

GLOBAL CAMPAIGN FOR

**EDUCATION**

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## UPDATED REPORT

# THE CHALLENGES OF INTERNATIONAL FUNDING FOR EDUCATION. AN OPPORTUNITY FOR SPANISH DEVELOPMENT COOPERATION.



The **Global Campaign for Education** is a global movement of more than 120 national and regional education coalitions, international organisations, and youth-led movements. It works in more than 100 countries around the world to defend education as a basic human right and a global public asset, with a mission to ensure that states and the international community meet their commitments to education in the framework of the 2030 Education Agenda, especially Sustainable Development Goal 4 (SDG 4).

In Spain, GCE's state coalition is made up of Ayuda en Acción, Educo, Entreculturas and Plan International Spain. It also has the support of more than 30 organisations that participate in the different mobilisation actions at national and regional level.

Through its territorial teams, the Campaign is present in most of Spain's Autonomous Communities.

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# INTRODUCTION

According to the donor community, the pandemic has not resulted in a global education crisis; while Official Development Assistance (ODA) to health has soared, ODA to education is declining both in total and percentage terms, especially Spanish sectoral aid to education, which has fallen to its lowest level in 20 years (7.4%). Internationally, aid to education declined by 7% from 2020 to 2021, while the share of aid allocated to education in aid budgets reached its lowest point since 2015, representing only 9.8% in 2021.

If this continues, it will be impossible to achieve SDG 4 by 2030. According to UNESCO data, there is a funding gap of more than 100 billion to meet the goals and a child would need to be enrolled in school every 2 seconds by 2030 to meet SDG 4.

COVID-19 has wreaked havoc on the lives of children, adolescents, and young people. The disruption to societies and economies caused by the pandemic has exacerbated the global education crisis and is impacting education systems in ways never seen before.

According to the World Bank (2023) "one of the many dramatic effects of the pandemic is the generation of the worst education crisis of the last century", and the massive impacts of school closures extend beyond just learning. This generation of children could lose a combined total of **USD 21 billion worth of income over a lifetime in present value, or the equivalent of 17 per cent of Gross Domestic Product (GDP) in 2023.**

At the same time, COVID-19 created a catastrophe of inequality. Almost all countries offered some form of remote learning during the school closures, but there was huge inequality regarding access to and use of remote learning between and within countries. Children from poverty-stricken households were less likely to benefit from remote learning than their peers, often due to lack of electricity, connectivity, devices, and support from their caregivers. Girls, students with disabilities and younger children also faced significant barriers to participation in remote education activities. Overall, at least one third of the world's school-age children - 463 million - were unable to access remote learning during the school closures.

As well as gaps in learning, the disruption in education has also exacerbated disparities in nutrition, health, and stimulation mechanisms, and in access to basic services, psychosocial and social protection services. Millions more children are at risk of child labour, early marriage and dropping out of school altogether.

On the other hand, children's mental health was also affected, while the risks of violence and child marriage and child labour continue to increase. This situation is more serious for girls, who are more vulnerable to situations of violence, child



marriage and pregnancy. Vulnerable groups such as children with disabilities, ethnic minorities, refugees, and displaced populations are also less likely to return to school after crises.

These challenges are further complicated by the negative impact on household incomes from the **unprecedented global economic downturn**, which increases the risk of school dropouts in search of additional resources for families and also results in the reduction of government budgets (e.g. public spending on education or budgets for Official Development Assistance).





The UNESCO Global Education Monitoring Report (GEM Report) had already warned some years ago of the concomitances between countries' public spending, household spending on education and the support provided in this field by Official Development Assistance (ODA).

GCE's 2022 Education Funding Report already noted that out of 122 countries surveyed, only 33% of countries had increased resources for the education sector compared to the previous year, and 25% even reported a decrease, which is extremely serious considering the impact of the pandemic and school closures.

Despite a slight increase in annual real spending on education, spending as a percentage of gross domestic product (GDP) declined in all the income groups of countries except low-income countries. This makes it more difficult to achieve international reference points in terms of education spending (4-6% of Gross Domestic Product (GDP) and/or 15-20% of total government spending). According to the Education Finance Watch 2022 report, out of 33 low- and lower-middle-income countries, 14 out of 33 countries did not achieve any of these targets.

