**Global Partnership for Education Inputs to the Elements Paper on Financing for Development**

***About the Global Partnership for Education***

As the only global partnership and fund dedicated entirely to helping children in lower-income countries receive a quality education, with a nearly US $3 billion active grant portfolio, [**the Global Partnership for Education (GPE)**](https://www.globalpartnership.org/) is well versed in the challenges and opportunities of financing for development, including those of investing more international financing, mobilizing more domestic financing, and the need to spend more equitably and more efficiently in order to achieve SDG4.

Over the past nearly 20 years GPE has helped almost 90 countries to transform their education systems, ensure 160 million more children, including the most vulnerable, are in school, improve teaching and learning, and build equitable, inclusive and resilient education systems fit for the 21st century.

**I** **A new global financing framework must center education financing**

I.i. Context

To ensure full achievement of SDG 4 and drive achievement of all the SDGs, the fourth International Conference on Financing for Development (FFD4), must commit to increasing, strengthening and reforming financing for education.

The **SDGs**, **Addis Ababa Action Agenda**, **SDG Political Declaration**, **Pact of the Future**, **High Level Dialogue on Financing**, and **numerous other UN outcome documents**, processes, and reports have recognized that we will not end poverty without increased and sustainable investments in education.  A new global financing agreement should build on these and agree concrete commitments to transform education systems to ensure that all children and young people benefit from inclusive and equitable quality education.  Sustainable, predictable and efficient domestic financing as well as aligned, harmonized and coordinated international financing that creates more fiscal space for countries to invest in their education systems is critical to end the crisis in education and lift future generations out of poverty.

Education enables and accelerates progress across all Sustainable Development Goals by enhancing productivity and employment, driving economic prosperity, raising women and men out of poverty, reducing inequalities, promoting gender equality and cultural diversity, and improving health and wellbeing. Education can promote climate awareness, sustainable practices and climate change mitigation and adaptation strategies. Yet today education is in deep crisis. 251 million children are out of school, a number that has risen significantly over the past few years (Global Education Monitoring Report, 2024). And many of those who are in school are not learning. In low- and lower-middle income countries, 70% of children are unable to read and understand a simple text by the time they reach age 10. (World Bank 2022)

While gender parity in education has improved in the past two decades, girls in rural areas, poorer households, and conflict and crisis contexts are still less likely to go to school then their male counterparts. And once out of school, they are less likely to return. Girls are also affected more, overall, by climate based disasters, suffering greater fatalities, displacement, and violence. Conversely, for every additional year of schooling girls receive, their country’s resilience to climate-driven disasters improves substantially. (Brookings, 2017).

Recognizing the critical importance of achieving SDG4, the **Addis Ababa Action Agenda** committed the world to investing in quality education for all, including through initiatives like the Global Partnership for Education. Similarly, 2022’s **Transforming Education Summit** (TES) called for “investing more, more equitably and more efficiently” including through increased domestic financing and by scaling up “proven innovative financing mechanisms including the Global Partnership for Education (GPE) Multiplier Fund, which unlocks additional financing from public and private funders”. **GA Resolution A/C.2/78/L.41 (paragraphs 10 and 16)** recognized that limited financial resources, coupled with ongoing gender-based discrimination, also continue to limit girls’ access to education, particularly those in vulnerable situations. In **2023’s FFD Outcome Document** and **SDG Political Declaration** Member States committed to continue increasing investment in inclusive and equitable quality education, which was reiterated in the recent **GA Resolution on Education for Sustainable Development (A/C.2/78/L.41).**

With the financing gap to reach SDG4 at nearly $100 billion dollars per year, we need to deliver on these commitments, and need additional stronger, more ambitious commitments than ever to ensure every child can learn and that communities and countries can reap the multiple and interconnected benefits of education.

I.ii**.** Key components for a new global financing framework

* Stronger commitments to existing financing mechanisms, new global financing instruments and country-specific financing approaches are needed to close the financing gap for achieving SDG 4.
* These commitments, mechanisms and approaches should focus on increasing and improving domestic financing, strengthening international financing, and using innovative financing to transform education systems and reach all children with an inclusive, equitable, quality education.
* Any efforts to reform the global financial architecture should: 1. reduce the debt burden and increase fiscal space in developing countries to ensure continued spending on education; 2. protect education spending in countries that are in debt distress; and 3. ensure countries can access adequate financing to boost investments in education.

