

Policy Paper 13

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This paper shows that aid to education has been on a downward spiral since 2010, putting the achievement of existing and future global education goals at risk.

Aid reductions threaten education goals

Introduction

This paper reports the latest data on development and humanitarian aid to education. It is released to coincide with the Global Partnership for Education’s Replenishment Pledging Conference, which aims to raise US\$3.5 billion for education over 4 years. It is vital to recognise this financing request as urgent, and that donors, new and old, see this as an opportunity to refill the funding pot for education in its time of need.

The Education for All Global Monitoring Report has shown that there are 250 million children who are still not learning the basics, of which about half have spent at least four years in school. Many countries still need aid in order to deliver on their education promises, and planning for education requires the kind of predictable finance that long-term aid commitments can provide. Yet, development aid to education fell further in 2012 and the current

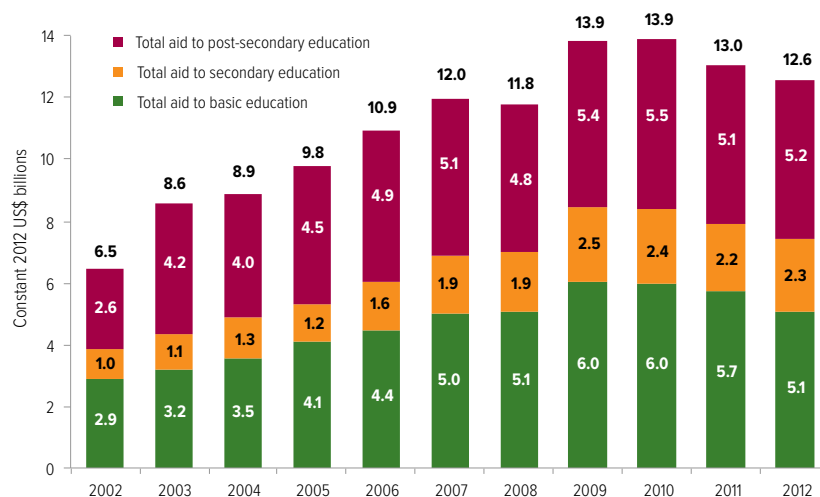
outlook is not favourable. And the share of humanitarian aid allocated to education remains well below target. This compromises our prospects for achieving new, more ambitious global education goals after 2015.

Development aid

Aid to education has been declining since 2010

While total aid to education increased steadily from 2002 to 2010, it has fallen by 10% since then (Figure 1). This reduction was considerably more than the 1% reduction in total aid levels over the period, indicating that donors are giving education a lower priority within their aid budgets: the share of education in total aid has fallen to 8.7% from a high of 10.2% in 2009 (Figure 2). By contrast, the share of health increased over the period from 13% to 14%.

Figure 1: Aid to education has fallen by over US\$1.3 billion since 2010
Total aid to education disbursements, 2002-2012



Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System (2014)

Aid to basic education: Despite 57 million children and 69 million adolescents still remaining out of school, the basic education sub-sector witnessed a fall of US\$627 million between 2011 and 2012, bringing total levels of aid to basic education back to 2008 levels. The share of basic education in total aid to education fell from 44% to 40% (Figure 3) between 2011 and 2012.

Compared with 2010, 28 out of 42 donors allocated less to basic education in 2012. The Netherlands, for instance, disbursed almost US\$200 million less in 2012 compared to 2010. Of the donors who were among the top ten funders in both 2010 and 2012, only two – the United Kingdom and the United States – increased the amounts they have disbursed to basic education over the period (Figure 4).

