

Policy Paper **25**

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Aid to education stagnates, jeopardising global targets

This paper shows that aid to education shows no signs of the upturn needed to meet the new sustainable development targets in education.

The global community's new development goals include achieving universal pre-primary, primary and secondary education of good quality by 2030. For the world to reach that target, aid to education needs to rise considerably. Donor countries have the means to bridge the gap. But the latest data, from 2014, show that for several years aid to education has been stuck at a level far below what is needed.

The 2015 *EFA Global Monitoring Report* estimated that \$US39 billion a year will be required on average over the next 15 years to reach the global education goals, over and above what low and lower middle income countries can mobilise themselves. Low income countries alone need \$US21 billion a year. Yet when these estimates were made, aid for basic and secondary education in low income countries amounted to only US\$3 billion — one-seventh of what these countries need.

The entire global education financing gap could be filled if the countries that belong to the OECD Development Assistance Committee (DAC) and selected non-DAC donor countries (Brazil, China, India, Kuwait, Qatar, the Russian Federation, Saudi Arabia, South Africa and the United Arab Emirates) dedicated 0.7% of their gross national income to aid – a longstanding target for international aid levels – and allocated 10% of their aid to basic and secondary education.

However, even among the 15 European Union member states who pledged in 2005 to allocate 0.7% of their gross national income to aid by 2015, only four do so: Denmark, Luxembourg, Sweden and the United Kingdom. And education's share of total aid continues to fall.

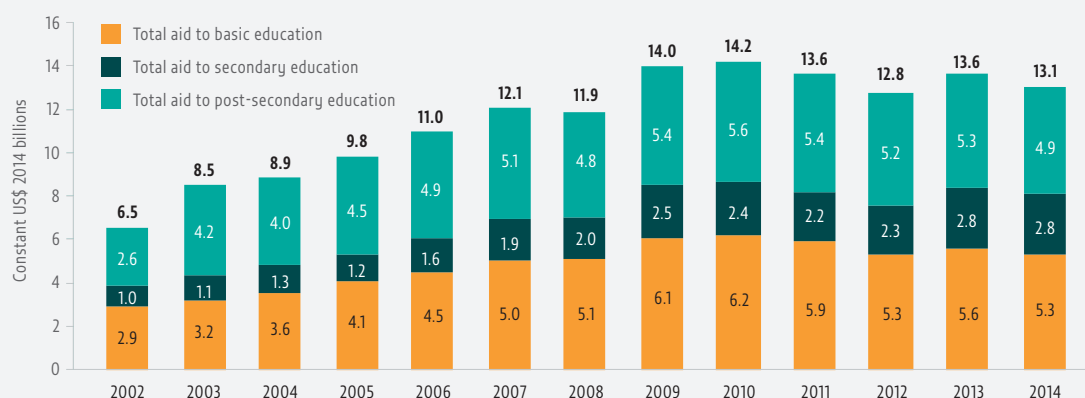
After rising rapidly in the 2000s, aid levels stalled in 2010 as a result of the financial crisis in high income countries, and have barely budged since then. This paper, which reviews 2014 data on aid to education, shows that there is little sign of that situation changing. Around the world, especially in low income countries, millions of children and young people are paying the price, in years of lost or low quality schooling.

Aid to education fell in 2014

Total aid to education more than doubled in real terms between 2002 and 2010, when it reached US\$14.2 billion. Since 2010 it has stagnated. As of 2014, it was 8% below its 2010 peak of US\$13.1 billion (**Figure 1**).

Total aid to education fell by almost US\$600 million, or 4%, between 2013 and 2014, even though total aid levels increased by US\$10.1 billion over the same period. This shows that most donors are giving education a lower

FIGURE 1:
Aid to education fell by 4% between 2013 and 2014
 Total aid to education disbursements, 2002 to 2014



Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016).