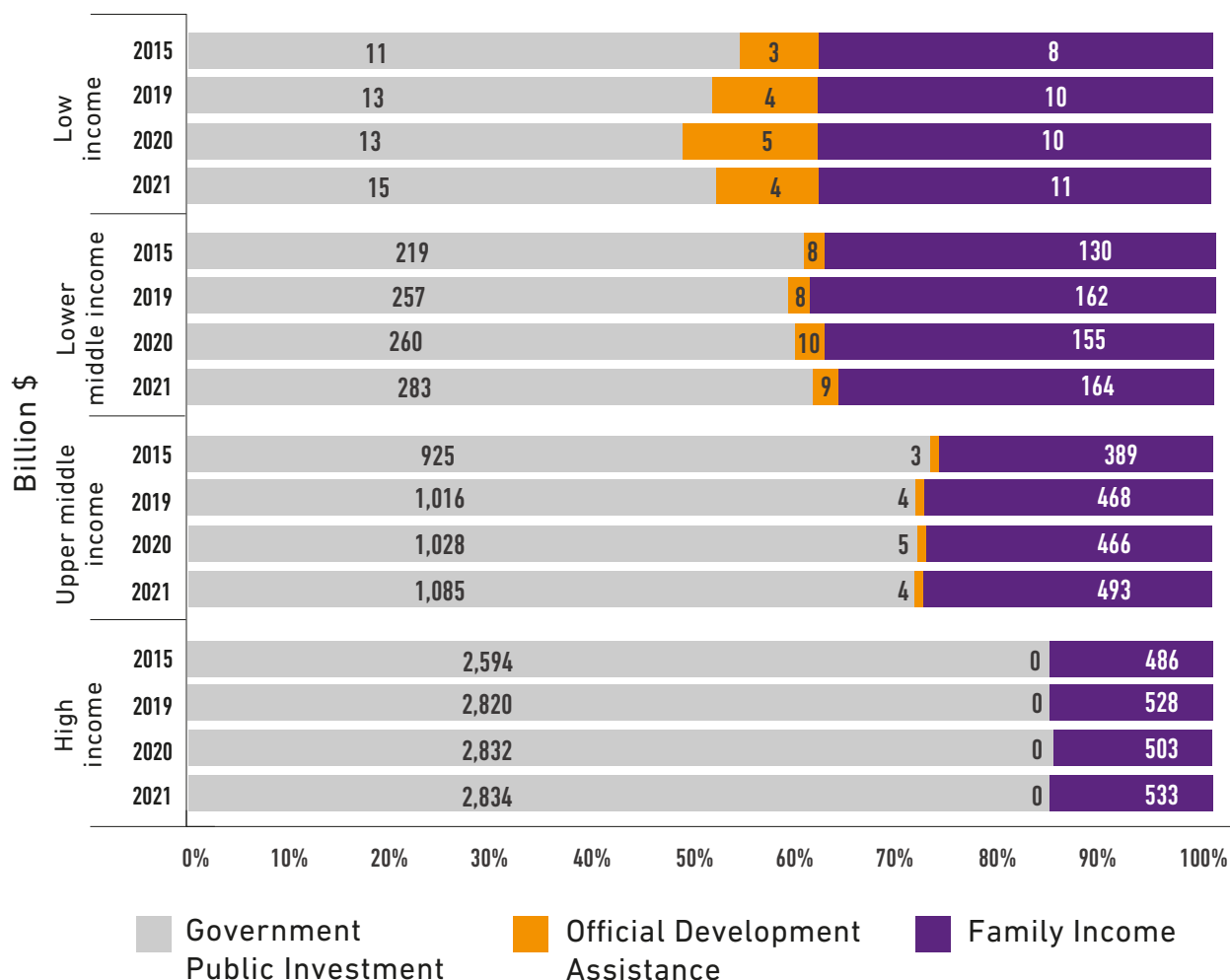
This lack of resources means that households spend a significant share of their funds on education; more than one-third of total education expenditure in low- and lower-middle-income countries (LMICs) comes from households. Within countries, household expenditure varies considerably depending on household characteristics. This includes socio-economic status, household location, educational levels and the type of school



children are (or are not) enrolled in. In general, households spend more money on non-state (private) education than state (public) education. In some African countries, it costs families 1.5 to 5 times more to send a student to a private school than to a state school.