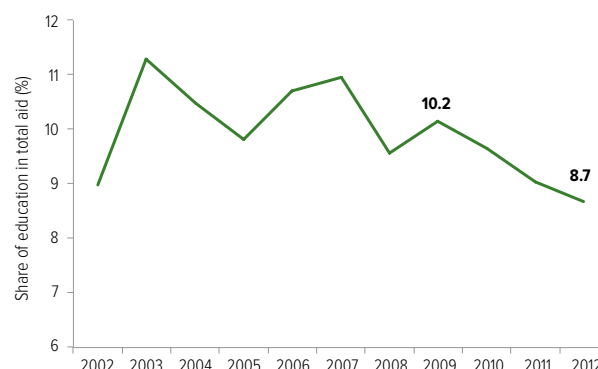
This reduction in aid comes despite a US\$26 billion annual finance gap for education, and will further postpone the achievement of education goals for many countries. Unless this negative trend is reversed, the likelihood that these countries will reach new global education goals is put at great risk, even with extended deadlines.

Aid to basic education cut for countries most in need

Aid disbursements by region: Aid to basic education in sub-Saharan Africa, which is home to over half the world's out-of-school children, fell between 2010 and 2011 and stagnated between 2011 and 2012. Twelve countries – all but four with low income status – saw cuts in their aid to basic education of US\$10 million or more between 2010 and 2012. Just between 2011 and 2012, aid to Mali fell by US\$45 million and aid to Ethiopia by US\$23 million.

The largest decline in aid to basic education has affected South and West Asia, which saw disbursements fall by 26% between 2010 and 2012 (Figure 5). The two countries with the largest reductions in aid to basic education from 2010 to 2012 were India (a fall of US\$278 million) and Pakistan (US\$60 million). Although both are in the lower middle income bracket, they are among the five countries with most children out of school. In both countries, aid continues to play an important role in helping governments reach out-of-school children.

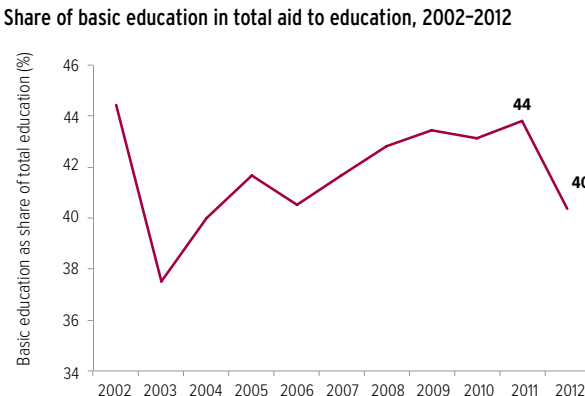
Figure 2: Donors have given less priority to education in recent years
Share of education in total aid, 2002-2012



Note: Total aid excludes debt relief.

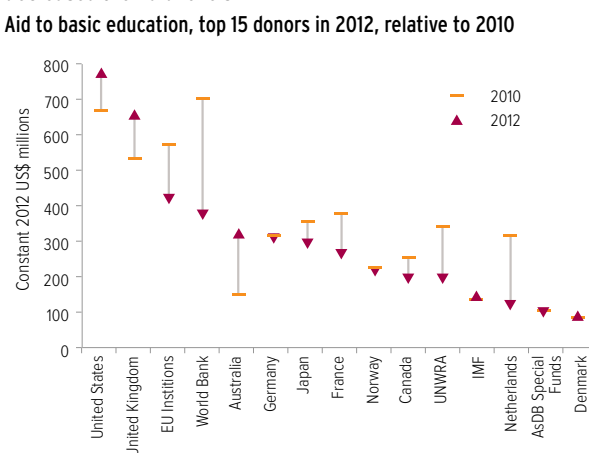
Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System (2014)

Figure 3: The share of basic education in total aid to education fell sharply in 2012
Share of basic education in total aid to education, 2002-2012



Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System (2014)