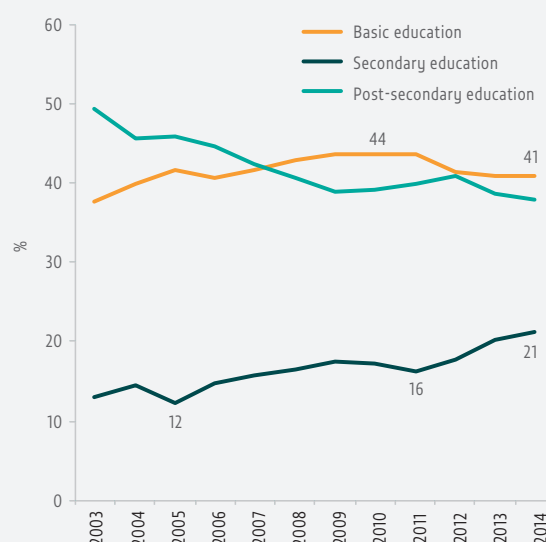
priority within their aid budgets. Education’s share of total aid (excluding debt relief) fell from 10.2% in 2010 to 9.5% in 2013 and 8.2% in 2014.

While education aid from bilateral donors followed the overall trend, aid from multilateral donors rose. Total aid to education across bilateral donors fell by 9% or US\$945 million between 2013 and 2014. Three donors account for most of this drop: Japan, whose aid fell by US\$550 million, or 48%, the United Arab Emirates (down US\$529 million, or 74%) and the United Kingdom (down US\$208 million, or 13%). These reductions were partially countered by increases in aid from Australia (up US\$138 million, or 35%) and the United States (up US\$107 million, or 11%).

Conversely, multilateral donors increased their aid to education by 10% and now account for 29% of total aid to education, up from 25% in 2013. The World Bank increased its disbursements by US\$480 million, or 42%.

The share of basic education (which includes support to pre-primary and primary education as well as adult education and literacy programmes) in total aid to education in 2014 was 3 percentage points below the peak it reached in 2010. By contrast, secondary education’s share increased from 12% in 2005 to 16% in 2010 and 21% in 2014. This suggests that aid to education priorities are gradually changing (Figure 2A).

FIGURE 2A:
The share of basic education in total aid is still below its peak
 Distribution of total aid to education by sector, 2003 to 2014



Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016).

The United Kingdom and the World Bank reflect the average trend. But among the other top 10 donors, different trajectories can be observed. For example, the European Union and the Netherlands have decreased their relative aid to basic education in favour of post-secondary education. Australia, Norway and the United States have been increasing the share of their aid going to basic education. France, Germany and Japan maintain their high allocations to post-secondary education as share of total aid (Figure 2B).

Japan, the Netherlands and Spain — each reduced aid to basic education by 40% or more. The United Kingdom reduced aid to basic education by 21%, or almost twice its rate of reduction of total aid to education, and is no longer the largest bilateral donor. Its place has been taken by the United States, which increased aid to basic education by US\$164 million, or 23%. Other OECD DAC donors that expanded their aid to basic education rapidly in 2014 were Australia (39%), Finland (49%), Italy (40%), Luxembourg (81%) and Sweden (42%).

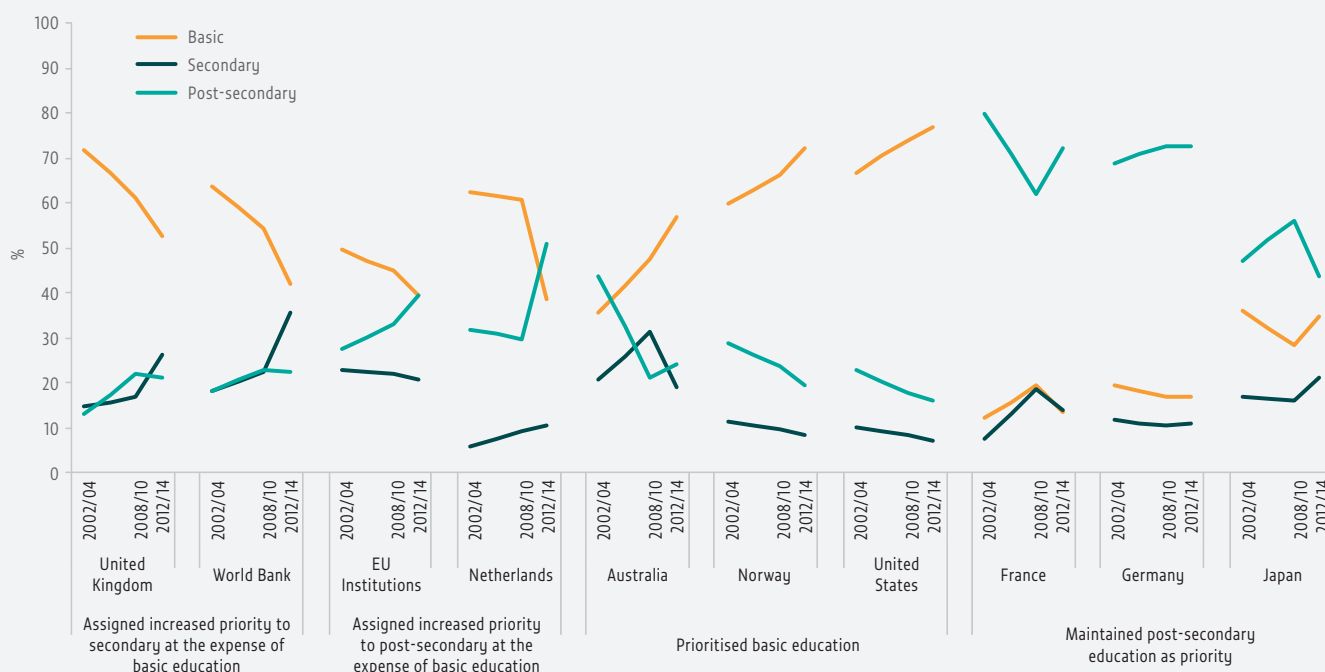
As aid may fluctuate on a year-to-year basis for reasons related to the timing of disbursements rather than changes in policy, it is necessary to look at averages across a number of years in order to understand long-term trends.

