

## **Private Sector contributions to education are less than 0.1% of profits of two of the world's biggest oil companies**

As political and business leaders gather in Davos for this year's World Economic Forum, the Education for All *Global Monitoring Report*, published by UNESCO, releases a policy paper highlighting the potential for the private sector to boost considerably its contribution to education. Current private contributions to education in developing countries, totalling \$683 million a year, are equivalent to only 5% of all aid to education –and less than 0.1% of the profits of the world's two biggest oil companies, Exxon and Shell. The private sector, which benefits from an educated, skilled workforce, should take a much bigger role in funding education worldwide.

The new policy paper shows how little education receives compared with other private sector contributions to development; 53% of US foundations' grants are allocated to health but only 8% to education. Just five corporations – Banco Santander, Cisco, Intel, Coca Cola, and Exxon – make up the majority (60%) of the private sector contributions to education. To give an idea of the small scale of those contributions, Coca Cola's \$24 million amounts to less than 0.3% of its latest reported annual profits. Exxon, the world's second biggest company, contributes 0.06%.

Pauline Rose, director of the EFA Global Monitoring Report, said: *“Education doesn't have a high-profile supporter like Bill Gates encouraging other private organizations to contribute. The private sector shouldn't need to be told the importance of investing in education, but it does need someone to champion its cause and remind it that it is one of the first to benefit from an educated, skilled workforce.”*

In 2011, total development aid decreased for the first time since 1997; aid to education is now expected to stagnate until 2015 despite a funding gap of \$16 billion a year just to send all children to pre-primary and primary school. Progress towards the Education for All goals – which is impossible without funding –has now ground to a halt with less than three years to go until the deadline.

Rose continued: *“For political and business leaders gathered at Davos, our message is simple: as populations grow, if funding continues to stagnate, the world will end up with more children out of school than today – exactly as we are already seeing in sub-Saharan Africa. Companies must recognize what a good case for investment this is: If all students in low income countries left school with basic reading skills, poverty would fall by 12%, and that's good for business.”*

The EFA Global Monitoring Report shows private sector contributions often do not reach those most in need, and are often only short term.

Most ICT companies direct their contributions towards emerging markets such as Argentina, Brazil, Chile, China and Mexico, for example, rather than the poorest countries.

Two of the top five contributing foundations (Carnegie Corporation of New York and Ford Foundation) and the top corporation (Banco Santander) allocated 80% of their grants towards scholarships and higher education – even though most developing countries are struggling to achieve good quality primary education and 61 million children are still out of school.

There is also a danger that corporate contributions align more closely with business interests than country needs. Pearson International donates to low fee private schools in Ghana and Kenya; an area which is closely aligned with business interests and undermines global policies to strengthen national public education systems.

The 2012 EFA Global Monitoring Report makes four **recommendations** for improving and increasing funds from the private sector to education:

1. All private organizations should be transparent about the amount and purpose of their commitments. This would allow scrutiny to ensure that business interests do not override collective goals, while also giving information on the amount of resources available to fill the EFA financing gap.
2. To have a lasting impact on EFA, private organizations need to provide sufficient funding over several years to assure the sustainability of initiatives because education is a long-term endeavour
3. Better evaluations need to be carried out of the impact of private sector interventions.
4. Private organizations should align their support with government priorities and countries' needs. The Global Partnership for Education could play a larger role in pooling and disbursing funds to this end.

Leaders should use the global stage at Davos to step up alongside governments and donors and help fill the funding gap to reinvigorate progress towards Education for All.

-ENDS –

For more information, or to interview Pauline Rose, please contact Kate Redman on [k.redman@unesco.org](mailto:k.redman@unesco.org) or +33 (0) 671 78 6234 / +33 (0) 1 45 68 05 75

To download the policy paper, please go to

**Notes to Editors:**

**Funding provided by foundations identified as supporting education in developing countries**

- **More than US\$5 million:** Ford Foundation, William and Flora Hewlett Foundation, MasterCard Foundation, Open Society Foundation, Carnegie Corporation of New York
- **Between US\$1 and US\$5 million:** Michael and Susan Dell Foundation, Kellogg Foundation, MacArthur Foundation, Bernard van Leer Foundation
- **Less than US\$1 million:** Jacob and Hilda Blaustein Foundation, Global Fund for Children, Global Fund for Women, International Community Foundation, Unbound Philanthropy, d.o.b. foundation, International Development Exchange, Voxtra, Roger Federer Foundation

**Education funding from the largest foundations is dwarfed by donor aid**

Contributions towards education from the five largest foundations and total aid to education from selected government donors, 2009-2010 or closest available year



Notes: Around two-thirds of the US\$15 million annual average from the William and Flora Hewlett Foundation originally came from the Bill & Melinda Gates Foundation. In most cases, the amount of support to education in developing countries had to be estimated using aggregate data from foundations.

Sources: Annex, Aid Table 2; Carnegie Corporation of New York (2011); Ford Foundation (2011); MasterCard Foundation (2010); William and Flora Hewlett Foundation (2010); van Fleet (2012).

SOURCE: 2012 EFA Global Monitoring Report: Youth and Skills — Putting education to work. Paris, UNESCO. Figure 2.11, page 166.  
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Corporations spending above US\$5 million a year on education (2010 or closest available year)							
Corporation	Industry	Annual (US\$ million)	Corporate giving	Social investment	Supply of goods and expertise	Examples	Where?
Aviva	Insurance	7	X			Street to School (urban youth programme)	China, India
Banco Santander	Banking	124	X		X	University networks and scholarships (83%); other scholarships; youth programmes	Latin America
Cisco Systems	ICT	120	X		X	Cisco Networking Academies (93%); grants to organizations	World
Citigroup	Banking	5	X			Secondary education; youth training	Africa, Brazil, India
Coca-Cola	Food	24	X	X		Grants to organizations	World
ExxonMobil	Oil	24		X		Technology; vocational training for women	Oil-producing countries
Intel	ICT	100	X		X	Teacher training in ICT; ICT access in classrooms	World
Repsol YPF	Oil	8		X		Primary and secondary education; youth training	Oil-producing countries

Note: In most cases, the amount of support to education in developing countries had to be estimated using aggregate data from corporate social responsibility reports.  
Sources: Aviva (2011); Banco Santander (2012); Citigroup (2011); ExxonMobil (2011); Intel (2011); van Fleet (2012).