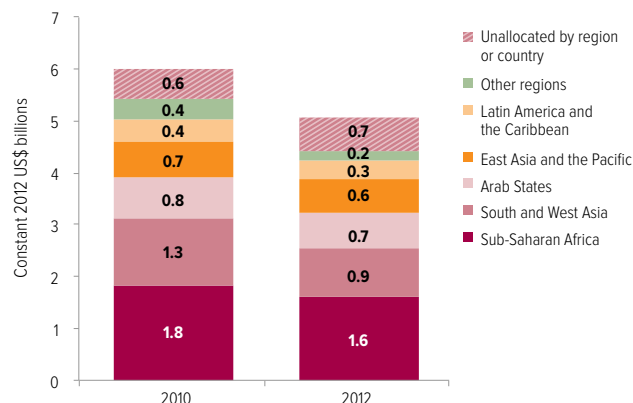
Figure 4: Many of the largest donors to basic education have decreased their aid levels
Aid to basic education, top 15 donors in 2012, relative to 2010



Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System (2014)

Figure 5: Aid to basic education has fallen most in sub-Saharan Africa and South and West Asia

Total aid to basic education by region, 2010 and 2012

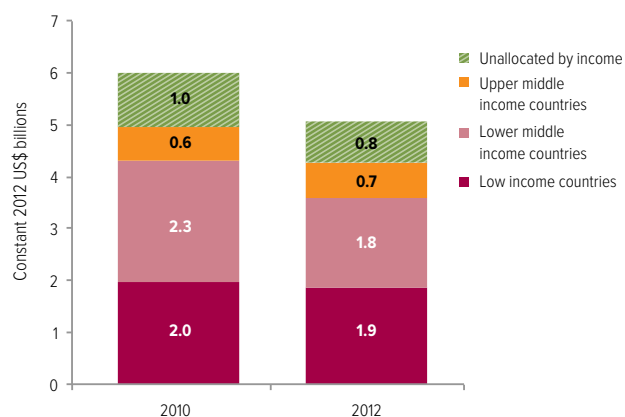


Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System (2014)

Aid disbursements by income group: Following the large decline in aid to basic education in low income countries between 2010 and 2011, there was a slight recovery between 2011 and 2012. However, aid to basic education in 2012 was still 6% below its 2010 level (Figure 6). Most of the increase between 2011 and 2012 was concentrated in a handful of countries, such as Bangladesh, the United Republic of Tanzania and Zimbabwe, leaving 22 low income countries with less aid to the sub-sector than in 2010. For nine of these 22 countries, this was the second consecutive annual decrease (Figure 7).

Figure 6: Aid to lower middle income countries fell the most mainly due to large cuts to India

Total aid to basic education by country income group, 2010 and 2012



Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System (2014)

As economies have grown over the past 15 years, the total number of low income countries has fallen from 64 in 1999 to 36 in 2012. The share of total aid to basic education for the 64 countries classified as low income in 1999 has fallen from 71% in 2002 to 57% in 2012. The share of total aid to basic education for the 36 countries currently classified as low income has remained relatively constant but these countries received only 37% of total aid to basic education in 2012, which is low considering that these are among those furthest from EFA.