Aid to basic education fell even more

Total aid to basic education fell by US\$255 million between 2013 and 2014. As with total aid to education, the fall was concentrated among bilateral donors, who reduced aid to basic education by 12%. Four OECD DAC donors — France,

Among the top 10 bilateral donors over the period 2002–14, which account for 86% of total bilateral aid, the most striking trend is that the United Kingdom and the United States tripled their aid to basic education

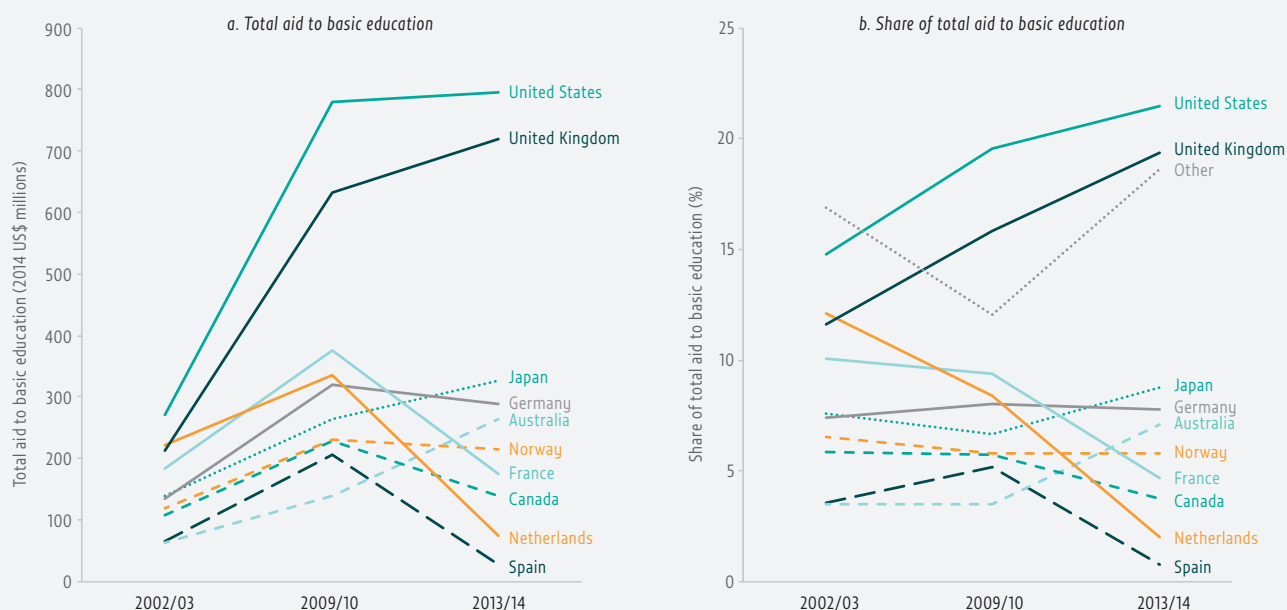
FIGURE 2B:
Individual donors differ in their priorities
Distribution of total aid to education by sector, top ten donors, 2002/04, 2008/10, and 2012/14



Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016).

