ONE BILLION VOICES FOR EDUCATION

# One Billion Voices: How Africa Can Lead On Education In A Post COVID-19 World

GLOBAL CAMPAIGN FOR EDUCATION

www.campaignforeducation.org

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# 1.0 INTRODUCTION

**Education is a human right.**

**Education, and lifelong learning for all, are crucial for equipping citizens with knowledge and tools to engage and contribute to their communities and to break cycles of violence and poverty, end exclusion and transform societies.**

### 1.1 The Global Campaign for Education

The Global Campaign for Education (GCE) is the largest civil society organisation movement working to promote the human right to education and to put pressure on governments and the international community to fulfil their commitments to provide free, inclusive, quality public education and lifelong learning for all, particularly for children, youth, women and those from excluded communities[1].

Our regional and national coalitions encompass many thousands of civil society organisations and represent millions of individuals across the world. We know that the Sustainable Development Goal 4 (SDG 4) of equitable and inclusive education for all, cannot be achieved without adequate and sustainable financing for education. In this spirit, we partnered with ANCEFA to conduct a national focused campaign with the aim to engage Governments in ten African countries to make bold and credible pledges. This work was followed by two pledge tracking workshops held in Zimbabwe and Dakar in 2018, where coalition coordinators were equipped with tools to engage in tracking their government pledges. This report builds on that important work to ensure that GCE members can deliver more evidence-based advocacy and to further enhance GCE's campaigns.

Sustainable Development Goal 4 (SDG4) and the UN's 'roadmap' to achieve this goal, called the Education Agenda 2030 (E2030), are at the heart of GCE's four-year strategic plan. It sets out objectives for the movement. The four strategic areas include:

1. **Equality and Non-discrimination**
2. **Transformative education**
3. **Education in emergencies**
4. **Education financing**

[1] Global Campaign for Education (2019) ACHIEVING SDG4 TOGETHER: Strategic Plan 2019- 2022

## 1.2 Purpose

The purpose of this report is to drive forward the goal of education as a human right. Its objectives are to analyse education budgets in Africa to provide evidence for Global Campaign for Education members to advocate for that goal. To achieve this the report will:

- Examine whether and how education budgets in Africa are affected by the pandemic
- Present the GDP, national budgets, education budgets, debt servicing and domestic revenues for the years 2017-2020 for the coalition countries
- Critically review the budgets for the countries to determine if they are spending 20% of the total National Budget or 6% of their GDP on education
- Examine the data with the lenses of the '4 S' reference framework (Share, Size, Sensitivity and Scrutiny)
- Examine international aid and grants, and whether their size or impact will jeopardise SDG4 commitments
- Examine the role Civil Society Organizations (CSOs) are playing in the education sector in terms of demanding transparency and accessible sharing of information by governments, including budget and spending data

## 1.3 The Global Partnership for Education

GPE is the largest global fund solely dedicated to transforming education in lower-income countries and a unique, multi-stakeholder partnership. It aims to strengthen education systems in developing countries and its goal is to raise at least US$5 billion to transform education systems for more than 1 billion girls and boys in up to 90 countries and territories. It works by bringing together lower-income countries, donors, international organisations, civil society, including youth and teacher organisations, the private sector and private foundations to transform education systems so that all girls and boys, especially those who are marginalised by poverty, displacement or disability, can get a quality education.

### THE SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States in 2015. It provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the **17 Sustainable Development Goals (SDGs),** which are an urgent call for action by all countries - developed and developing. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth.

Sustainable Development Goal 4 is to **"Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."**

In 2015, the World Education Forum in Incheon, Korea welcomed participants from 160 countries. They adopted the Incheon Declaration for Education 2030, which sets out a new vision for education for the next fifteen years.

The **SDG4 Education 2030 Framework for Action**, provides guidance for implementing SDG4. It contains collective commitments to ensure inclusive and equitable quality education and lifelong learning for all by 2030[1].

# 2.0 METHODOLOGY

This is a desk top review of education financing in Africa including emerging issues related to the COVID-19 pandemic. It is an analysis of government policy documents, national budgets, budget speeches, citizen budgets and other relevant documents relating to education financing in Africa to determine if they meet the goals set in the SDG4. In addition, documents on debt servicing, domestic revenue and taxation were also reviewed and scrutinised to determine how they affect the overall budget allocation for education.

### 2.1 The Scope

The report looked at the 35 African countries which are members of **Africa Network Coalition for Education for All (ANCEFA)** and until 2019 were supported by the GPE funded Civil Society Education Fund programme. The **German *Backup Education Initiative* of GIZ**[2] has, over the years, supported capacity building with African coalitions. In 2019 a special programme was approved by GIZ to increase capacity for coalition countries to collect data and to strengthen evidence-based advocacy. The countries included in the report are:

| | | | | |
|---|---|---|---|---|
| **Angola** | **Chad** | **Kenya** | **Mozambique** | **South Sudan** |
| **Benin** | **Democratic Republic of Congo** | **Lesotho** | **Niger** | **Swaziland** |
| **Burkina Faso** | **Ethiopia** | **Liberia** | **Nigeria** | **Tanzania** |
| **Burundi** | **Ghana** | **Malawi** | **Rwanda** | **The Gambia** |
| **Cape Verde** | **Guinea-Bissau** | **Madagascar** | **Senegal** | **Togo** |
| **Cameroon** | **Guinea Conakry** | **Mali** | **Sierra Leone** | **Uganda** |
| **Central African Republic** | | **Mauritania** | **Sudan** | **Zambia** |
| | | | | **Zimbabwe** |

[2] Giz (2020) German BACKUP Initiative - Education in Africa.