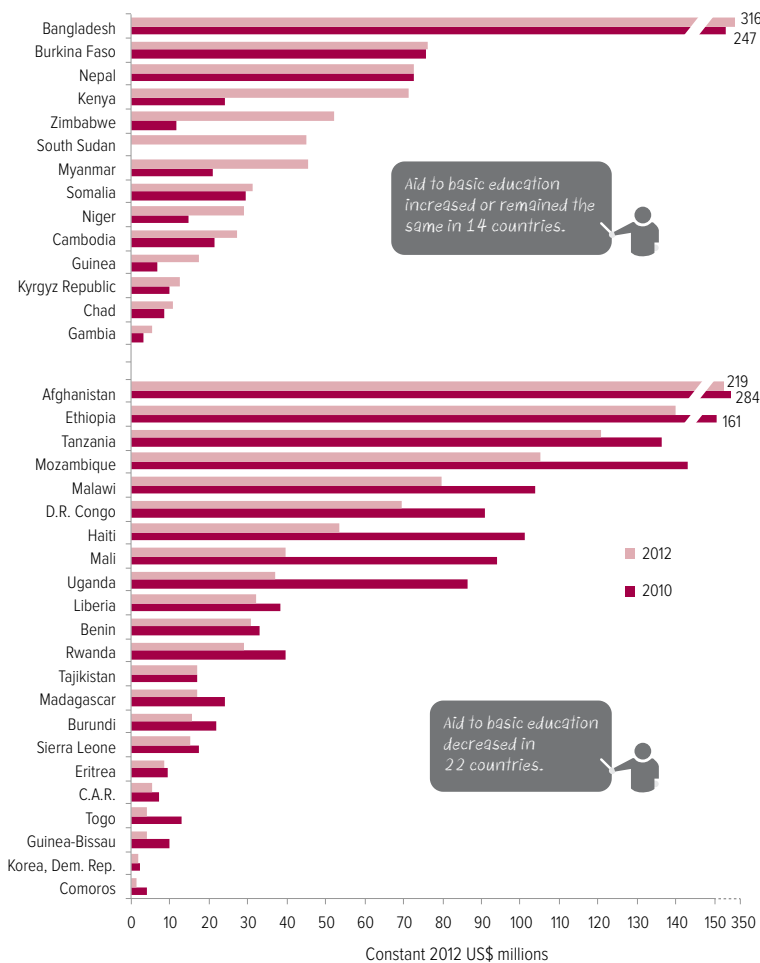
Aid to basic education in lower middle income countries decreased by 25% between 2010 and 2012 largely due to the heavy falls in disbursements to India and Pakistan, but also in Palestine and Viet Nam.

Decreasing levels of aid to education suggest that donors may be questioning its importance. Yet many low income countries still rely heavily on aid to support their education systems. While national spending still provides the most important contribution, donor spending – whether on or off budget – accounted for approximately two-fifths of public spending on education in countries such as Liberia, Afghanistan and Malawi. In 12 countries, donors fund a quarter or more of public spending on education (Figure 8).

Current indications for the future of education aid are also worrying. According to OECD preliminary data, total aid increased by 6% between 2012 and 2013 but aid is projected to stagnate from 2014 onwards. The increase in the medium term is expected to be primarily for middle income countries in East, South and Central Asia (such as China, India, Indonesia, Pakistan, Sri Lanka, Uzbekistan and Viet Nam), largely through concessional loans from multilateral institutions and bilateral donors. For many of the poorest countries, primarily those in sub-Saharan Africa, the projections point to a reduction in aid, of about US\$500 million. Assuming that the share of total aid allocated to education remains similar to the share allocated since 2010, falls in overall aid levels pose a considerable risk to the possibility of reaching current and new global education goals.

Figure 7: Aid to basic education fell in 22 low income countries between 2010 and 2012

Total aid to basic education in low income countries, 2010 and 2012



Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System (2014)

