is material-intensive, and students are expected to purchase things like stationery, textbooks, a uniform and a school bag themselves. Very few of the pupils I met in my rural field site Albasu in eastern Kano State could afford even half of the required supplies. What is more, schools levy (semi-official) fees for the rehabilitation of school facilities, which are often in a deplorable state, and ask students to contribute to the expenses of chalk, brooms, report cards, and other sundry running costs. Finally, some teachers extort money as a form of punishment, and for example charge students who arrive late for class. Expenses thus add up, and leave families wondering whether the 'boko' education on offer is worth incurring the constant drain of money. Post-primary education often requires students to commute/board and children from families lacking both financial means and the right connections cannot easily transition from one level of schooling to the next. Secondary school admission letters are a scarce good as the number of places is limited. Scarce places are often distributed based on 'purchasing power' rather

than merit, I was told. This causes frustration and diminishes respect for the state school system.

Given these conditions, informal Islamic schools are an attractive alternative for poor families. Whereas the presumed pay-off of 'boko' education – a job in the formal economy – more often than not fails to materialise for the children of the poor, at least they can be certain of the spiritual benefits of a religious education. What is more, the costs of Islamic schooling are mostly low and often highly negotiable. Traditional Qur'anic schools for example request little more from enrolling students than a wooden slate and a prayer mat. Teachers rarely fix school fees, but students contribute whatever they (or their parents) can afford – even if this means that some traditional Qur'anic teachers live barely above the breadline. But after all, won't God reward their efforts in the afterlife? Finally, for rural families traditional Qur'anic schools occasion few opportunity costs in the form of foregone income from children's labour: Unlike 'boko' schools, they are well adjusted to the work rhythms of rural peasant households and break during the periods when demands for agricultural labour peak. Studying in 'modernised' Islamic schools, which employ 'modern' teaching techniques and thus ask their students to purchase books, pens, and uniforms, is somewhat more costly than traditional Qur'anic schooling. Usually such schools give parents an indication of the amount of fees they expect them to pay. But here too, God is part of the equation, and which faithful teacher could refuse a poor child access to sacred knowledge?

The state and international donors increasingly acknowledge the potential of private religious schools as a low-cost alternative for decent-quality educational provision. In recent years, they have therefore tried to harness the potential of such schools to achieve universal basic education goals. Various Islamic schools in Kano include secular subjects in their curriculum today, and receive state or donor support in exchange. As long as such programmes can avoid the association with the corruption and 'fake-ness' that the Nigerian state and Western donors evoke in many people's minds, they are probably northern Nigeria's best bet for educational provision.

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# **INNOVATIONS AND LESSONS FROM TVET AND MICROENTERPRISE**

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# Skills Levy Failing to Drive Changes in Occupational Training in South Africa

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**Key words:** skills levy, South Africa, levy-grant system, technical and vocational education and training, skills planning.

**Summary:** Experiences in post-apartheid South Africa reveal some of the difficulties of using skills levies to fund technical and vocational education and training.

After the first democratic elections in South Africa in 1994, the Ministry of Labour introduced a levy-grant system through which employers were taxed 1 per cent of their payroll. The aim of this was to create an incentive for employers to train their staff, to improve information about the training needs of the economy, and to improve the quantity and quality of education programmes aimed at preparation for the workplace, particularly in priority areas. Nearly twenty years later, there are few demonstrated achievements in any of these areas. This piece explores how apparently simple policy requirements can have unintended consequences.

To achieve the goals above, a set of new institutions, 25 Sectoral Education and Training Authorities (SETAs) and a National Skills Fund were created. The SETAs were supposed to manage the skills levy and quality assure provision and assessment, and the National Skills Fund to support training for the unemployed.

Employers could get 50% of their levy contribution back by submitting each year to the relevant SETA a workplace skills plan, indicating their training needs and plans, and an annual training report, indicating what they had achieved. This mechanism, called the *mandatory grant*, was supposed to encourage employers to train in priority areas, and to ensure that the SETAs obtained information about employers' training needs, thus enabling each SETA to understand skills needs across their sector. 20% of the skills levy went to the National Skills Fund, and 10.5% for SETA operational costs.

The SETAs could use the rest to fund training in key targeted areas. This was called the *discretionary grant*, and could be given to employers or to directly fund to a provider offering training in a priority area.

Contradictions in the details of how these systems were supposed to work, as well as other aspects of the policy environment, meant that none of this worked as planned.

At first, in order to award the mandatory grant back to employers, SETAs attempted to review workplace skills plans against sectoral priorities. This angered employers: it caused considerable delay in getting their money back, and the SETAs lacked insight into sectoral priorities, and lacked the capacity to make meaningful judgments. Treasury instructed SETAs to pay the levy back on submission of the workplace skills plan regardless of their view of the correctness of these reports.

SETAs then evaluated employers based on how well their annual training reports reflected achievements against targets set in workplace skills plans. Some smaller employers started dropping out of the system, regarding the levy as simply a tax. Larger employers, who wanted to claim from the discretionary grant, played games to achieve superficially compliant workplace skills plans and annual training reports. This included only stating in plans training that could be addressed within the financial year, and focusing on training that was easy to achieve - short courses on diversity or HIV, for example. In the annual training report, they often only reflected training against the plan, and not other training conducted. All of this meant that the quality of information obtained about training needs and training conducted was often extremely poor - preventing SETAs from developing an understanding of training in their sector. Where training led to full qualifications, short qualifications - which often did not qualify graduates to actually work - offered achievable targets. SETAs also had a strong incentive to support one-year qualifications,

which were registered on the NQF often with their assistance, as they were evaluated against how many qualifications they pushed through the system.

Approved SETA plans often set very low targets which were easy to meet, and which they often greatly exceeded: many SETAs over- or under-performed by up to 700%, suggesting targets were unrelated to the reality of delivery. Not only were SETAs inclined to set low targets, but there was a range of contradictory and confusing reporting requirements to different government departments, making it harder for SETAs to develop clear systems and priorities, and impossible for government to make meaningful judgments about their performance.

Because SETAs had weak information about their sectors, their role in funding training priorities was almost impossible, as there was no clear way of determining priorities. Further contributing to problems, the quality assurance system of the SETAs, based on the dysfunctional national qualifications framework (NQF) which contained many small bits of qualifications called unit standards, and large numbers of providers, led to highly bureaucratic systems, offering little or no insight into quality of provision. The upshot of all this was that private providers, who could pay consultants to navigate the quality assurance system and to get accreditation from the SETAs, and had systems for tendering for contracts, obtained funds to offer short-term training, leading often only to part-qualifications or weak full qualifications which did not meet economic needs. The instability of provision funded, which fluctuated dramatically from year to year, confirms a lack of relationship between demand for skills and the funding of provision, and created difficulties for providers who had to up- and down-scale at short intervals. Much money remained unspent, particularly in the National Skills Fund (the specific problems of which are not discussed here). And little money went to the starved public system, which, for all its weaknesses, remains the backbone of technical and vocational education in South Africa.