**II** **Action Areas for Education Financing**

1. **Domestic Public Resources**

Domestic financing is the most significant and sustainable form of funding for education, yet volume, equity, and efficiency are major challenges to better domestic financing, even as ongoing challenges of the economic downturn, debt distress and the climate crisis continue to squeeze domestic budgets.

In LICs, government education spending as a share of GDP has increased steadily since 2018 (3.2 percent), reaching an average of 3.6 percent in 2021 ([Education Finance Watch 2023](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Funesdoc.unesco.org.mcas.ms%2Fark%3A%2F48223%2Fpf0000387042%2FPDF%2F387042eng.pdf.multi%3FMcasTsid%3D20892&McasCSRF=99b4db7104c4ab04098e486c9aa34b30120d283c2de678adb9b12bffeedfba77)). However, Among the 178 countries with available data for 2017–22, 34% did not meet either of the established benchmarks of at least 4-6% of GDP and 15-20% of total public expenditure. (Global Education Monitoring Report (GEMR) 2023).

Approximately one third of education funding is inefficient (World Bank 2019).  Even prior to the COVID pandemic, crisis in Ukraine and the Middle East, and related global economic downturn which have driven debt distress, factors such as management of the teacher workforce, poor quality of inputs like textbooks, leakage of funds, and internal efficiency issues like high rates of repetition and dropout were driving inefficiency (World Bank 2019).

Inequity in domestic financing for education - both across and within countries – means that for children, girls in particular, living in the lowest-income households and countries, access to learning is limited, and the likelihood of attaining upper-secondary or tertiary education is slim. Lack of investment as well as inefficient and inequitable investments in SDG 4 is therefore also directly undermining the full achievement of SDG5.

In 2021, governments in low-income countries spent on average just US$ 56 per learner per year on education. By contrast, high-income countries spent on average US$ 8,515 per capita – 152 times more. Deficits in public education budgets place a burden on households. In lower- and lower-middle-income countries, household spending accounts for more than a third of all education spending – which means that poorer children are more likely to be excluded from schooling. (Education Finance Watch 2023)

There are concrete commitments that FFD4 can build on. Most notably, at the July 2021 Global Education Summit, **20 Heads of State** pledged in the [Heads of State Declaration on Education Financing](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Fwww.globalpartnership.org.mcas.ms%2Fnews%2Fheads-state-declaration-education-financing%3FMcasTsid%3D20892&McasCSRF=99b4db7104c4ab04098e486c9aa34b30120d283c2de678adb9b12bffeedfba77) to work towards spending at least 20% of national budgets on education by 2026.

FFD4 should contain a new global financial framework that includes appropriate incentives and results-based financing to support governments to increase domestic education spending and ensure that it is equitably and efficiently spent, as well as create more fiscal space so countries can invest more in education.

Specifically, FFD 4 should include the following commitments to increase domestic financing for education:

**Member States Should:**

* Allocate adequate resources to education to accelerate progress towards delivery of quality education for all, aiming for 15-20% of total budget by 2030.
* Address inefficiencies such as high repetition rates, procurement waste and uneconomical payment systems and reinvest up to one-third into education budgets.
* Establish and/or strengthen dialogue between Ministries of Education and of Finance.
* Enhance equity in education financing, including through gender responsive budgeting processes so that funds target the most vulnerable and marginalized.

**C.** **International Development Cooperation**

**ODA**

The **Addis Ababa Action Agenda** reaffirmed the commitment by developed countries to achieve the target of 0.7 per cent of ODA/GNI and 0.15 to 0.20 per cent of ODA/GNI to least developed countries. However, only [a few donor countries](https://usc-word-edit.officeapps.live.com.mcas.ms/we/As%20the%202030%20deadline%20approaches%2C%20the%20global%20education%20crisis%20deepens%2C%20with%20250%20million%20children%20and%20youth%20out%20of%20school1%20and%2040%25%20of%20primary-school-age%20children%20lacking%20basic%20reading%20skills%2C%20with%20significant%20and%20persistent%20disparities%20and%20inequalities%20between%20and%20within%20countries?McasTsid=20892&McasCtx=4) meet the benchmark of allocating 0.7% of their Gross National Income (GNI) to Official Development Aid (ODA) and even fewer allocate the recommended 15% of their ODA aid to education ([UNESCO 2024](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Funesdoc.unesco.org.mcas.ms%2Fark%3A%2F48223%2Fpf0000390204%3FMcasTsid%3D20892&McasCSRF=99b4db7104c4ab04098e486c9aa34b30120d283c2de678adb9b12bffeedfba77&McasTsid=20892)). And between 2020 and 2022, there were 15 developing countries whose interest payments exceeded education expenditures, and 46 countries where they were higher than health expenditures. ([UNCTAD 2024](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Functad.org.mcas.ms%2Fpublication%2Fworld-of-debt%3FMcasTsid%3D20892&McasCSRF=99b4db7104c4ab04098e486c9aa34b30120d283c2de678adb9b12bffeedfba77&McasTsid=20892))

