

Funding gap for education growing, according to new figures released by UNESCO

Study also proposes ways to close it

Paris, 15 March—New calculations by UNESCO's *Education for All Global Monitoring Report* reveal that the \$16 billion annual external funding gap to achieve basic education[1] in low-income countries by the 2015 target date has widened to \$26 billion over the last three years. This gap chiefly affects the achievement of universal primary education, the second Millennium Development Goal.

The data is published in a policy paper released ahead of a decisive global consultation on education in the post-2015 development agenda in Dakar, Senegal (18-19 March).

The paper, "Making Education for All Affordable by 2015 and beyond", says that stagnating aid to basic education in low-income countries, which runs at an average of \$3 billion annually, is the main reason for the \$10 billion increase in the funding gap.

Although domestic spending on education has increased by \$3 billion annually in low-income countries in recent years, it still only amounts to half the amount required to achieve basic education for all.

The study shows that filling the funding gap is possible if governments and donors prioritize education and target those most in need.

"While \$26 billion sounds like a large gap to fill, the analysis shows that it is possible to raise the resources needed to enroll every child in school by 2015," said Irina Bokova, Director-General of UNESCO. "In 2000, donor governments promised that no country would be prevented from achieving Education for All by a lack of resources. Alongside national governments, donors must now step up their efforts, to make sure finance is not the obstacle that stands in the way of helping all children go to school."

The US\$26 billion financing gap for basic education could be filled by 2015



Source: Calculations by the EFA Global Monitoring Report team based on EPDC and UNESCO (2009); OECD-DAC (International Development Statistics: Creditor Reporting System); and World Economic Outlook

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[1] Basic education includes pre-primary and primary schooling, and basic life skills for youth and adults, as defined by OECD-DAC for the purposes of collecting data on aid flows.

The paper presents possible solutions that would help make basic education achievable by 2015. If both governments and donors directed 20 per cent of their budgets to education and prioritized basic education, nearly \$12 billion would be raised.

Developing countries must also find new ways to raise additional revenue to finance basic education. Improving tax systems could reduce the gap by a further \$7.3 billion. The study also recommends managing natural resources more effectively, with a proportion directed towards education.

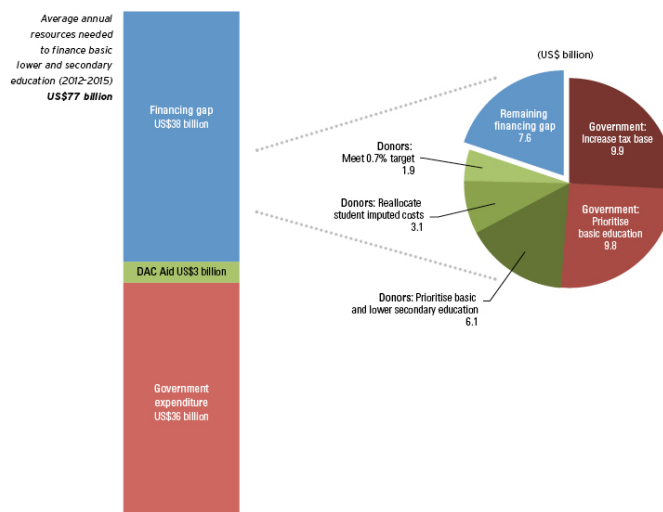
It is a tough economic climate for donors to increase funding. Prioritizing those most in need can, however, have a significant impact. Currently, around 25 per cent of direct aid to education is spent on students from developing countries to study in donor countries. Some of this money could instead be spent on the development of education systems in poor countries, says the study.

Fulfilling commitments already made would also make a difference. If European donors that agreed to allocate 0.7 per cent of their gross national income to aid – a long-standing United Nations target - fulfilled this commitment, a further \$1.3 billion per year could be made available for education.

Combined, these changes could reduce the annual gap for basic education from \$26 billion to just \$3.4 billion. If philanthropic organizations gave the same amount to basic education as they currently give to health, the gap could be filled, according to the study.

There is widespread support in the international community for extending the education goal to include lower secondary school. The funding gap would increase from \$26 billion to \$38 billion each year if this more ambitious goal is endorsed. The study states that this gap could be reduced from \$38 to \$7.6 billion if governments and donors were to prioritize basic and lower education in their budgets.

Including more ambitious education goals post-2015 widens the financing gap to US\$38 billion



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A number of options are outlined to fill the remaining gap. Allocating five per cent of the proposed International Financial Transaction Tax to education would raise \$2.4 billion. The donor base could also be widened by increasing aid contributions from the BRICS countries (Brazil, Russia, India, China and South Africa) that currently give an estimated \$163 million to

basic education in low-income countries. As their economies grow, they will have potential for financing more ambitious goals after 2015. The private sector represents another source of additional financing: its contribution to basic education in developing countries still remains minimal.

For Pauline Rose, Director of the *Education for All Global Monitoring Report*, the lesson is clear: “After 2015 we cannot take it for granted that resources will be available to meet international commitments. Our key recommendation for those who are setting goals is that they must include a new, time-bound, measurable financing target to hold donor and recipient governments to account for ensuring that all countries provide everyone with a good quality education.” UNESCO’s paper is a contribution to the global discussion on education leading up to the 2015 deadline for achieving the Education for All goals.

[1] Basic education includes pre-primary and primary schooling, and basic life skills for youth and adults, as defined by OECD-DAC for the purposes of collecting data on aid flows.

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The policy paper “[Education for All is affordable – by 2015 and beyond](#)” is available on our website.

Notes to editors

Developed by an independent team and published by UNESCO, the [Education for All Global Monitoring Report](#) is an authoritative reference that aims to inform, influence and sustain genuine commitment towards Education for All.