Many other factors contributed to the problems, including the usual suspects of weak institutions and corruption, a confusing mandate for the SETAs, problems with their stakeholder nature, and the dysfunctionalities of the NQF which constrained and restricted the development of education programmes. Underpinning all of this is an economy with very little capacity for labour

absorption, little government intervention to create a demand for skills, and a labour market which offers uncertain rewards in mid-level occupations.

Various changes have recently been made. The mandatory grant has been reduced from 50 to 20% of the levy. Attempts are being made to improve the questions asked of employers in the workplace skills plans and annual training reports. Discretionary grants are increased, and 80% of them must be spent on professional, vocational, technical, and academic learning programmes that result in qualifications or part qualifications; within this, there should be a strong focus on public provision. Reporting requirements have somewhat improved. All of this is an improvement, but indications of further proposals to substantially or partly change the role and structure of the SETAs suggest that the problems have not been solved. Like the wealthy English-speaking countries from which South Africa derived its systems, in particular the UK and Australia, the stage seems set for a series of shifting institutional configurations, on-going review of qualifications, and little likelihood of addressing the underlying problems.

*This draws on research conducted for the Ministerial Task Team on SETA Performance.*

# The Financing of Vocational Training in Africa: Conclusions and Lessons Learned

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**Key words:** training funds, West and Central Africa, public and private funding of TVET, equity funding

**Summary:** A review of training funds in West and Central Africa suggests that complementary public and private partnership in funding TVET is the best way to go.

The lessons learned from the analysis of the Latin American and African training funds allow us to reach the following conclusions:

Current financing of vocational training by public authorities is not on a par with what is at stake in the role that vocational training has to play in terms of competitiveness and jobs. This is particularly true for Africa, which devotes too small a share of public expenditure on education on technical and vocational skills development (5% on average).

The training funds were created to compensate for the lack of public financing by a fixed contribution from the private sector. However, States often consider the continuing training and apprenticeship taxes introduced to that purpose as para-fiscal revenue. This situation has a negative effect on the development of continuing vocational training and apprenticeship.

There is a virtually general consensus today (OECD/AfDB, 2008; ADEA, 2012) on the fact that socioeconomic stimulation by means of vocational training requires the implementation of a partnership-based steering system for the development of technical and vocational skills. In this perspective, training funds must become sustainable pilot institutions of the said partnership-based management.

The training funds are proof that the future of vocational training is only possible through public/private co-financing, which, in turn, presupposes bipartite or tripartite management. However, contrary to the typology established by Johanson

and to certain conclusions of the analysis of the Latin American funds, the said co-financing must give priority to leaving the function of “equity” for the public authorities, whose mission is to care about the most disadvantaged groups and those excluded from the realms of training and employment.

The West African and Central African funds surveyed in this study are not exempt from the equity function, but are expected to integrate it in their primary missions, which are the development of continuing training and apprenticeship or of pre-employment training for groups where demands for skills are high.

The additional financing contributed by technical and financial partners should not make up for the failings of the public authorities but, on the contrary, encourage the latter to make direct payment of the training and apprenticeship taxes to the training funds.

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## Financing and the Informal Sector

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**Key words:** informal sector, income-generating activities, microfinance, formalising

**Summary:** If most of the microenterprises of the informal sector continue to start their activities with limited initial capital drawn from own or family resources, microfinance has earned a major place in funding income-generating activities over the two past decades through its financialization. But it was to the detriment of its value of solidarity and it is still far from satisfying the needs of the global poor.

Since its discovery in the early 1970s, the informal sector has aroused many studies and research about its contribution to employment, to GDP, to growth as well as the working conditions that prevail in the sector and the potential it conceals as a hidden engine for innovation and growth and also a hidden tax base for governments with reduced budget revenues. It was later, in the 1980s, that scholars started looking at its financial dimensions.

One of the main characteristics of the informal sector has always been not to rely on external sources of funding. The small amount of initial capital that allows starting an informal micro-enterprise mainly originates from own or family savings and informal operators rarely seek after credit at the initial stage, but they regularly use credit from their immediate and daily/weekly providers of the goods they sell or transform. Nevertheless the combination of tight requirements with large numbers of operators constitutes a vibrant market and has been the basis for the development of micro-finance.

Micro-finance has for long existed in traditional societies under the form of rotating savings/credit schemes or clubs (known as "tontines" in some countries in Western and Central Africa) for the good of their members. Important actors emerged between the mid-1970s and the mid-1980s, among

which are the Grameen bank, founded in 1983 by Mohamed Yunus, Peace Nobel Prize in 2006, while SEWA (Self-Employed Women Association' micro-credit Bank (SEWA) based in Ahmedabad, Gujarat, has operated since 1974 with more than 450,000 members to-day. Such institutions, among others, are based on trust and solidarity and provide support to poor households, helping them in their income-generating activities: as of April 2015, the Grameen Bank has 8,673,257 members (96,1% women) and has cumulatively disbursed US\$17 billion since its inception; its outstanding loan is currently of US\$ 1,164 million for more than 6,500,000 borrowers as micro-entrepreneurs and more than 78,000 beggar members (benefiting of loans with 0 interest rate), for an overall rate of recovery of more than 98%.

Besides these major and long-established actors in the field, Islamic micro-finance institutions have started to play an important role (especially in East Asia and in Middle East and North Africa), not to mention governments, which have more and more been involved in the financing of initial capital for the micro and small entrepreneurs (mostly targeting the young unemployed graduates) as a major dimension of their active policies of employment creation, and also in the provision of small assets and working capital for income-generating activities (through programmes dedicated to the poverty alleviation). Revealing itself as profitable, microcredit has attracted international investors; and a major change during the past decade has been the entry of micro-finance institutions into the capital market through partnerships with international banks, investors and investment funds, which have started to invest in the micro-finance market in search of profit and changed the overall landscape of micro-finance institutions. The search for profit has progressively taken precedence over the solidarity motivation. But there are many who now think that financialization of micro-finance institutions is not compatible with its basic values. All the more so, stories of indebted farmers in India and elsewhere who suicide because they were not

able to repay their debts have made the headlines and suggest that trust and solidarity have lost ground to these newcomers (read the recent book by Guérin, 2015, on these topics: *Microfinance and its derivatives; Empowering, disciplining or exploiting*).