Increased international financing can be a key investment in education, especially in the lowest income countries. When aligned with countries' national education priorities, international financing can support coordinated action and increase lower income countries’ ability to invest more financing in their education systems, while still receiving direct support for education.

This approach was supported by **86 Ministers of Education** from lower income countries in the [GPE Ministerial Communique (2023)](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Fwww.globalpartnership.org.mcas.ms%2Fnews%2Fgpe-education-ministers-call-education-aid-financing-reform%3FMcasTsid%3D20892&McasCSRF=99b4db7104c4ab04098e486c9aa34b30120d283c2de678adb9b12bffeedfba77) calling for education aid financing reform. GPE uses this approach to bring together governments, teachers, civil society, donors, United Nations agencies, Development Banks, businesses, and private foundations to prioritize areas for reform in a country, and then targets funding and coordinated action towards these reform areas. Through such coordinated, aligned and harmonized support, GPE has mobilized more than US$11 billion for education since its inception, and working with nearly 90 partner countries, has ensured 160 million more children are in school, twice as many girls are on the path to gender equality and improved learning outcomes in 70% of partner countries.

**Donors should:**

* In line with the **Addis Ababa Action Agenda**, recommit to the spending target of 0.7 per cent of ODA/GNI and 0.15 to 0.20 per cent of ODA/GNI to least developed countries.
* In line with the **Addis Ababa Action Agenda**, recommit to scaling up investments and international cooperation to allow all children to complete free, equitable, inclusive and quality early childhood, primary and secondary education, including through scaling-up and strengthening initiatives, such as the Global Partnership for Education.

**Innovative Financing**

**Innovative financing** can mobilize more resources for education and increase countries’ focus on efficient education systems, which can become more sustainable and free-up funding for all learners.

An example of this is the **GPE Multiplier.** Analysis shows that every $1 released from the Multiplier has mobilized $4.70 from a range of co-financing partners. Since 2018, US$458 million in GPE Multiplier grants to 39 countries have unlocked **more than US$3 billion** in additional co-financing from partners ranging from foundations to multilateral development banks.

**GPE’s Girls’ Education Accelerator** is a **$250 million fund** to support projects in 30 GPE partner countries where girls are lagging furthest behind boys in access to school, have the highest rates of early marriage, or both. To accelerate the impact of these funds, private foundations or business community contributions to the Girls’ Education Accelerator **trigger a 1:1 match from GPE**. **The GPE Match** is a dollar-for-dollar matching mechanism that **incentivizes contributions from the business community and foundations** by doubling the impact of their investments in education.

The **Arab Coordination Group Smart Education Initiative (ACG-SmartEd)** is an innovative financing instrument to dramatically scale up financing in Islamic Development Bank’s (IsDB) 37 member countries – representing more than one third of GPE partner countries – the ACG SmartEd leverages US$4 from the ACG and IsDB for every dollar from the GPE Multiplier. SmartEd aims to deploy blended financing portfolio of US$500 million.

GPE’s **Debt2Ed** positions donors and partner countries to use debt treatments, such as debt swaps and loan buydowns (agreements between a creditor and partner country to access the GPE Multiplier. It enables partner countries **reduce their debt stock and/or debt service** payments and **expand their fiscal space** to invest in education. Creditors access a **new channel to support the education sector** and meet commitment to SDG 4 and ODA targets. The education sector gains **additional investment** through or alongside GPE-supported programs. The **first GPE Debt2Ed transaction through a Debt Swap between France and Cote D'Ivoire** has just been agreed unlocking EUR 72.1 Million that Cote D’Ivoire can now invest in education.