FIGURE 3:
Many of the largest bilateral donors to basic education have decreased their aid recently

Total aid to basic education, top ten bilateral donors (2002–14)



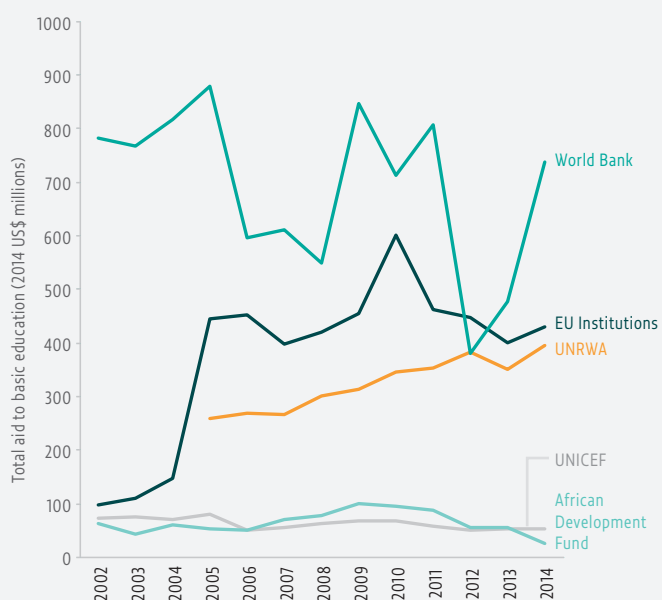
Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016).

between 2002/03 and 2013/14 and are among the few donors that have continued to increase such aid after 2009/10. The only other countries to do so are Japan and, especially, Australia. The other six of the top 10 donors have collectively almost halved their aid to basic education between 2009/10 and 2013/14 (Figure 3A). France, Netherlands and Spain accounted for more than 25% of aid to basic education in 2002/03 but less than 7.5% in 2013/14 (Figure 3B).

Among the top five multilateral donors over the period 2002-14, which account for 87% of total multilateral aid, two main findings stand out. Total aid to basic education disbursed by the World Bank, which more than halved in 2012, bounced back in 2014 almost to earlier historic high levels. By contrast, aid disbursed to basic education by the European Union remains at 2005 levels, close to the level of aid disbursed by the United Nations Relief and Works Agency for Palestinian refugees (Figure 4).

FIGURE 4:
European Union aid to basic education remains at 2005 levels

Top five multilateral donors to basic education, 2002 to 2014



Note: The International Monetary Fund is excluded because it provides only direct budget support and not direct aid to education.

Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016).