If the number of users (borrowers, members) of the services of Micro-finance institutions is estimated at 200 million at world level, it covers relatively few, compared to the one billion poor. What it means is that the large majority of informal sector enterprises and income-generating activities is left dependent on usurers. It also means that ways and means of making the transition from the informal to the formal economy (the new *doxa* of the ILO, which has been discussed at the International Labour Conference in 2014 and again in 2015) will still have to be found. A greater access to funding remains an issue and a solution for such a transition.

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# Austrian Private Business as Partners in VET Provision in Developing Countries

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**Key words:** dual system apprenticeship, private business as partners in VET

**Summary:** In-company skills training by Austrian private business in developing and transition countries based on the Austrian dual system apprenticeship appears to be an innovative contribution to local VET systems if appropriately accompanied by development cooperation.

Interest in the dual model of apprenticeship, a traditional form of vocational education and training (VET) in Austria and other German speaking countries, has been growing internationally due to high youth unemployment rates in many countries. Simultaneously, Austrian development cooperation (ADC) is increasingly cooperating with Austrian private business in the field of private sector development. Both of these factors have contributed to growing involvement of Austrian private business in the provision of VET in developing and transition countries. Recent ongoing research by the author at ÖFSE is trying to analyze these activities and their implications for development cooperation. This text presents some preliminary findings.

## The dual system of apprenticeship

The Austrian, and German-speaking, dual system of apprenticeship is highly reputable for its perceived relevance and quality in terms of skills training. Unlike most VET models, it consists of a concomitant training scheme based on 80% in-company training and 20% instruction in vocational schools. Graduates are assumed to have good chances on the labour markets and to contribute to economic productivity thanks to high levels of skills. Against the backdrop of the international job crisis, the good performance of German-speaking countries in terms of youth employment appears to prove the dual system's efficiency and effectiveness. The company's high

share of training costs is often seen as another major advantage.

However, in the public discussion the dual system's particular socioeconomic and institutional setting is often overlooked. Its basic organizing principle is not so much the duality of places of learning, but the vocational concept of *Beruf*. *Beruf* relates to a more holistic understanding of the labour process and the skills required for it than is usually assumed in the Anglo-Saxon model of skills required for a work process fragmented into narrowly defined tasks. Moreover, *Beruf* refers to the specific pattern of social organization of labour in the German-speaking countries based on a social contract which involves all stakeholders from government to private business and workers' representatives. In a nutshell, the dual system is deeply embedded in a specific socioeconomic context. This casts doubts on its transferability.

## Preliminary research findings

Nevertheless, in recent years an increasing number of Austrian companies have started to engage in skills training similar to the dual model in countries where they have established local branches. Target countries are mainly located in Central and South Eastern Europe, but also in Asia, the Arab world or Latin America. A high share of these training activities is partly financed by Austrian development cooperation in an attempt to create synergies between private business investment and development cooperation.

Since most of the projects have begun very recently there are no proper evaluations available and lessons of experience are scarce. What can be said so far is that the companies' motivations are either a request for skilled workforce not available locally or the need to respond to CSR requirements. Companies mostly report good results in terms of a high interest of adolescents and their families as well as from partner countries' governments. Encountered difficulties include



differing understandings of learning and work cultures, adverse legal and institutional settings and outflow of the newly skilled work force.

Austrian development cooperation has set up a special funding scheme for private business investment in developing and transition countries. This scheme turns out to be the major funding source Austrian companies can apply to for skills training in these countries. Since experience from Germany and, to a lesser extent, Switzerland regarding the transfer of the dual system points to meager results, ADC's policy in that field asserts that local context is a major factor of consideration. Rather than the dual system as a whole, only elements should be transferred, if and where appropriate. Consequently, ADC funding criteria include the integration of company training in the national education system as well as a number of other factors ensuring demand-orientation, socially relevant impact and sustainability.

## Open questions

Based on the information available to date, dual model training by Austrian companies in developing and transition countries seems to be a valuable and innovative contribution to VET provision in the respective countries. However, a number of questions persist related to both system and content.

As for the system's level, most of the VET projects examined are too small and too restricted to have a systemic and transferable impact. Although linking up with local business is part of ADC's funding criteria, it has to be proven yet in what way and to what extent it will be possible to spread this type of training to local companies. Likewise, it appears rather implausible that change on the level of regional and national VET schooling systems can develop out of such restricted interventions. Against this backdrop the risk emerges that funding of these VET projects benefits the respective Austrian companies rather than long-term development goals. While in-company skills training in developing countries is laudable in itself, it appears to be problematic that this should be financed by ODA funds rather than other Austrian business development sources.

In a more general sense, the question arises under what conditions it could be reasonable to introduce elements of a VET system based on the German-speaking concept of *Beruf* into totally different

educational, institutional and socioeconomic settings. Firstly, the dual system, as any other VET approach, has to be seen as one element in a broader set of economic, labour market and social strategies. Taken alone, it will solve neither VET nor employment or productivity problems in developing countries. Consequently, it appears necessary that dual system training by private business in developing and transition countries be accompanied by context-sensitive interventions on the systems' level that aim at inspiring local stakeholders rather than transferring existing systems. Secondly and most importantly, the crucial element of the dual system should be seen in the social contract on which the system is grounded more than in the focus on workplace training. Otherwise the risk persists that funding for VET interventions based on the dual model turns out to be support for developed country companies.

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# **EDUCATION COOPERATION FROM THE EMERGING DONORS**

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# Engaging Arab Donors in Financing Global Education

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**Key words:** financing education, non-traditional donors, Arab aid

**Summary:** Arab donors are significant contributors to education nationally, regionally and globally. This paper presents the case for the education community to more effectively engage the key Arab donors in addressing the global education financing gap.

For the over 120 million children who continue to be shut out of primary and secondary school, accessing a good quality education will be the key difference in whether they lead safe, healthy, prosperous lives or get trapped in vicious cycles of insecurity, disease and poverty. As decision makers finalize the post 2015 agenda, they have a chance to focus efforts on the children who need education the most - refugees, those living in urban slums or rural areas, children with disabilities, and girls.

One of the key challenges in providing schooling to the most disadvantaged children in poor countries is closing the \$38 billion yearly financing gap – a gap that is widening, as more traditional donors reduce their funding to education. Part of the way forward must be better engaging donors from emerging economies and developing countries.