Humanitarian aid

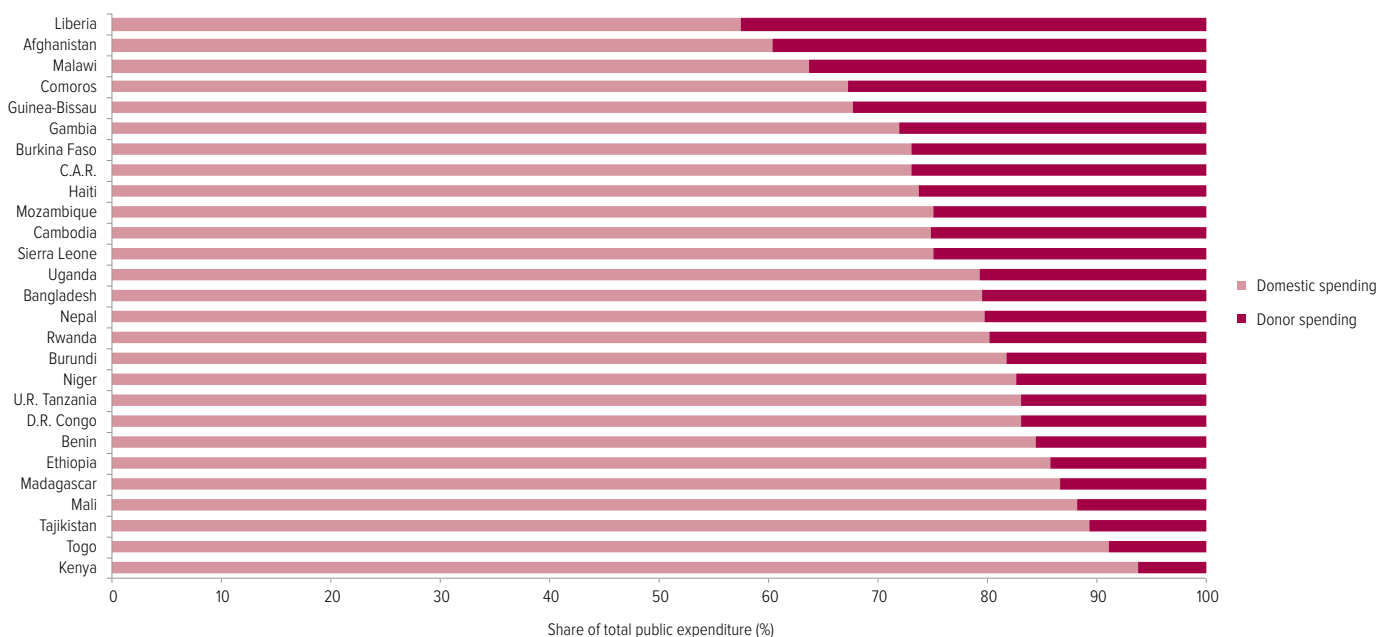
Humanitarian aid is designed to save lives, sustain access to vital services and alleviate suffering both during and immediately after emergencies. It is different from development aid in that it is intended to be short-term; in practice it is often difficult to decide when the aftermath of an emergency ends and other types of assistance begin.

The following section considers trends in humanitarian aid, looking at information from the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) process of consolidated appeals and flash appeals (Box 1).

Humanitarian aid is vital to help countries rebuild after crises

Half of the world's out-of-school children live in conflict-affected countries (2013/4 EFA Global Monitoring Report). Many others live in countries devastated by natural disasters. These countries, which are the furthest off-track in efforts to achieve EFA, urgently need both long-term development assistance and short-term humanitarian aid to overcome their crises. Many have been subject to a United Nations consolidated appeals process for a number of years for an effective humanitarian response.

Figure 8: Aid is a major source of education funding for poor countries
Donor spending as a share of total public spending on education, 2012



Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System and Development Finance International (2014)

Box 1: Flash and consolidated appeals

Flash appeals are launched immediately after a humanitarian disaster, based on early assessments. Typically they cover funding for three to six months. These are often meant to assist countries that are not in long-term conflict but have suffered from a catastrophic natural disaster.

Consolidated appeals are the single largest tools for raising humanitarian aid. They provide a consolidated budget drawing on information transmitted through national processes. Consolidated appeals are typically directed towards longer-term complex emergencies, such as those in the Democratic Republic of the Congo or Somalia.

Contrary to a common perception that humanitarian aid acts as a short-term gap filler, it often represents a large share of aid. In 2012, humanitarian aid made up 23% of external financing in the 21 countries with consolidated humanitarian appeals. In Somalia, where a civil war has been going on for over two decades, humanitarian aid made over 60% of external financing in 2012 (Figure 9A).