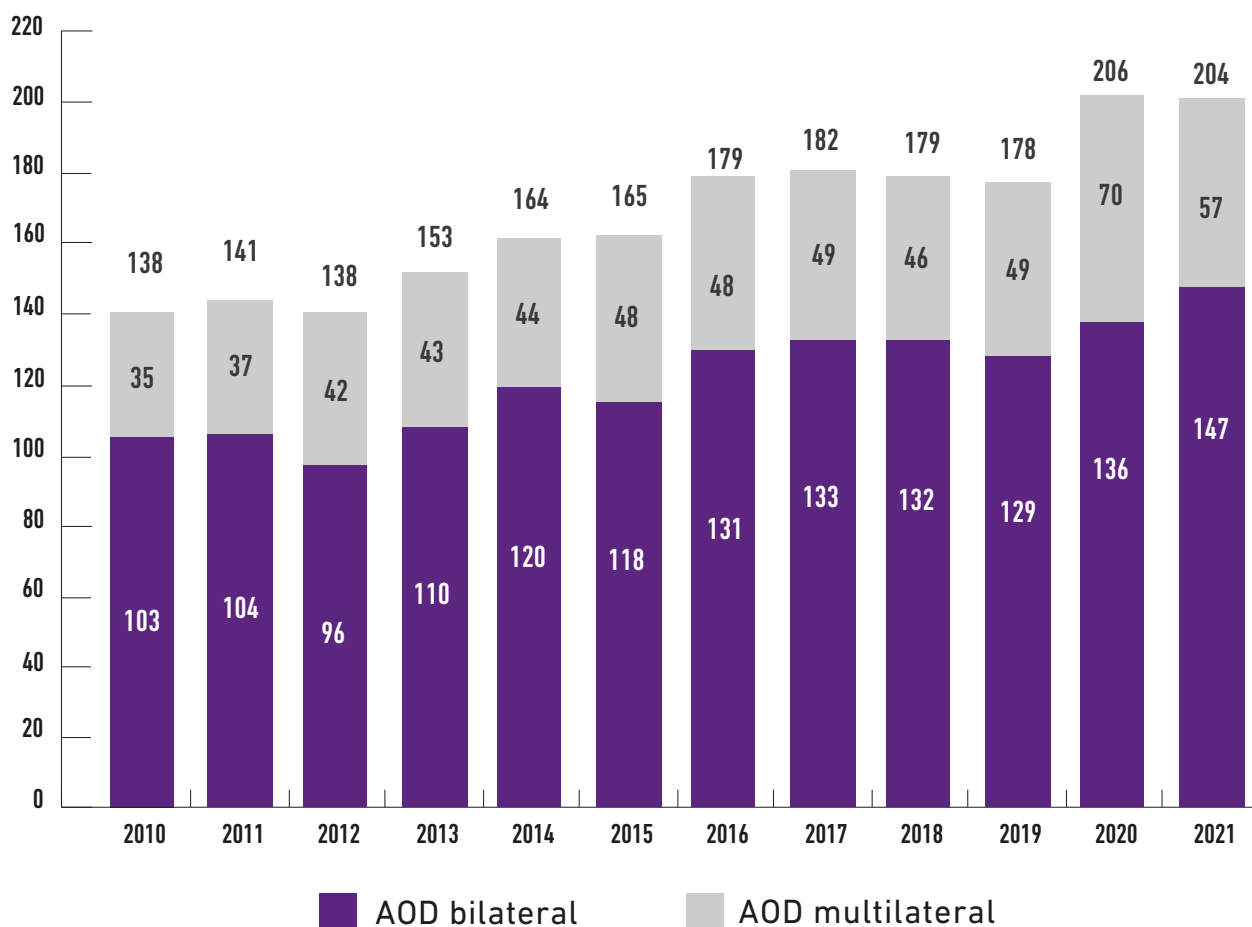
*Figure 1: In 2021, for the first time since 2015, government spending made up 50 percent of total education expenditure in LIC.*

Distribution of total education spending by source, year, and country income group, percentage, and billions US\$.



The funding gap grows as public education budgets are not increased substantially, but also as we fail to mobilise more ODA for education from countries in the global North. As we can see in the following graph, although we saw a considerable increase in these resources in 2020, the data for 2021 and the first data for 2022 again show a reduction.

*Figure 2: Evolución de los desembolsos de AOD neta internacional entre 2010 y 2021  
(Miles millones \$ 2021)*



Source: Table DAC2a (OCDE)

This is widening the funding gap that is needed to achieve the SDG 4 targets, which, let us remember, aimed, as well as equal access to vocational training and higher education processes, to achieve by 2030:

- 4.1 all girls and boys complete primary and secondary education, which should be free, equitable and of good quality, and produce relevant and effective learning outcomes
- 4.2 all girls and boys have access to quality early childhood care and development and pre-primary education so that they are ready for primary school.

The current situation offers a future that is far away from these objectives, as the funding crisis increases in order to achieve them. Always, according to UNESCO data, in low- and middle-income countries, the annual funding gap for achieving SDG 4 was already \$148 billion prior to the pandemic, and it is estimated that the budget reduction due to COVID-19 could increase this gap by a third (an additional \$30-45 billion).



A situation of alarm when we see that the data on access to education is not improving. Recent data from UNESCO show that the number of out-of-school children globally has increased by 6 million since 2021 and now stands at 250 million. 122 million, or 48% of the out-of-school population, are girls and young women.

Globally, **16 per cent of children and young people (primary through to higher secondary school) remain out of school. In primary education, 1 in 10 of the world's children remain out of school.** Sub-Saharan Africa accounts for nearly 30% of the world's out-of-school children. One in five African children do not attend school (19.7%). Only half of children attend higher secondary school studies. In fact, in order to comply with SDG 4 by 2030 we need to:

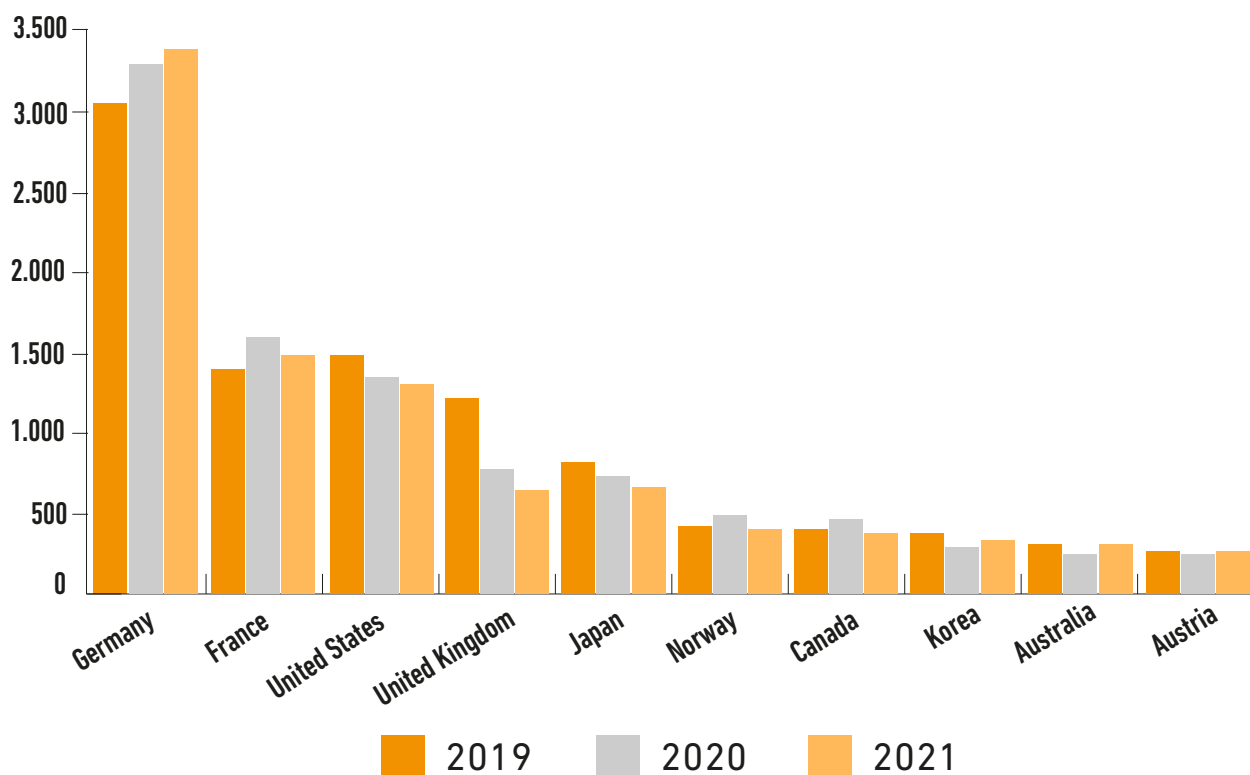
- Enrol 1.4 million children every year in pre-primary education.
- **Enrol a child in school every two seconds from now until 2030.**
- Practically triple annual progress in primary completion rates.



If we mentioned ODA in general terms earlier, even more worrying is the trend in aid to education, both in global and percentage terms. Now that external support is most needed, ODA is falling and could be spent more efficiently. Aid for education fell by 7%, from US\$19.3 billion in 2020 to US\$17.8 billion in 2021, due to a reduction in general budget support, and it went back to pre-COVID levels. ODA to education is still important for low-income countries and represents 13% of their total education spending; however, the proportion of ODA spent on education is declining. Since 2017, there has also been a significant discrepancy between aid commitments and disbursements among multilateral donors, totalling \$1.7 billion in unspent commitments over the past five years.