As outlined in *The Case for Engaging Arab Donors in Financing Global Education* (Jalbout, 2014), Arab donors should be part of a new global discussion on raising new funds and allocating existing funds for education more effectively. In reviewing the support for education between 2010 and 2012 provided by approximately 200 Arab donor institutions - ranging from multilateral financial institutions to local religious organizations - it became evident that Arab donors are significant contributors to education nationally, regionally and globally. Five areas are particularly promising for engaging Arab donors:

*First - religious charity.* After religious institutions,

education is the second most common form of Islamic endowment. Since the 12th century, these endowments have financed scholarships, books, libraries and salaries for teachers. Education continues to be a focus of religious giving, such as educating poor children and orphans both inside and outside the Arab world. Today, this tradition is as strong as ever - which makes Muslim organizations important partners in implementing and funding education in the Arab world and beyond.

*Second - official development assistance.* Between 2010 and 2012, bilateral and multilateral Arab aid agencies committed close to US\$ 2 billion to global education. In the forms of loans and grants, Arab investments in education span across the globe (from Asia to sub-Saharan Africa) and cover several education sub-sectors. Half of this aid went to secondary and tertiary schooling while almost a third to vocational learning. But, only a quarter went to basic education. While Arab aid to education has been substantial there is a great opportunity to redirect some of this funding for greater impact. This could be achieved by strengthening reporting and aligning priorities around the post-2015 agenda.

*Third - royal advocacy.* Education is a high priority among Arab royalty who have established philanthropic organizations. Over 30 royal organizations are involved in one or more sub-sector of education, with five working exclusively on education. With diverse financial means and operating models, some focus on access and quality locally, while others focus on basic education in Asia and Africa. As the global education community seeks new donors and partners, the network and resources royal organizations often attract are of great potential.

*Fourth - private sector.* Increased demands for skilled graduates coupled with opportunities to profit from providing high quality private education, have brought the private sector closer to the center of the education challenge in the

Middle East and North Africa. While there is an increase in the number of corporations engaged in philanthropic activity, including corporate foundations and family foundations built from corporate wealth, there is also a greater need for more corporations to move beyond supporting education as a corporate social responsibility activity to more meaningful win-win partnerships.

*Fifth - diaspora.* Arabs in the diaspora are an invaluable partner in understanding and supporting education in the Arab region. The diaspora is especially effective in times of conflict and crisis – rallying resources quickly and investing in the long-term growth of their countries of origin. The global education community must engage the Arab diaspora in both the countries where they reside and in the countries where they are well-poised to invest.

Arab donors are likely to continue to be important contributors to international aid. The United Arab Emirates (UAE), for example, is the most generous donor relative to its gross national income (GNI), with a ratio of official development assistance (ODA) to GNI of 1.25 percent in 2013, surpassing the previous world leaders, Norway and Sweden, which both had ratios of 1.07 percent. Beyond simply providing funding, however, Arab donors are increasingly looking to play a more significant role in addressing their own national and regional education challenges, as well as in contributing to global efforts. Further research and dialogue are essential to exploring the potential opportunities and to addressing the barriers for better engaging Arab donors.

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# BRICS Education Expenditure

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**Key words:** Financing; Education; BRICS; Expenditure; Sustainable Development Goals (SDGs)

**Summary:** The Incheon Declaration adopted by the World Education Forum held in Korea in May 2015 sets high targets for government expenditure on education. This article assesses whether BRICS member states are close to achieving these targets.

Brazil, Russia, India, China and South Africa (known as BRICS) are emerging economies that are forecast to continue to realise fast economic growth and achieve the status of developed economies. These countries also continue to present significant development opportunities and their collaboration is aimed at meeting the economic needs of this century which includes, amongst others, infrastructure development, innovation systems and the provision of quality education to the world's population. An examination of their expenditure on education will therefore provide useful insights into the different processes of allocating financial resources adopted by each country and how these countries can help each other to improve their

education systems. As a group, BRICS countries have an important political and economic role to play on the world stage as they occupy about 26% of the planet's land, in addition to being home to 41% of world population and about 46% of its workforce. The countries had a combined GDP of approximately \$14.9 trillion, accounted for about 19% of the world GDP in nominal terms and approximately 26% of global GDP in terms of purchasing power parity and an estimated US\$4.5 trillion in combined foreign reserves in 2012.<sup>1</sup> During the final quarter of 2012, the rise in World GDP by 2.5% was largely because of these big emerging economies. The BRICS alone have been responsible for 55% of global growth since the end of 2009.

Table 1 shows that between 2010 and 2013, all BRICS member countries realised positive GDP growth, with South Africa recording the lowest average GDP growth of 2.8% and China, the highest at 8.8%. China in particular has been an outstanding emerging economy, recording a GDP of about \$2.246 trillion in 2013 while South Africa is falling short of matching similar levels as that of those other BRICS members with GDP amounting to \$351 billion.

Table 1: Gross Domestic Product

Country	GDP (current US\$)				GDP Growth (annual %)				
	2010	2011	2012	2013	2010	2011	2012	2013	Average 2010 - 2013
Brazil	2 143 067 871 760	2 476 694 763 271	2 248 780 912 396	2 245 673 032 354	7.5%	2.7%	1.0%	2.5%	3.4%
China	5 930 502 270 313	7 321 891 954 608	8 229 490 030 100	9 240 270 452 047	10.4%	9.3%	7.7%	7.7%	8.8%
India	1 708 458 876 830	1 880 100 141 185	1 858 744 737 181	1 876 797 199 133	10.3%	6.6%	4.7%	5.0%	6.7%
Russia	1 524 916 112 079	1 904 793 021 649	2 017 470 930 421	2 096 777 030 571	4.5%	4.3%	3.4%	1.3%	3.4%
South Africa	365 208 432 989	403 894 316 555	382 337 636 448	350 630 133 297	3.1%	3.6%	2.5%	1.9%	2.8%

Source: World Bank Database

<sup>1</sup> National Treasury website: <http://www.treasury.gov.za/brics/sbe.aspx>

Improving the quality of education and training for employability is considered the highest priority by the BRICS member countries, and their development strategies centre around making these priorities achievable. For BRICS member countries, the right to education has been constitutionally endorsed to give effect to strategies that aim to ensure that every citizen in the country has equal rights to education. The South African constitution for example states that everyone has the right to basic education; hence South Africa's White Paper on Post-School Education and Training (DHET, 2013) advocates for the establishment of community colleges to cater for youth and adults who did not complete their schooling or never attended school. BRICS countries continue to make major investments in education.