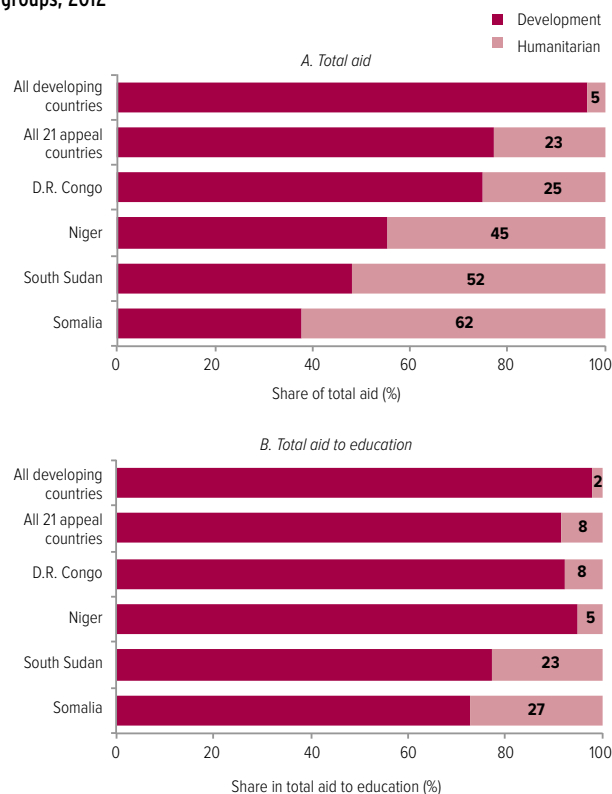
However, humanitarian aid makes up only a small share of the external financing for education. In 2012, humanitarian aid made up only 8% of external financing for the sector in the 21 countries that appealed for humanitarian aid for education. In Niger, where 45% of the country's external financing comes from humanitarian aid, those funds made up only 5% of its total external financing for education, as education continues to be a low priority in these appeals (Figure 9B).

Humanitarian aid appeals neglect education needs

In 2011, the UN Secretary-General's Global Education First Initiative (GEFI) set a target for education to receive at least 4% of short-term humanitarian aid. As yet, the sector has not come close to this target, receiving just 2% of humanitarian appeals that were funded in 2013. Although this is a small improvement on the 1.4% share recorded in 2012, it is still a long way from the target (Figure 10). Education is suffering a double disadvantage because it is not only receiving the smallest proportion of humanitarian appeals, but it is also receiving one of the smallest proportions of the requests that it makes for funding: in 2013 the sector received 40% of what it had requested from humanitarian aid. This compares with 86% for the food sector and 57% for the health sector (Figure 11).

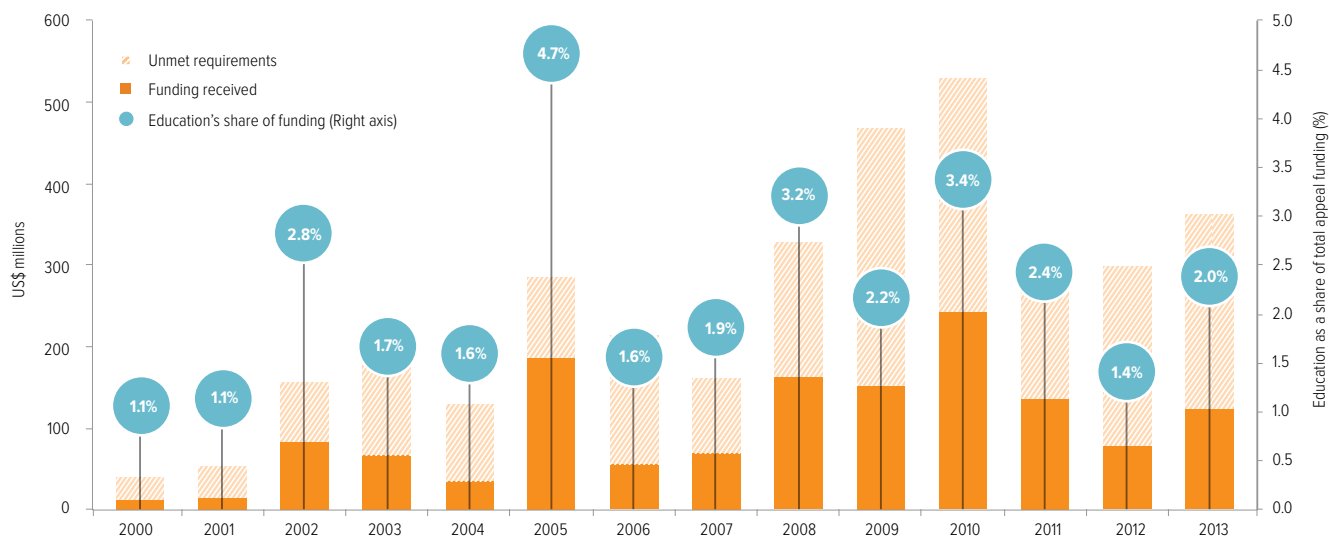
Figure 9: Humanitarian aid is a significant form of financing for many conflict-affected countries but less so for education