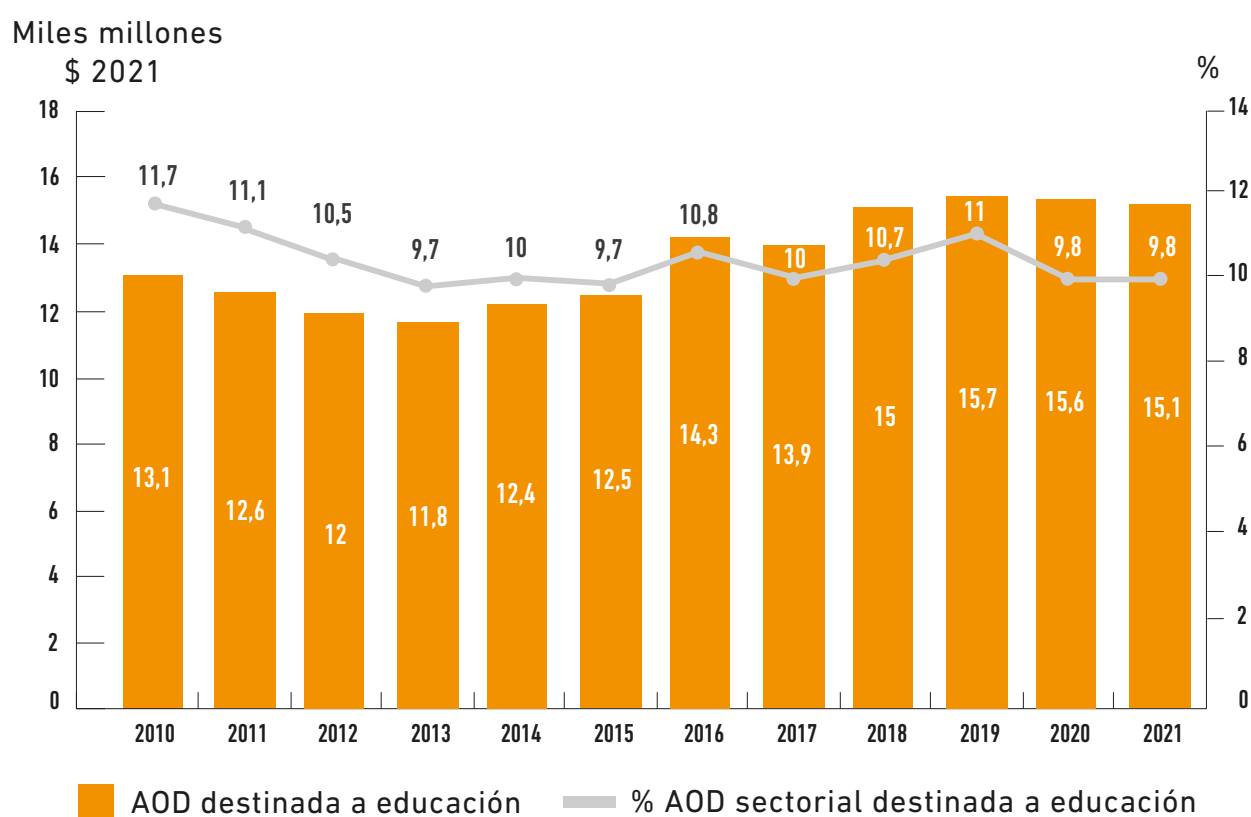
Major education donors (France, USA, UK, Japan, etc.), with the exception of Germany, have cut their education aid budgets.

*Figure 3: Principales países donantes de AOD al sector educativo.  
AOD desembolsada en 2019-2021  
(Millones \$ 2021)*



The lack of funding has been combined with a lack of prioritisation of existing sector-specific aid resources. The pandemic inevitably put the spotlight on the health sector, and issues of democratic governance in times of armed conflict and hate speech have displaced the relevance of education, despite the education and learning crisis we are experiencing, and which has been aggravated, as we have outlined above, by the pandemic. Educational challenges have not gone hand in hand with resources and this distances us from meeting the goals agreed in SDG 4, but also in the Education Transformation Summit organised by the United Nations in September 2022, which established financial commitments in this regard.

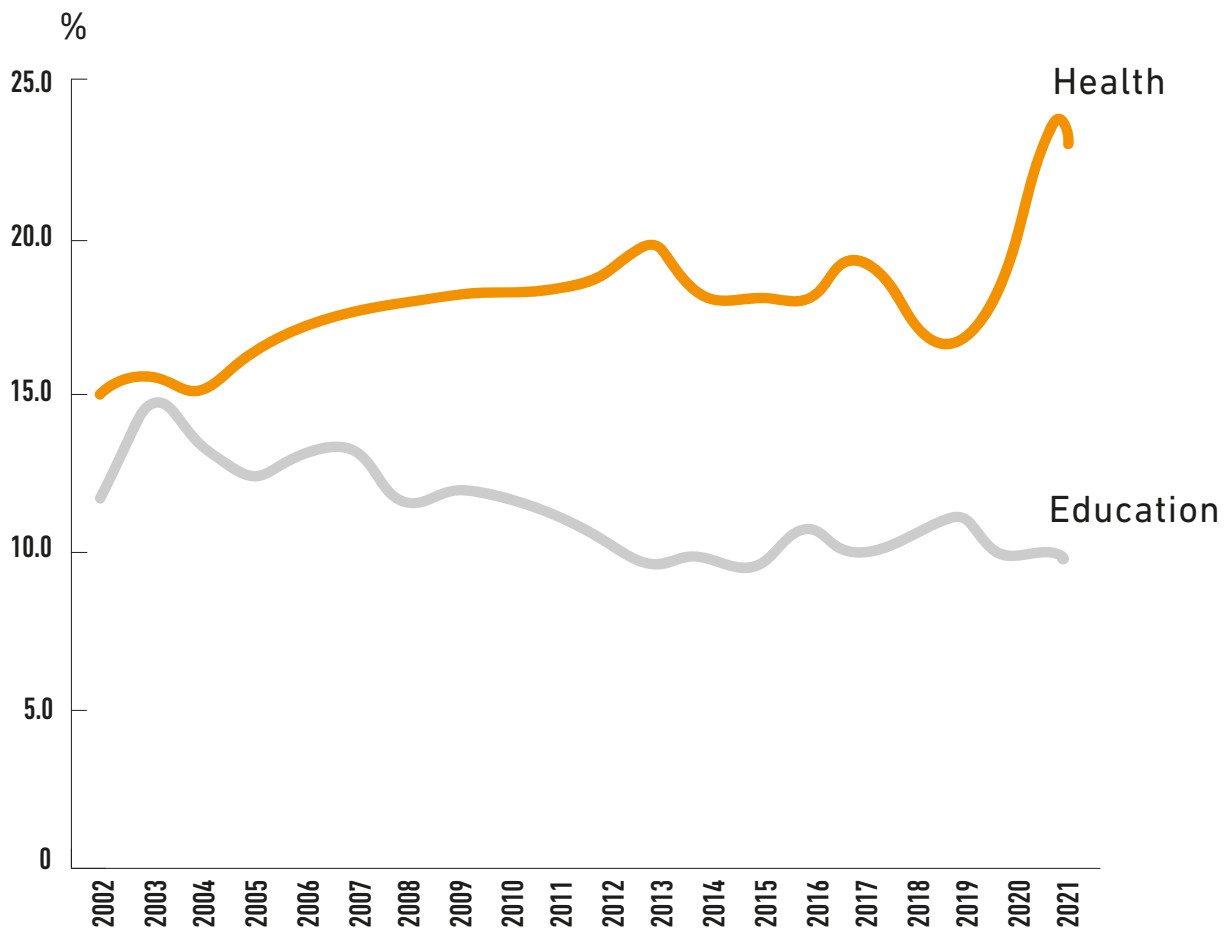
*Figure 4: AOD internacional destinada a educación y su peso sobre la AOD bruta sectorial (2010-2021)*