Table 2 reflects the amount of money government devotes to education out of the country's output

and total government expenditure. There are significance differences in education expenditure across the BRICS member countries. Amongst the BRICS countries, South Africa continues to allocate the highest percentage of its GDP (at 6.6% in 2012) and share of total government expenditure (20.6% in 2012), to education. This is acceptable by international standards. Brazil follows closely, with 5.8% of the country's GDP devoted to education and 14.6% of total government expenditure being spent on education. The share of GDP devoted to education financing is lower for both China and India, even though their GDP has been growing significantly over the years, which can mean that a significant share is being devoted to other competing priorities as opposed to education. Russia devotes the lowest share of total government expenditure towards education when compared to other BRICS member countries.

Table 2: Government expenditure on education as a % of GDP and total government expenditure

Country	Government expenditure on education as % of GDP			Government expenditure on education as % of total government expenditure		
	1999	2005	2012	1999	2005	2012
Brazil	3.9%	4.5%	*5.81%	9.6%	12.0%	**14.6%
China	1.9%	...	*3.71%	12.6%	...	*16.3%
India	4.3%	3.1%	3.8%	16.3%	10.7%	13.0%
Russia	*2.91%	3.8%	*4.11%	*9.0%	11.5%	**11.9%
South Africa	6.0%	5.3%	6.6%	...	19.9%	20.6%

Source: UNESCO Institute for Statistics

Notes: An ellipsis denotes "... "indicates that data is not available.

\* Data is extracted from the report titled "BRICS Building Education for the Future" by UNESCO.

\*\* Data for Brazil is for 2010 and for Russia is for 2008.

The total investment made by a country in its people in the form of education is a matter of great interest and importance. The Incheon Declaration adopted by the World Education Forum recognises that the proposed Sustainable Development Goal for education cannot be achieved without a significant and well-targeted increase in financing. The declaration has increased the education financing targets for international benchmarking and has set targets to at least education expenditure of 4 - 6% of Gross Domestic Product (GDP) and/or at least 15 - 20% of total public expenditure to education (World Education Forum, 2015). Of the BRICS countries, South Africa, Brazil and Russia's education expenditure relative to GDP is fairly acceptable while that of India and China seem to be slightly lower than the required

target proposed by the Incheon Declaration. South Africa and China's education expenditure as a percentage of total public expenditure seems to be within the range required while that of Brazil, India and Russia falls short of the target required.

As indicated in Table 3, for the three countries for which data were available, India recorded the lowest per pupil expenditure for all the three levels of education. Brazil is leading in both the unit costs expressed in Purchasing Power Parity (PPP), as well as GDP per Capita for the primary level of education, while South Africa spent the highest per unit cost for tertiary education students. South Africa and Brazil spent similar amounts for secondary, while India was fairly low at 16%. Brazil's GDP per capita expenditure on

primary education was very high at 21%, followed by South Africa at about 19%. Table 3 also shows that India's expenditure per tertiary student as a % of GDP stood at nearly 54% in 2011, while that for South Africa was about 40% in 2013.

Table 3: Total government expenditure on each level of education per pupil

Country	Government expenditure on each level of education per pupil (PPP\$)			Government expenditure on each level of education per pupil as % of GDP per capita		
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
Brazil	2 903	2 970	3 917	21.1%	21.6%	28.4%
China	...	...	...	...	...	...
India	410	706	2 627	9.0%	15.5%	53.8%
Russia	...	...	*3 214	...	...	14.0%
South Africa	2 315	2 567	4 926	19.4%	21.6%	40.2%

Source: UNESCO Institute for Statistics

Notes: An ellipsis denotes as "... " indicates that data is not available

- Data used is for the most recent year available. 2010 figures were used for Brazil and 2011 figures were used for India.

- For South Africa, 2012 figures were used for Primary and Secondary while 2013 data was used for Tertiary education.

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# Sustainable Funding for the GCC Education System

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**Key words:** Gulf Cooperation Council, Education, Private Higher Education

**Summary:** The economies of GCC states depend heavily on oil and gas; it is their unique source of wealth. The recent fall of the world oil prices highlights the importance of having sustainable resources to finance education to face uncertainties of fluctuating oil prices.

Over the past decade, the Gulf Cooperation Council (GCC) countries - namely, Saudi Arabia, United Arab Emirates (UAE), Qatar, Kuwait, Bahrain and Oman - have been among the fastest-growing in the world because of rising oil prices, but also sound macroeconomic policies, investments in health, education, and infrastructure, and reforms to the business environment. Human development index scores have improved substantially, infant mortality has decreased, expected years of schooling have increased, and life expectancy has risen (Callen et al., 2014).

As the GCC countries aim to reduce their dependency on oil-based economies, governments across the region have acknowledged the need for a strong education system to build a well-educated and well-trained local workforce that will not only be able to replace expatriate labour, but also contribute to the prosperity of the countries in a competitive global market. The GCC has made significant developments in education. During 2013 the average net enrolment rate in primary school reached 94 percent, and the average gross enrolment rate in secondary school was 102 percent. Average adult and youth literacy rates are over 90 percent and 97 percent, respectively, comparable to some European economies (Callen et al., 2014). In addition, the region witnessed a rapid increase in gross enrolment rates in higher education, which reached 31 percent in 2013.

The GCC states have also built diversified higher education systems, of recognised quality, and this has contributed substantially to human and socio-

economic development. Many public universities, colleges and technical vocational institutions have been established. Also the overseas scholarship program has been expanded for graduate and post graduate degrees. For the last 15 years, the GCC has witnessed a vast expansion of private higher education institutions in an effort to increase higher education capacity beyond public systems. There has been a growth of private higher education institutions affiliated with well-established foreign universities, in addition to internationally renowned universities setting up their campuses in the region.

The public spending on education in the GCC as a share of national income (2004–13) averaged 3.9 percent, compared to an average global spending of 4.6 percent (Callen et al., 2014). The median spending on education as a percentage of total spending on public expenditure in the GCC is expected to be 15% in 2014 (Alpen Capital, 2014).

However, the education systems in the GCC still have shortcomings: the number of years of schooling and enrolment rates in early childhood education are still relatively low, while standardized test scores (TIMSS) reveal a comparatively low level of learning achievement. But one of the most challenging issues in the GCC education sector is its full dependence on the government as the sole financier. The economies of GCC states depend heavily on oil and gas, and these continue to form the backbone of these economies, accounting for more than three fourths of their government revenues and over half of their exports (Callen et al., 2014). It is a matter of fact that oil resources are finite and will be depleted, and experience shows that both the price of and the demand for oil have fluctuated considerably. World oil prices have declined by 40 percent since June 2014, and this will undoubtedly have an impact on financing the education sector in GCC states. A coherent and rational approach toward management of the entire education sector is therefore needed. More traditional, informal arrangements may no longer be adequate (Alhinai 2014).