Share of humanitarian aid in total aid, selected countries and country groups, 2012



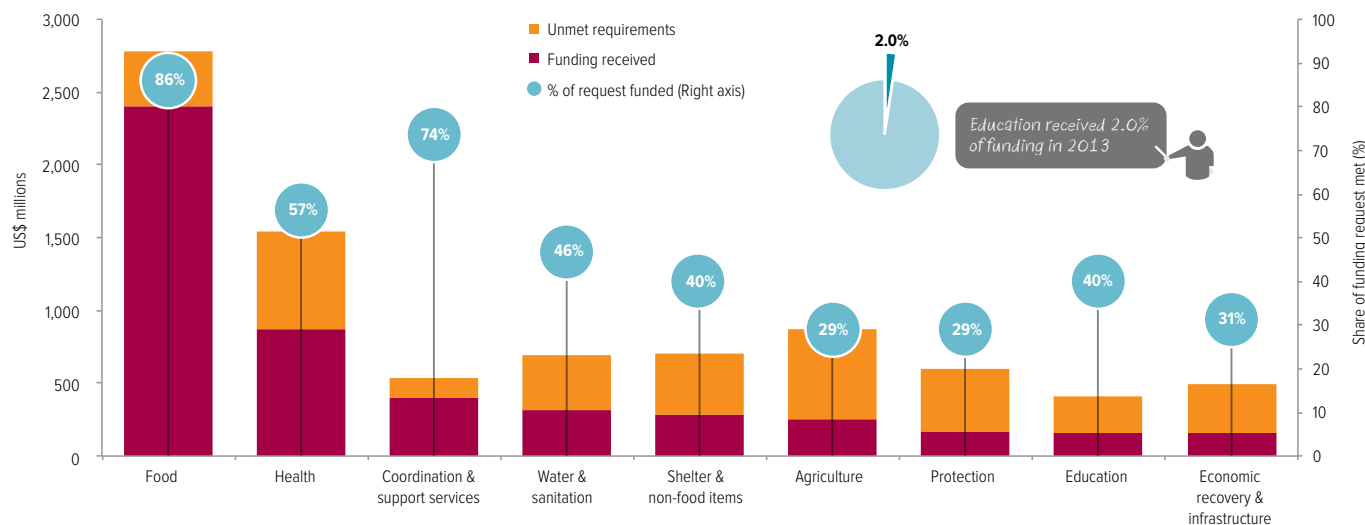
Source: EFA Global Monitoring Report team analysis based on OECD Creditor Reporting System (2014) and Office for the Coordination of Humanitarian Affairs (2014)

Figure 10: Humanitarian funding peaked in 2010 but has since been on the decline
Consolidated and flash appeal requests and funding for the education sector, 2000-2013



Source: Office for the Coordination of Humanitarian Affairs (2014)

Figure 11: Education receives a small share of humanitarian aid requests – and fewer of those requests get funded
Humanitarian aid consolidated appeals requests and funding by sector, 2013



Source: Office for the Coordination of Humanitarian Affairs (2014)