Aid to basic education is not sufficiently targeted to countries most in need

AID BY REGION

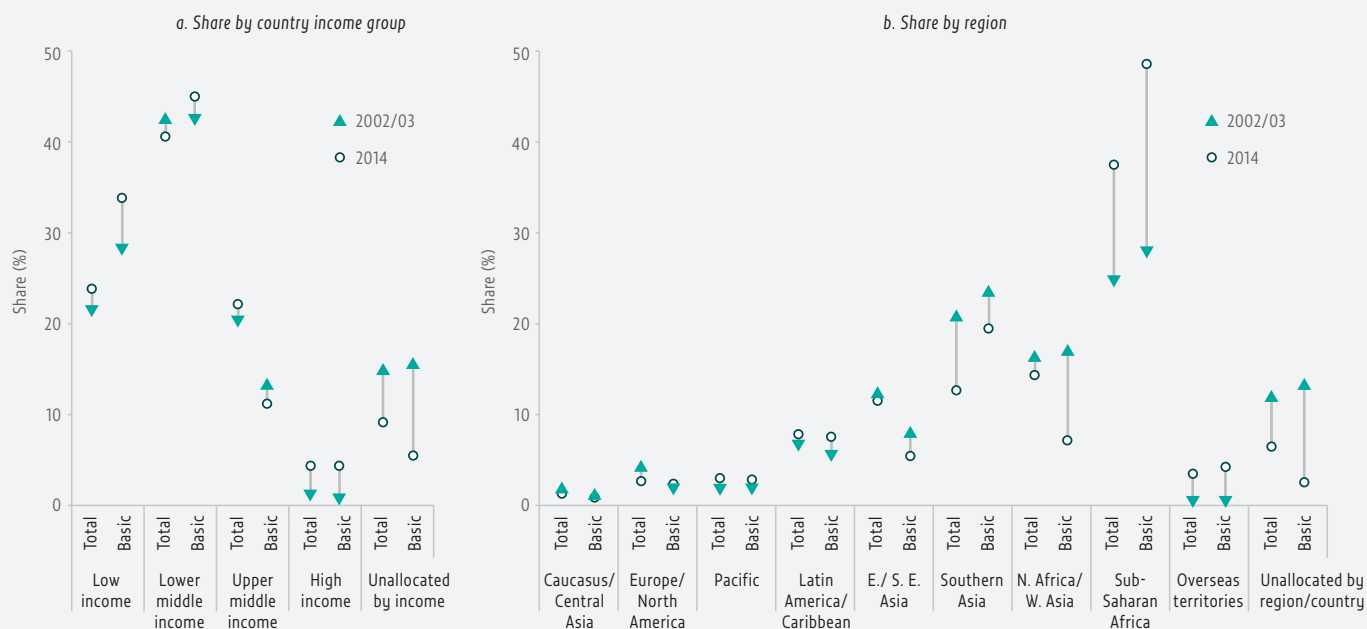
Aid to basic education to sub-Saharan Africa, which is home to over half the world’s out-of-school children, fell below US\$1.5 billion in 2014, returning to 2002/03 levels. Sub-Saharan Africa’s share of total aid to basic education plummeted from 49% to 28% during this period (Figure 5A). Part of the decline may be accounted for by the sharp increase in the share of aid that is not allocated by region or country (from 2% to 13%); this includes disbursements by the Global Partnership for Education. Even so, there is an unmistakable decline in aid to sub-Saharan Africa.

Regions whose share increased in this period include Northern Africa and Western Asia (from 7% to 17%, notably in Jordan, Lebanon and Palestine) and Southern Asia (from 19% to 23%, notably in Afghanistan, Bangladesh and Pakistan).

AID BY COUNTRY INCOME GROUP

The percentage of aid to education that is targeted at low income countries is one of the thematic indicators proposed to monitor the Sustainable Development Goals’ target 4.5 — to ensure equal access to education. In the case of total aid to education, the share of low income countries fell from 24% in 2002/03 to 22% in 2014. In the case of total aid to basic education, the share received by low income countries has fallen even further, from 34% to 28% (Figure 5B). However, more research is needed to

FIGURE 5:
The share of poorer countries in aid to basic education has fallen but part is accounted for by increases in unallocated aid
Total aid to education and total aid to basic education, 2002/03 and 2014



Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016).

determine the destination of aid that is unallocated by income group; the share of such aid tripled to 15% during this period in the case of basic education.

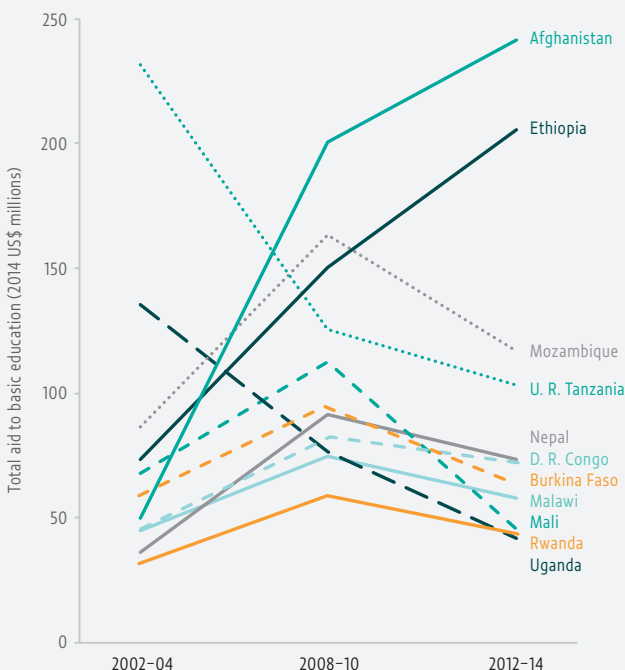
Among low income countries, there have been contrasting trends. Two countries have benefited from large increases. Ethiopia saw its aid to basic education increase from US\$47 million in 2002 to US\$259 million in 2014. Afghanistan, in turn, had its aid increase 15-fold to reach US\$278 million in 2014.