GCC policy makers should place the issue of sustainable funding for education on the political agenda.

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# China's Development Financing for Developing Countries

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**Key words:** China, foreign aid, international responsibility, common but differentiated responsibility.

**Summary:** During the post-2015 era China will take greater international responsibilities and increase the scale of its foreign aid. But as a developing country, China insists that it provides foreign aid under the principle of 'common but differentiated responsibilities'.

China began to provide development financing to other developing countries from 1951. From the 1950s to 1970s, China adhered to its diplomatic policy of emphasizing solidarity with developing countries, fighting against new colonialism, and providing substantial foreign aid, especially to countries that were not yet independent. A large amount of foreign aid was provided beyond Chinese capacities under the eight principles which were proposed by former Premier Zhou Enlai. Foreign aid as a percentage of government expenditure and total GNP was very high, especially in the early 1970s. In 1973, the amount of China's foreign aid hit a record high,<sup>1</sup> with the amount of CNY5.58 billion, accounting for 2.05 percent of GNP for that year (in 1973 China's GNP was CNY 272.09 billion) (Zhang, Yuhui 2012), and foreign aid exacted a big burden on China's economy.

In the 1980s, Chinese government realized that China's foreign aid should be provided within its capacities. The principles of "equality and mutual benefit, diversified forms, effect-orientation, common development" were proposed in 1983, and China began to reduce foreign aid disbursements.

From the mid-1990s, especially after 2004, with

the strengthening of China's economy, the scale of foreign aid once again began to expand. Kitano and Harada (2014) use the OECD-DAC definition of ODA to estimate the volume of Chinese foreign aid. According to their estimation, from 2001 to 2013, with the rising trend of China's GDP, China's total amount of foreign aid has been gradually increasing with an annual growth rate of over 18%. Compared to the major ODA providers, the total amount of Chinese net foreign aid ranked 6th in 2012 and 2013, just behind France and Japan. But Chinese foreign aid as percentage of GDP is still low. Unlike the DAC donors, China is still a developing country, whose GNI per capita was only US\$3,567, 50th in the world in 2013. There are still more than 80 million Chinese people who live under the World Bank's absolute poverty line, and thus the country's domestic poverty reduction task is still urgent. With such underlying domestic conditions, it is reasonable that Chinese foreign aid be provided "within the reach of its abilities in accordance with its national conditions" (State Council Information Office 2011).

At present, at the beginning of the post-2015 development period, as a rising developing country, China needs to consider the level of international responsibilities it should take, as well as the roles it should play in the international development system in the new era. On the one hand, China's GDP has been rising very quickly. In 2010, China became the second largest economy in the world, a fact that has led both other donors and recipient countries to expect China to undertake greater international responsibilities, and to increase the amount of its foreign aid. On the other hand, China's per capita GDP or per capita GNI is still quite low. China unquestionably remains a developing country, and foreign aid continues to be categorized as a form of South-South cooperation. So when considering its international responsibilities, with the expected continuous rising of comprehensive national strength, China should and will take on greater international responsibilities gradually and increase the scale of its foreign aid to help other developing countries,

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<sup>1</sup> "It is said that Soviet Union reduced foreign aid and China increased aid to poor countries", New York Times, 1974.12.8. cited in "Reference News" (Can Kao Xiao Xi), 1974.12.27, 1st edition. Accessed on 27 Feb. 2015, <http://www.2vi.org/w/waidianpingwenge/1974/12/67.htm>

while promoting the capacity to achieve post-2015 development goals. At the same time, the international community and China both need to consider China's real level of domestic economic development and poverty alleviation situation and accept that China can only provide foreign aid under the principle of 'common but differentiated responsibilities' (Huang and Xiong, 2014).

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# Trends of China's Aid to African Education

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**Key words:** China's education aid; diversity; amount increasing; multilateralism; commitment fulfillment

**Summary:** China's financial aid to African education has been continuously increasing, in diversity and scope, and it has begun to rely on multilateral mechanisms. China has fulfilled its aid commitments to African education, but it still lacks detailed official statistical analysis on its funding data.

As a developing country, China always provides assistance as much as possible to other developing countries. As Africa has most of the developing countries, it receives a great proportion of China's aid. From 2010 to 2012,

China's financial aid to Africa made up 51.8% of the total.<sup>1</sup> Besides, China's aid to Africa education has been increasing, and the commitments are better implemented than expected; so its efforts are being recognized by African countries.

## I. Government scholarship: more quota and increased amount

### 1. Scholarship Quota

Over the period of the FOCAC conferences from 2006 to 2012, it had increased scholarships by 291% in these 8 years. In other words, the number of Africa scholarship students in China had risen from 2000 in 2006 to 7821 in 2014, as the table shows. So, the Chinese government has been increasing its government scholarships for African countries.

Year	2006	2010	2011	2012	2013	2014	Growth rate in 8 years
Quota/Year	2000	5710	6313	6717	7305	7821	291%

### 2. Scholarships Amount

Here we look at the detail of Chinese government scholarships (Full Scholarship) as an example:

The scholarship regulations in 2015 provide exemption from registration fee, tuition fee, fee

for laboratory experiment, fee for internship, fee for basic learning materials, intramural accommodation and comprehensive medical insurance and inter-country transportation costs; the scholarship also provides a stipend for the students. Here are the stipend levels for different academic categories (in RMB):

Academic categories	Before 2015	After 2015	Percent increase
Undergraduate students and Chinese language students	16,800	30,000	78.57%
Master degree students and visiting scholars	20,400	36,000	76.47%
PhD degree students and advanced visiting scholars	24,000	42,000	75%

<sup>1</sup> The Information Office of the State Council of the People's Republic of China(2014). *China's Foreign Aid (2014)* White Paper. Beijing.

## **II. Human resource training: The amount has been expanding, and the level has been improved**

Chinese government had established 10 education aid bases in Chinese universities in the early 2000s. Under the schemes of FOCAC, “China provides many different kinds of scholarships, training and seminar programs, which cover many different fields, including agriculture, industry, health education, communication, media, science and technology, disaster prevention and mitigation, administration”.