**Donors should:**

* Scale up funding for long-term investments in education, including by making the following commitments:
* Provide coordinated, long-term, predictable funding for LDCs and LMICs and, build on existing mechanisms, increase funding reserves for education in crisis and conflict settings through proven and scalable mechanisms like GPE.
* Reduce debt burdens on and increase fiscal space in the poorest countries, building on innovative GPE programs like Debt2Ed and GPE Match.
* Harmonize and align external education financing through proven mechanisms like GPE.
* Work in partnership with diverse stakeholders to improve accountability for spending and demonstrate convincing results, including demonstrating progress to close the gender, disability, and other gaps.
* Support mechanisms to advance inclusive sector dialogue to promote civil society participation in budget tracking and monitoring to improve transparency and accountability in education spending, like GPE’s Education Out Loud program.

**E. Science, technology, innovation and capacity building**

**Member States should:**

* Increase investment in inclusive science, technology, engineering, and mathematics (STEM) education, while upholding humanities and social sciences, to cultivate talents and minds for a sustainable future.
* Promote and increase investment in young women’s and girls’ participation in STEM education.

**II** **Emerging Issues**

**Climate Finance**

More than 1 billion children, around half the world’s 2.2 billion children, live in countries highly susceptible to - and in many cases already experiencing – the effects of climate change. ([Save the Children 2024](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Fwww.savethechildren.net.mcas.ms%2Fnews%2Fhalf-out-school-children-live-countries-most-vulnerable-climate-change-philippines-latest-shut%3FMcasTsid%3D20892&McasCSRF=99b4db7104c4ab04098e486c9aa34b30120d283c2de678adb9b12bffeedfba77&McasTsid=20892)). A staggering 400 million students globally experienced school closures from extreme weather since 2022 (World Bank, 2024). The impacts of climate change and environmental degradation adversely affect children’s well-being and their ability to go to school and learn. These impacts include the destruction of infrastructure, forced migration, disruption of livelihoods and negative health and psychosocial impacts.

Education is an underestimated but critical pillar of climate action. Past analyses have shown that a mere 1.5% of climate finance goes to education (World Bank, 2024). Quality education dramatically reduces vulnerability to death from weather-related disasters. And new estimates show that for $18.51 per child, schools can help better safeguard learning from climate change – by improving classroom temperature, building resilient infrastructure, and training teachers, among other adaptation measures. (World Bank, 2024)

Girls’ education has been identified as the most important socioeconomic determinant in reducing vulnerability to climate change (Muttarak and Lutz, 2014). Educating girls has an impact beyond the individual, cascading into her family and her community. For every additional year of schooling girls receive, their country’s resilience to climate-driven disasters improves substantially. (Brookings, 2017)

To fully harness the potential of education for climate action, GPE has launched the Climate Smart Education System Initiative with Save the Children and UNESCO to support country capacity to mainstream climate considerations into their education sector policies, plans and budgets. This technical assistance for 20+ of the most vulnerable countries will help ministries’ readiness to access climate co-finance for education adaptation, mitigation and sustainability efforts.

GPE is working with the Green Climate Fund and Save the Children launched a $70 million initiative - Building the Climate Resilience of Children and Communities through the Education Sector (BRACE). This mechanism will support education systems in 20 vulnerable countries to construct climate-resilient and green schools, integrate climate change in school curricula and provide climate early warnings to schools.

 **Donors should:**

* Earmark climate finance funds to build resilient education systems that can also ensure children have green skills for jobs of the future through innovative mechanisms like BRACE.
* Increase education funding and technical support for countries to build resilient education systems through GPE’s coordinated and aligned approach.

**Member States should:**

* Sign on to the [Declaration on the Common Agenda for Education and Climate Change](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Fwww.globalpartnership.org.mcas.ms%2Fnews%2Fdeclaration-common-agenda-education-and-climate-change%3FMcasTsid%3D20892&McasCSRF=99b4db7104c4ab04098e486c9aa34b30120d283c2de678adb9b12bffeedfba77) adopted at COP28.

**Funding Across the humanitarian, development, and peace nexus**

An estimated 224 million school-age children are affected by crises globally. Among them, 72 million are out of school. Girls living in crisis-affected areas are 2.5 times more likely to be out of school compared to boys. Their risk of early marriage, early pregnancy and dropping out of school completely increases during crises.