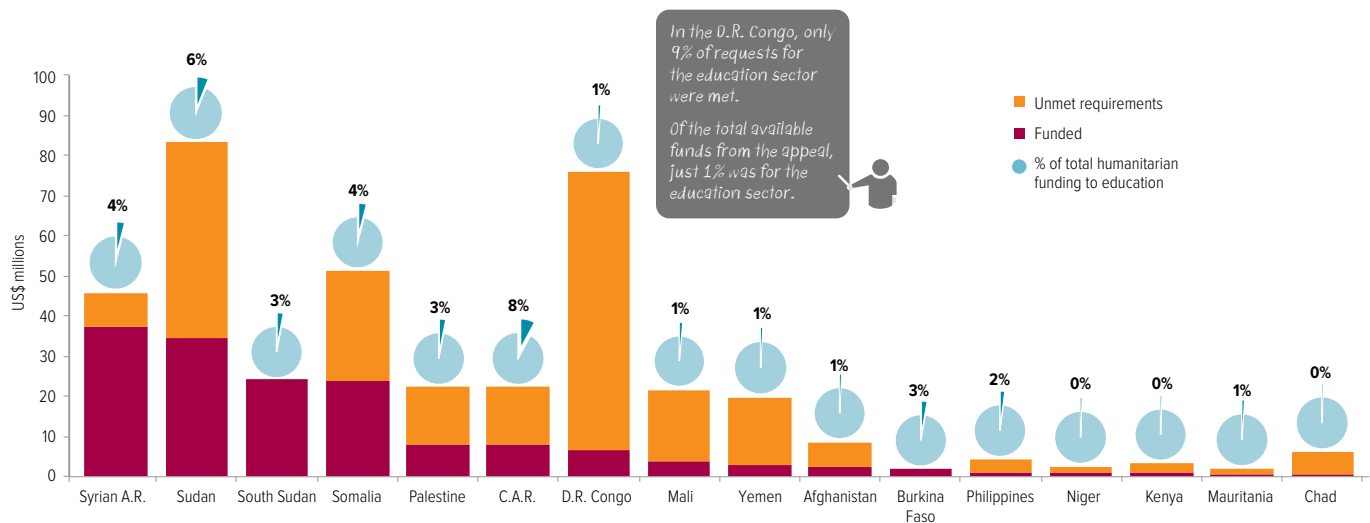
When looking in detail at the 19 consolidated humanitarian appeals made to the OCHA in 2013, only four of the 16 countries with requests for education financing received funds equal to 4% of humanitarian aid: Somalia (4%), the Syrian Arab Republic (4%), Sudan (6%) and the Central African Republic (8%) (Figure 12). In the case of the Central African Republic, 81% of the resources received for education were for school feeding programmes.

Of the 28 consolidated humanitarian and flash appeals to the OCHA in 2014, 13 have proposed that 4% or more of total humanitarian

funds requested should be earmarked for the education sector.

Unfortunately aid agencies often work in parallel, meaning that many of the needs of the education sector specific to a conflict setting fall through the gaps. Mali is an example of a conflict-affected country that has suffered from this lack of coordination: its development aid to education fell from US\$136 million in 2008 to US\$40 million in 2012, and only 6% of its requests for education funding from humanitarian aid were met in 2012, compared with 61% of its requests for nutrition.

Figure 12: Conflict-affected countries received only a tiny share of their requests for humanitarian education funding in 2013
Consolidated appeal requests and funding for education, 2013



Source: Office for the Coordination of Humanitarian Affairs (2014)

Conclusion

As we showed in the 2013/4 EFA Global Monitoring Report, many of the countries furthest from the EFA goals do not sufficiently tap their tax base or devote an adequate share of their revenue to education. If countries raised 20% of their GDP in taxes – the level judged necessary to reach the Millennium Development Goals – and allocated at least 20% of their budget to education, they could go a long way towards bridging the education financing gap.

But many of the poorest countries will still need education aid for some years to come. When the Education for All goals were established in 2000, donors and governments promised that “no countries seriously committed to education for all will be thwarted in their achievement of this goal by a lack of resources.” Not only have donors failed to keep that pledge, but now many are backing away from education as a development priority. With 57 million children of primary school age still out of school and 250 million children not learning the basics, it is crucial that donors recommit themselves to education.

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