Source: CRS database (OCDE)

After the peak of the pandemic, it is very significant in this respect that sector-specific aid for health has been growing steadily, unlike education aid, which has been falling slowly but steadily over the last twenty years.

*Figure 5: Education takes a back seat: Widening disparity in funding priority with health*



While higher spending on education does not necessarily lead to better educational outcomes, there is evidence that learning outcomes are lower in countries that spend less per school-age student.

On the other hand, the demographic challenges ahead will be very different in low- and middle-income countries: some countries are experiencing or will soon face a decline in per capita public education spending caused in part by a growing school-age population, while others are experiencing a stagnating or declining school-age population and could free up budgetary space to increase per capita education spending.

Closing the learning gap will require more efficient and equitable funding. Doing this can mitigate pandemic-related learning loss, helping to develop the critical skills needed to grow human capital and sustain economies in the future.

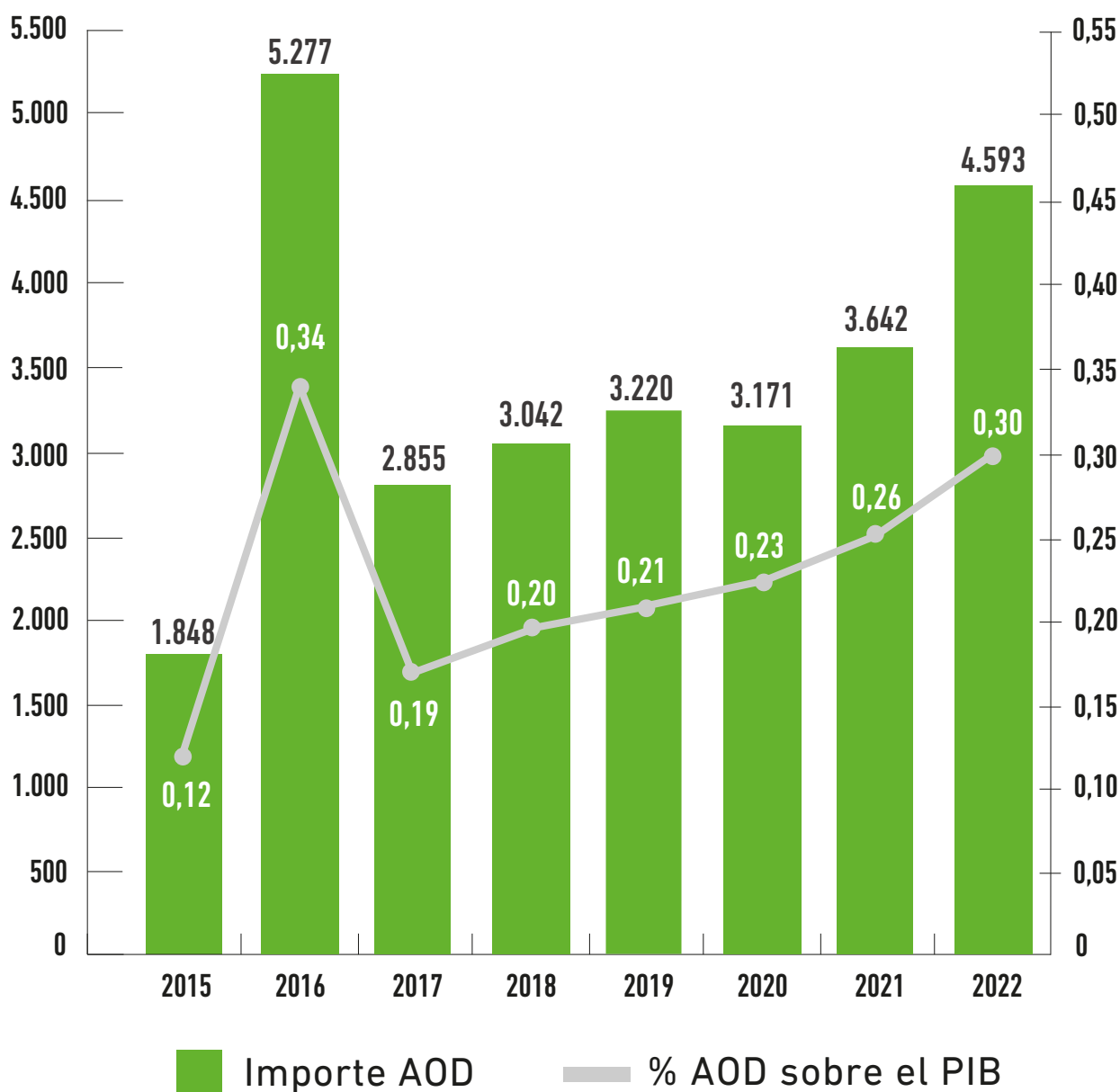