Ensuring that children and youth have access to education during conflict and crises protects girls’ and boys’ rights, instills a sense of normalcy, and fosters resilience, inclusion, and tolerance, which supports the long-term processes of recovery, development, and peacebuilding. A **more coordinated and coherent approach to education across the humanitarian, development and peace nexus** will leverage education’s ability to promote social cohesion, decrease risk of conflict, and promote peacebuilding and development.

A recent paper by GPE and the Institute for Economics and Peace (IEP) *Education: a path to a peaceful future* (Martinez and Collins, 2023), finds that countries that spend more on education experience higher levels of peace. Education also fosters peace, security, and development at the individual level. Schooling builds resilience and critical thinking skills. It also provides a protective mechanism. Boys not in school are at greater risk of child labor and being recruited into armed groups. Girls are at greater risk than boys of dropping out of school in crises, and when they do, girls are at greater risk of not returning due to financial concerns and domestic responsibilities (UNESCO, UNICEF, World Bank and OECD, 2022). Girls’ risk of early and forced marriage, early childbearing, and undertaking unpaid caregiving and domestic work all increase during crises. Girls who remain in or return to school also will be better equipped to access decent work and increase their lifetime earnings and to fully participate in decision making and take on leadership roles, including peace processes, helping to fulfill SDG 5.

Yet education is one of the least funded humanitarian areas, receiving just 3% of global humanitarian financing in 2021 (Geneva Global Hub for EiE, 2022). The **Sustainable Development Goals (SDG) Political Declaration** emphasized the need to continue increased investment in education, including in emergencies (paragraph 38.d) The **General Assembly Resolution on Education for Sustainable Development** in the framework of the 2030 Agenda for Sustainable Development (A/C.2/78/L.41 ) expresses deep concern about the disruptions and underfunding of education during emergencies and the need to “ensure inclusive and equitable quality education and lifelong learning opportunities for all” particularly given education’s ability to promote young peoples’ “hopes for the future, fosters inclusion and non-discrimination and act(s) as a catalyst for the recovery and rebuilding of post-conflict countries” (paragraph 24). The resolution also highlights how gender-based discrimination continues to limit girls’ access to education, particularly those in vulnerable situations (paragraphs 10 and 16).

GPE supports governments to prepare for, respond to and recover from crises through technical and financial support to sustain children’s education. By advocating for the inclusion of emergency actors in national planning processes and local education groups, GPE promotes coordination between humanitarian response and support from development partners. In contexts where it is not feasible to work with governments, GPE supports elements of the education system closest to children and schools so that learning can continue.

GPE’s work has ensured that since 2002, 106 million more children are enrolled in school in partner countries affected by fragility and conflict. In 2022, $435 million in co-financing was unlocked in partner countries affected by fragility and conflict through the GPE Multiplier and the GPE Match. GPE works closely with Education Cannot Wait (ECW), UNHCR, national education clusters and other partners to ensure that education can be delivered effectively during conflict and crisis and that national education systems become more inclusive of refugee children and resilient to future crises and conflict, in line with the Global Compact on Refugees, by providing financing and technical support.

To ensure education for all children in fragile and crises affected contexts, and to leverage the power of education for peace,

**Donors should:**

* Increase international investment in education for fragile and crisis affected countries through mechanisms like GPE that can provide rapid assistance, which can ensure that children’s schooling continues during crises.
* Support and incentivize national education systems to prevent, prepare for, respond to, and recover from conflicts and crises.

**The international community should:**

* Strengthen and accelerate existing global frameworks, networks, and initiatives for education in crisis contexts at local, national, regional, and global levels, including the Safe to Learn Alliance, comprised of UN Agencies, Member States, and other funds and partnerships, including GPE, with a view to sharing and scaling good practices.
* Promote alignment between humanitarian, development, and peace actors and planning approaches by including emergency actors in national planning processes and local education groups.
* Take concrete action to ensure girls can access quality, inclusive education to decrease their risk of early, child, and forced marriage and enable them to fully, equally, and meaningfully participate in leadership and decision making and access economic opportunities and decent work.

**IV** **Data, monitoring, and follow-up**

**Member States should:**

* Ensure education financing is informed by evidence-based policy dialogue and prioritize interventions that, based on evidence, can have the most transformative impact, including on access, learning, gender equality, inclusion, and finance.

October 15, 2024