Among the 11 low income countries that received the most aid to basic education, all the other countries experienced declines between 2008/10 and 2012/14, ranging from 12% in the Democratic Republic of the Congo to 60% in Mali (Figure 6). The two countries whose aid for basic education has fallen most since 2002/04 are the United Republic of Tanzania (by 55%) and Uganda (by 69%).

These shifting priorities have an impact on the distribution between countries of the absolute amount of aid that corresponds to each child. The average primary school age child in a low income country received US\$15 in 2014, compared with US\$7 for children in lower middle income countries. However, there are vast disparities, not only across countries but also according to need. For example, the average child in Mongolia receives US\$45 even though the primary completion rate was 97% in 2010. By contrast, Chad, where the primary completion rate was 28% in 2010, received only US\$3 per primary school age child in 2014 (Figure 7). Likewise, while in Liberia and Mauritania about half the children complete primary school, Liberia receives 10 times the amount of aid to basic education per school age child. Donors need to address these disparities urgently if they are to help achieve ambitious targets and ensure equity.

FIGURE 6:
Low income countries have seen their aid to basic education fall in recent years

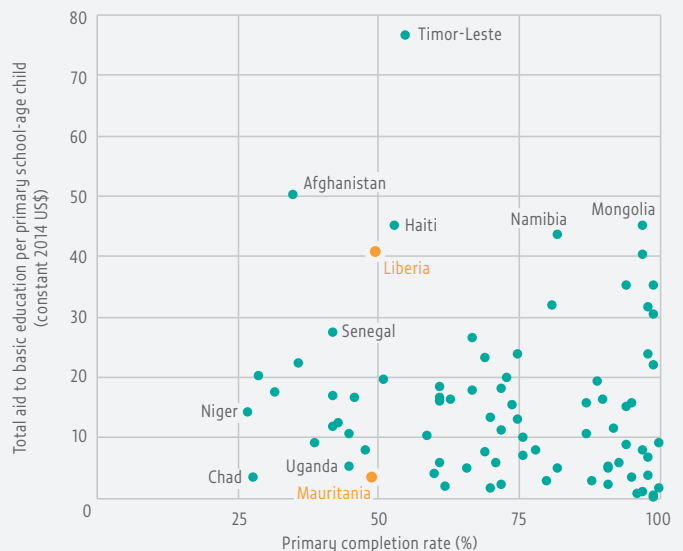
Total aid to basic education, top eleven low income country recipient countries (2002–14)



Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016).

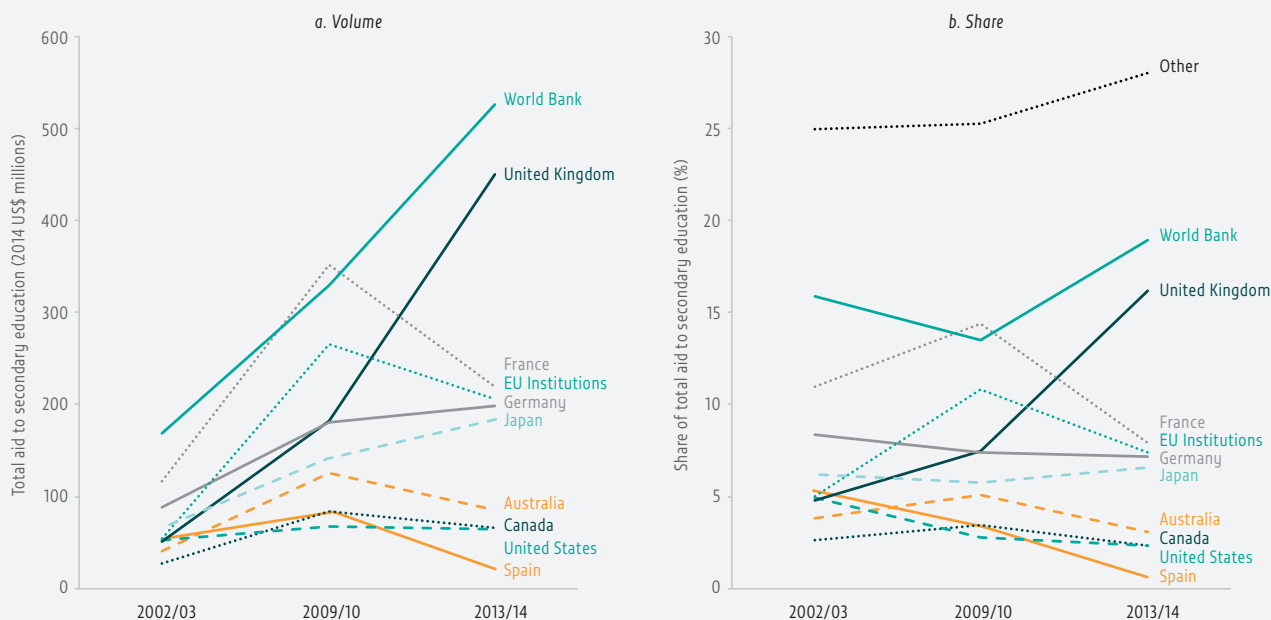
FIGURE 7:
Aid is very weakly related to needs