**1. Training amount:** from 2004 to 2006. China trained more than ten thousand people under the program of “Africa Human Resources Development Fund”. In 2006, at the FOCAC Beijing Summit, China committed to train 15 thousand personnel in different areas in 3 years. In 2009, at the 4th FOCAC Ministerial Conference, China declared that it would train 20 thousand people in the next 3 years, including 1500 principals and teachers, 2000 agriculture technicians and 3000 medical staff. In 2012, at the 5th conference, Chinese government further proposed “training 30 thousand personnel from different areas from 2013 to 2015”.<sup>2</sup> On the training fund, for those 21-day training courses in China, except for the transportation cost, it also spends 25 thousand yuan for each person.

**2. Training level:** Since 2008, Chinese Ministry of Education and Ministry of Commerce set up the project of “training postgraduates for developing countries”, assisting African countries to cultivate talents, and meeting their diversity requirements in human resource training. So far, in this project, China has trained 336 students coming from 40 African countries. So far, this project has set up four majors, including public administration, education, international communication and international relations, and these are offered by Peking University, Tsinghua University, East China Normal University, Sun Yat-San University, Communication University of China, China Foreign Affairs University, and other national first-class universities. “Sharm el Sheikh Action Plan (2010-2012)” indicated that, in 3 years, China would recruit 200 African senior administrative staff for MPA degree. With the support of the Ministry of Commerce, Zhejiang Normal University will implement “2015-2017 Developing Countries’ Masters Degree in Comparative Education”,

and it’s mainly aimed at African countries. it will recruit about 30 students per year, and these students will receive full scholarship. In “Sharm el Sheikh Action Plan”, China committed that it would accept 100 African Postdoctoral students coming to China for academic research.

## **III. Assistance fields gradually expanded, and coverage gradually enriched**

**1. Promoting university cooperation.** In 2010, the “20+20 Cooperation between China and Africa University Program” started smoothly. In this program, 20 pairs of Chinese and African universities carried out the cooperation actively by one to one interaction. The forms of cooperation include the exchange of students and scholars, joint researches, faculty and management staff trainings and curriculum development, etc. Many pairs of the cooperating universities have established joint laboratories, joint research centres and Confucius Institutes. In order to expand the cooperation of two paired universities into a comprehensive, wide-ranging and multi-form partnership, the Chinese Ministry of Education has given strong support to these institutions; which includes project funding, more scholarships, teacher training, student exchanges, the establishment of Confucius Institutes, Chinese teacher training, Chinese summer camps, etc.

**2. Jointly establishing Confucius Institutes and Confucius Classrooms.** From 2005, when the first Confucius Institute was established in Kenya, to mid-2015, the Confucius Institute Headquarters (Hanban) has established almost 40 Confucius Institutes and 7 primary and secondary Confucius Classrooms in 28 countries in Africa. The Confucius Institutes turned towards universities and colleges, secondary and primary schools, communities and businesses in providing ways of teaching Chinese language, launching vocational training, and promoting Chinese culture. In addition, the Confucius Institute Scholarships to Africa have been increased year by year, and this has put more efforts into training local teachers of Mandarin in Africa. Until now, Hanban has provided 951 scholarships to Africa.<sup>3</sup>

**3. Dispatching volunteers.** By the end of 2012, China had dispatched 408 volunteers to 16 African countries, including Ethiopia, Zimbabwe

2 FOCAC(2012). “5th FOCAC Ministerial Conference—Peking Action Plan (2013-2015)”. Beijing.  
<http://www.focac.org/eng/dwjbjzhys/t954620.htm>

3 Division of International Cooperation and Exchanges of Ministry of Education of the People’s Republic of China (2013). “To Implement FOCAC Initiative and Enhance the Assistance to African Education”. Beijing.

and so on. These volunteers have worked in the fields of Chinese language teaching, health care, information technology, agricultural science and technology, international relief and other areas.<sup>4</sup>

**4. Aiding through building schools, and donating teaching facilities.** In 2006, China promised to aid 100 African rural schools in 3 years in the FOCAC. In 2009, China committed to continue its assistance by building 50 China-Africa friendship schools. In addition, China also provided teaching equipment to another 72 primary and secondary schools.

**5. Setting up technology demonstration centers, and dispatching technical trainers.** Here are two examples: in April 2011, Rwanda Agricultural Technology Demonstration Center was built, with a total area of 22.6 hectares. This Centre is currently the largest agricultural technology training base with the most complete facilities in Rwanda. From 2001 to 2012, China and Ethiopia jointed together to develop vocational and technical education and training in agricultural, and China has sent more than 400 people to Ethiopia, and has trained 1800 teachers for local agricultural vocational college and 35,000 agricultural technicians.

#### **IV. Assistance mechanism: From bilateralism to multilateralism**

China actively supported the capacity building of "The New partnership for Africa's Development (NEPAD)". Over the years, China provided two million dollars to support the Nurse and Midwife Training program, which was one part of NEPAD.

According to the "5th FOCAC Ministerial Conference from 2012, China will provide 600 million RMB grant aid for the African Union over 3 years, which showed China's strong support for African integration, unification and self-improvement but it also displayed that China had begun to attach more importance to multilateral mechanisms. Another promise from Chinese government also displayed the emphasis on multilateral mechanisms. It said that China would provide \$2 million every year to support African education under the framework of UNESCO Trust Fund.<sup>5</sup> So far, China has aided \$8 million.

China not only provides a lot of funds for African education but also tries to make some innovation. However, the statistical analysis of general funds for African education provided by China cannot easily be found in official websites like that of Ministry of Education and Ministry of Commerce. China's assistance to African education has multiple aiding bodies, diverse methods, extensive fields, and these would make for some difficulty in data collection and analysis. However it can be anticipated that a reasonable effort to make statistical analysis will be undertaken, which could well be the next focus of China's cooperation with Africa.

<sup>4</sup> The Information Office of the State Council of the People's Republic of China (2013). "Sino-Africa economic and trade cooperation (2013)". Beijing.

<sup>5</sup> Ministry of Commerce of the People's Republic of China (2012). China's Aid to Africa. [http://images.mofcom.gov.cn/yws/201304/yws\\_1304.pdf](http://images.mofcom.gov.cn/yws/201304/yws_1304.pdf).



# Mapping the Landscape of Financial Resources of China's Aid to Education and Human Resource Development

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**Key words:** Education, Financial Resources, Human Resource Development, Scholarship, China's Aid, Post-2015.

**Summary:** China's aid to education and human resource development in developing countries is keeping increasing without a clear structure. This piece aims at mapping out a general landscape of financial resources of China's aid to education and human resource development in developing countries through making a safari in diverse and fragmented information sources to uncover features and puzzles of the data, and discuss efforts needed for tracking the relevant data for the road ahead in post-2015.