Despite the increase in resources for Official Development Assistance that has occurred in Spain in recent years, these resources are still far from the commitments of 0.7% and from a rate of growth that puts us on a par with the European average (0.59%). According to the latest data for 2022, the Spanish state is investing around 0.30% of its GDP in ODA, a figure that includes resources that the development cooperation sector does not recognise as such, such as investment in aid to facilitate the reception of Ukrainian refugees who have arrived in Spain.

*Figure 6: La educación se va al asiento de atrás:  
se amplía la disparidad de su financiación frente al ámbito de la salud*



Source: CRS database (OCDE)

According to the statement published by the Coordinating Committee in November 2023: "the increase in Spanish ODA from 2021 to 2022 has been entirely due to inflated budget items. In other words, genuine ODA has not increased and remains at 0.24%. This places us in 14th place out of 27 EU countries, only higher than the most recently acceded states or those with a per capita income significantly lower than the Spanish one".

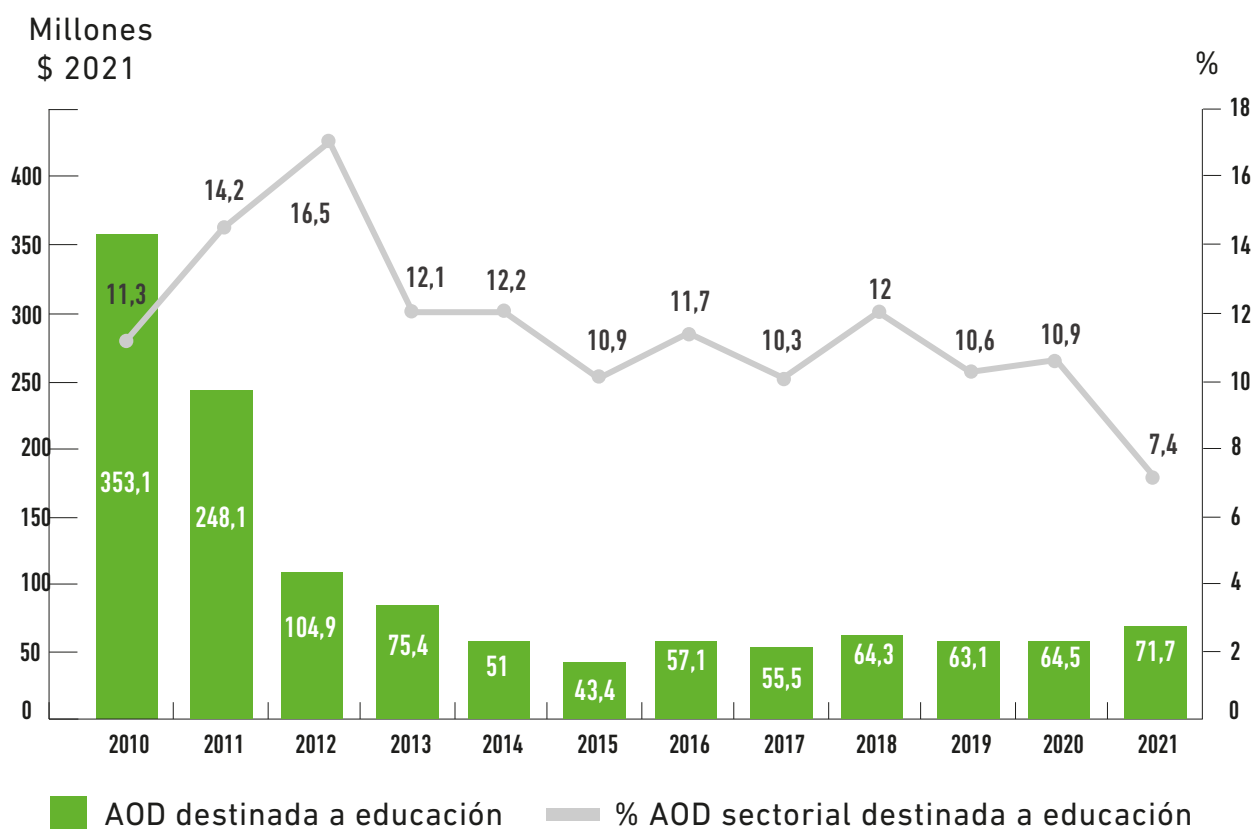
The following table shows the evolution of the main DAC donors in recent years, where it is clear that despite the increase in 2022, Spain lags behind its neighbouring countries:

	2015	2016	2017	2018	2019	2020	2021	2022	% AOD/ PIB
United States		39.263	2022	36.801	35.453	37.174	47.805	51.705	0,22
Germany	18.968	27.420	27.983	26.816	26.819	30.701	33.272	37.264	0,83
United Kingdom	19.227	19.935	18.980	21.717	21.951	19.988	15.712	16.760	0,51
Japan		13.837	15.670	14.346	15.491	15.678	17.634	20.977	0,39
France	10.171	10.979	11.957	12.828	13.435	14.853	15.506	17.444	0,56
Canada	4.930	4.835	5.053	5.345	5.446	5.841	6.303	7.513	0,37
Sweden	7.976	5.502	6.120	6.555	6.034	7.024	5.934	6.053	0,89
Netherlands	6.951	5.977	5.785	6.102	5.840	5.700	5.288	6.879	0,67
Italy	4.379	5.761	6.413	5.362	4.761	4.433	6.085	7.046	0,32
Norway	4.919			4.522	4.960	5.374	4.673	4.784	0,86
Switzerland	3.724	3.896	3.417	3.324	3.379	3.699	3.912	4.540	0,56
Spain	1.848	5.277	2.855	3.042	3.220	3.171	3.642	4.593	0,30
Australia	3.784	3.851	3.341	3.477	3.320	3.301	3.546	3.081	0,19
Denmark	2.988	2.764	2.773	2.771	2.855	2.835	2.921	2.967	0,70
Korea	1.981	2.356	2.205	2.340	2.611	2.378	2.873	3.079	0,17
Belgium	2.258	2.731	2.512	2.463	2.400	2.503	2.616	2.799	0,45

Sourde: CRS database (OCDE)

In terms of sectors, the situation is even worse than what the GCE reports for the international context. In Spain, education has been losing importance both in global and especially in percentage terms. In fact, **according to the latest data, the figures are stuck at the lowest percentage in the last 20 years, at 7.4% of total sector aid, when the average values in recent years were between 10 and 12%.**

*Figure 7: AOD española destinada a educación y su peso sobre la AOD sectorial (2010-2021)*



As the 2022 GCE report pointed out: "Spain needs to establish a plan of annual targets for total ODA to education to reach 20% of total ODA by 2030, dedicating at least 8% to basic education and 3% to GCED". UNESCO calls on states to dedicate 4-6% of their GDP and/or 15-20% of total government spending to education. The GCE registers this 20% target and transfers it to the effort in education ODA, matching the commitment of governments' efforts at the domestic and international level in line with the 2030 Agenda.

An important aspect of this commitment is also reflected in the contribution that our country can make to multilateral education funds such as the GPE (Global Partnership for Education) to which it had committed 20 million dollars as a contribution to the GPE strategic plan 2021-2025, announced by the government during the World Education Summit in July 2021.

That report also pointed out other measures that involve Spain along with the rest of the international community and which are still fully in force, such as:

- Participate in and support measures such as unconditional debt relief packages to increase liquidity, the use of Special Drawing Rights (SDRs), lowering the cost of remittances, and including clauses linked to disasters in debt contracts to protect countries from future adverse events.



- Favour debt-for-education exchanges, a mechanism that, despite its complexity and the different interests of creditors, has proven to be effective when considering the involvement of local organisations and trade unions in the process to ensure that the released funds reach the most vulnerable groups.
- Support partner countries' efforts in tax reforms to increase tax revenues to cover basic social services such as education. Many countries could increase their tax burden by 5% of GDP by 2030, which would mean, in some cases, doubling the amounts currently spent on these services.
- Support and promote international initiatives to combat tax havens, reduce illicit financial flows and support the creation of an UN-led process to establish global tax rules.

The Spanish state finds itself in a favourable political scenario to improve its role and contributions to education in the world and to restore its international importance in this area. The reform of the international cooperation system currently underway is an opportunity for the sectors such as education to carry more weight, and this may be the legislature that culminates in the approval and implementation of the **6th Master Plan for Spanish Development Cooperation**, one in which our country must establish more courageous and decisive commitments that will allow it to align itself with the most committed OECD and EU donors in the field of education and contribute more resources to the global response to the education crisis.



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