Total aid to basic education per primary school-age child (2014) and primary completion rate (2008/14)



Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016); World Inequality Database on Education.

FIGURE 8:
The UK and the World Bank give almost US\$1 billion of aid to secondary education
 Total aid to secondary education, top ten donors (2002–14)



Source: Global Education Monitoring Report team analysis based on OECD Creditor Reporting System (2016).

Some donors are shifting aid to secondary education

Total aid to secondary education remained at the same level between 2013 and 2014. As with total aid, bilateral donors reduced aid to secondary education, by 8%. In 2014, the top three bilateral donors to secondary education were the United Kingdom (US\$457 million), France (US\$250 million) and Germany (US\$204 million).

By contrast, multilateral donors increased their total aid to secondary education by 18%. This was mainly due to the World Bank increasing its volume by 41% to US\$615 million. The second-highest multilateral donor was the European Union, whose aid to secondary education remained constant at US\$204 million.

Taking the top 10 donors over the period 2002–14, which account for 74% of total aid to secondary education, the most striking trend is the steadily rising disbursements of the United Kingdom and the World Bank, which increased their aid to secondary education by almost US\$400 million per year between 2002/03 and 2013/14. In the case of the United Kingdom this is equivalent to almost a 10-fold increase during the period; the United Kingdom accounted for 16% of total aid to secondary education in 2013/14 compared with 5% in 2002/03 (Figure 3B).

Five of these top 10 donors considerably reduced their aid to secondary education between 2009/10 and 2013/14: Canada (-21%), the European Union (-22%), Australia (-31%), France (-38%) and Spain (-77%) (Figure 3A).

BOX 1

Humanitarian aid: Education's double disadvantage

Humanitarian aid makes up only a small share of the external financing that countries receive for education. In 2014, the education sector received US\$188 million in humanitarian aid, which is less than 1.5% of the amount of development aid that was disbursed for education.

In 2015, out of a total amount of US\$10.6 billion of humanitarian aid, the education sector received US\$198 million (Figure 9A). This is less than 1.9% of total funding despite a target set by the

UN Secretary-General's Global Education First Initiative (GEFI) for education to receive at least 4% of humanitarian aid (Figure 9B). Education is suffering a double disadvantage because it is not only receiving the smallest proportion of humanitarian appeals, but it is also receiving consistently a lower than average share of what it requests: in 2015 the sector received 31% of what it had requested in terms of humanitarian aid. This compares with an average of 55% across all sectors (Figure 9C).

FIGURE 9:
Education remains an under-prioritised and underfunded sector of humanitarian aid
 Selected statistics on consolidated and flash appeal requests and funding for the education sector, 2000–2015



Source: Office for the Coordination of Humanitarian Affairs (2016).

Conclusion

Recent international meetings galvanizing support for the adoption of the 2030 sustainable development agenda generated optimism that the international community stood ready to reverse the stagnating trend of aid to education. This is especially critical for the poorest countries, given the enormous ambition of the new agenda in education. However, the latest figures show few signs of renewed commitment: in 2014, aid to education was still 8% below its peak in 2010.

The World Humanitarian Summit in May 2016 and the publication of the report of the International Commission on the Financing of Global Education Opportunity, scheduled for September, should be seized as opportunities to increase aid for education, especially where need is greatest. The articulation of humanitarian and development aid needs to be improved, as does the priority accorded to education in aid budgets. The impact of such crucial measures will not be felt for a few more years. There is no time to waste.

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