The EFA Global Monitoring Report (GMR) 2015 showed the information on what emerging donors give to education but it is not clear despite the rising scale and various ways they support education. While reading the chapter on finance in the GMR 2015 report, I decided to share my experience in exploring data about financial resources of China's aid to education and human resource development to elucidate its fragmented and complicated structures in this short piece for *NORRAG News*.

According to white papers on China's foreign aid published in 2011 and 2014, from 2010 to 2012 China appropriated in total 14.41 billion U.S. dollar for foreign aid. However, there is no clear record of the exact amount of foreign aid to education. Moreover, these white papers also showed that most education-related financial resources are grant-based and come from China's state finances. These include school construction, providing teaching equipment and materials, dispatching teachers and experts, training teachers, offering government scholarships to students from developing countries, hosting seminars and short-term training programs for government officials and technical personnel from developing countries. Since there is no exact financial data

on China's aid to education, it is necessary for us to explore relevant information from the related ministries and organizations and combine these fragmented sources in order to map out a picture of financial resources of China's aid to education and human resource development. It is different from some DAC members which have independent foreign aid agencies and which publish annual reports including detailed financial information on foreign aid to education.

## Features and Puzzles

The mapping uncovered features and puzzles about financial resources of China's aid to education and human resource development. The first feature is that there are fragmented and indirect resources. A safari in annual financial reports of the relevant ministries and organizations showed that the aid-related information is from diverse sources, at least including Ministry of Commerce, Ministry of Education, Ministry of Foreign Affairs, The China Scholarship Council, and The Office of Chinese Language Council International. A combination of the fragmented sources may present a basic structure of China's aid finance on education and human resource development in developing countries. The second feature is that the accessible information lacks categorization and description. Although we can find the amount of money under category of foreign assistance in annual financial reports from each related ministry and organization, it is still difficult to fully understand what exactly the figures represent. For instance, although we know from the white paper on China's foreign aid 2014 that China assisted over 80 projects in relation to school construction, we are not sure the exact amount of investment, number of schools at each education level, and the recipients of these school constructions.

Besides, there are remaining puzzles about China's aid finance on school construction, training programs and scholarships. Firstly, there are no clear data about funding for school construction

and educational equipment. It is still difficult to distinguish which ministries or organizations are in charge of these projects and how much they spend. Secondly, although research elaborated that most training programs and human resource development cooperation are hosted by the Ministry of Commerce and the Ministry of Education, how much they spent on what types of training is still uncertain. Moreover, to estimate the scale and cost of training programs, it is necessary to conduct a comprehensive exploration to track programs listed in diverse sources from affiliations of Ministry of Commerce, such as Department of Foreign Assistance, Academy for International Business Officials (AIBO), China International Center for Economic and Technical Exchanges (CICETE) and the Bureau of International Economic Cooperation Affairs. Thirdly, it is necessary to distinguish how many Chinese Scholarship Council awards and how many Confucius Institute Scholarships are awarded to people from developing country.

## Solutions

To be honest, the results of the mapping still did not show a clear picture of financial resources of China's aid to education and human resource development in developing countries. Nevertheless, the results suggest there is a necessity to establish a comprehensive database or publish an annual report about education-related financial resources of China's aid with detailed categorization and description. Moreover, in order to establish an effective global coordination to best meet the need for educational funding, it is also necessary for both Chinese and foreign scholars particularly in recipient countries to develop a tracking system which can comprehensively and accurately assess education financing in China's aid. In addition, I want to show my concern as to the extent China can fully engage in the core issues of post-2015 and contribute to the related fund raising, since so far China gives more concerns on aid to post-secondary education (except school construction) and it is assumed it will continue to do so. A follow-up observation and analysis of what China will commit and practice for post-2015 are definitely important and necessary.

## Recommended Readings

Information Office of the State Council, China. (2011). *China's Foreign Aid 2011*. Beijing.

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# NORRAG'S NEWS

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# ***Learning for Sustainable Futures: Making the Connections***

## **13th UKFIET International Conference on Education and Development**

**15-17 September 2015. An Update**

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**Key words:** education and development, post-2015, learning, SDGs, UKFIET Conference

**Summary:** The 13th UKFIET International Conference on Education and Development has received a record number of proposals for papers. Come prepared to debate and discuss the topic of learning in the promotion of sustainable futures. New session formats to allow for more contributions while encouraging greater interaction will stimulate further connections between traditional development sectors and proposed SDGs.

Demand to participate in the UKFIET International Conference on Education and Development continues to grow. We received an unprecedented number of proposals for papers for consideration in the 13th Conference which will be held 15-17 September in Oxford. Thank you to all who submitted.

In order to incorporate an ever-widening range of voices and opinions, and in an effort to encourage more debate, we have established new session formats with a greater focus on discussion and interaction. The new formats also make it possible to have a greater number of presentations than in past years. Come prepared to engage with our wide constituency – which includes NGOs, consultancy groups, aid organisations, researchers and practitioners – who will be ready to discuss the roles that learning has to play in the development of sustainable futures. This, of course, requires us to look across the traditional development sectors and to consider how learning can support the other proposed SDGs. To this end, we are also planning contributions from outside the education sector to help us make stronger connections and open up new dialogue.

Relating to the theme of this 52nd issue of NORRAG news, UKFIET Conference contributions on matters of post-2015 finance will be most prominent in following two sub-themes:

- In the promotion of sustainable futures, what educational **planning and resourcing systems** are required?
  - Convened by John Martin and Jawaad Vohra (Cambridge Education)
- In the promotion of sustainable futures, how should **international support and co-operation** evolve in the next decade and beyond?
  - Convened by Susan Nicolai (ODI) and Steve Packer (Independent Consultant and The Education and Development Forum (UKFIET))

The topic of financing is sure to arise elsewhere as well – in paper sessions, symposia and pop-talks – so be sure to consult the entire conference programme when it becomes available this summer. We are working on a mobile app that will make it easier than ever to scan the conference programme on the go.

Opening and closing plenary speakers will be announced soon. We are pleased that Professor Kenneth King will be giving the BAICE Presidential Address on ***The Global Targeting of Education and Skill: Policy History and Comparative Perspective*** on the afternoon of 16 September.

Keep an eye on the conference website and follow us on Twitter (@UKFIET) and Facebook (<http://www.facebook.com/ukfiet>) for the latest news. Sign up for our email notifications on the main page: [www.ukfiet.org](http://www.ukfiet.org)

Registration to attend the conference is still open, though application to present papers has closed. Be sure to sign up soon to be present as spaces will be limited and in demand!

For more information: [www.ukfiet.org](http://www.ukfiet.org)