### 2.2 The 4S Framework and Increasing Domestic Spending on Education

The 4S framework[3] refers **Share, Size, Sensitivity and Scrutiny**. It is a methodology developed by ActionAid, Education International and GCE[4] and offers an interconnected agenda, fundamental to mobilising citizens to hold their governments accountable. In particular this report looks at the **Share** and **Size** of the budget allocation.

**Government spending on education should be measured by two main indicators or benchmarks: 6% of GDP or 20% of national budgets should be spent on education.[5] This should be before, and not after, debt servicing.**

To analyse using the 4S model, questions should also be addressed, such as:

- Where is the bulk of the money going?
- How does spending on education compare to spending on debt servicing?
- How much are governments collecting from taxpayers and how much of that domestic revenue is financing education?
- How do we expand the tax base and achieve a Tax to GDP ratio of 20% which is the minimum for a functional state?

The 'sensitivity' of allocations within education budgets is crucial to ensure equity. By sensitivity we mean the ability to analyse spending within the education sector through an equity lens. Headline figures for education spending can sometimes **miss out crucial details of whether or not the budget supports the most marginalised**, and whether or not it is working to help tackle inequality and to improve access to quality education for all.

### 2.3 Defining the Right to Education

Education is a human right, formally recognised in the 1948 Universal Declaration of Human Rights and enshrined in several international instruments, including the International Covenant on Economic, Social and Cultural Rights (articles 13 and 14), the Convention on the Rights of the Child (articles 28 and 29), and the UNESCO Convention against Discrimination in Education.

Under international law, States are obliged to respect, protect and fulfil the Right to Education for all without any discrimination.The Right to Education goes beyond access. States have the obligation to

[3] Archer, D (2nd May 2018) The 4 s Framework for Domestic Financing in the Arab Region: Presentation Notes for Acea Conference, Beirut.
[4] Global Campaign for Education (2016) Financing Matters: A Toolkit On Domestic Financing For Education Global Campaign For Education, Education International And ActionAid
[5] Archer, D. (22nd June 2020) Domestic Resource Mobilisation for Education: What Should the Global Partnership for Education Do in Its New Strategy. NORRAG.

ensure the full enjoyment of the Right to Education for all through a fully accountable, free, publicly supported education system of good quality.

According to the 4S scheme, the right to education entails four interrelated features:[6]

### The Right to Education

**Availability** is primarily concerned with the provision of sufficient school infrastructure and educational programmes to ensure the right to education for all, including those living in remote areas. In order to be considered truly available, all school infrastructure needs to comply with minimum standards in terms of safety and quality. Availability is also concerned with the provision of school facilities such as libraries, laboratories, computers, teaching materials and textbooks in the students' mother tongue. Availability also entails the provision of qualified teachers receiving domestically competitive salaries.

**Accessibility** refers to the States' international obligation to ensuring access to education. With the right to equality and the prohibition of discrimination, education must be accessible to all individuals, social and cultural groups. To make education accessible, States are expected to identify and overcome all the barriers which prevent children from school.

**Acceptability** refers to the States' obligation to establish and enforce educational standards. This means, "[] to ensure that all schools conform to the minimum criteria which it has developed as well as ascertaining that education is acceptable both to parents and to children.[7]" Acceptability, however, does not only refer to the States role in education. It is also related to a variety of issues such as the quality of education, whatever it is conceptualised and measured; the language of instruction; the contents of educational curricula and textbooks; the respect of children's rights within the education system, in particular the obligation that school's discipline procedures respect the children's rights; and among other often contested issues, the parents' right to choose for their children the education best matches with their personal, moral or religious convictions[8].

**Adaptability** is primarily concerned with children's right to enjoy an education system adapted to their needs.[9]

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[6] Tomasevski, K (1999) Economic and Social Council. United Nations.

[7] Tomasevski, K (1999) Preliminary report of the Special Rapporteur on the right to education, Ms. Katarina Tomasevski, submitted in accordance with Commission on Human Rights resolution 1998/33. E/CN.4/1999/49.

[8] Ibid.

[9] United Nations (1999) Economic and Social Council: Committee on Economic, Social and Cultural Rights. General Comment No. 13 (21st session, 1999). The right to education (article 13 of the International Covenant on Economic, Social and Cultural Rights). E/C.12/1999/10.

## 2.4 Data Collection

The data gathering process was supported by ANCEFA by working directly with national coalitions. They assisted them to put budget data on education into the Monitoring, Evaluation and Learning tool that coalitions had learnt to use during the 2017-2020 Civil Society Education Fund programme, funded by GPE. Coalition staff were trained how to use a SalesForce based data collection tool. This gave them more insight into their respective country budgeting processes and enabled them to collect data, that would strengthen their advocacy. Analysis of these data also led participants to consider tax, revenue and privatisation.

### Challenges and Limitations of Data Collection

Data collection was a challenge because there was no one stop-centre for all the data. Data from the countries covered by this report were not readily available on the internet and government websites. Data from Francophone countries were particularly difficult to obtain. Some countries had incomplete data or data for some years were missing due to emergency situations and armed conflicts. Some of the budget figures were presented in percentages without indicating whether the percentages were of the GDP or of the national budget and whether they were in local currencies or in USD. Hence, it was difficult to calculate the actual figures for the education budget. There was also a challenge of mixed currencies where the national budget were given in USD and the education budget was given in the local currency.

### Data Validation

To ensure the data collected are accurate and reliable, the data collected were subjected to a validation process at multiple levels. The first level was to check if the data were from a credible source such as Ministries of Finance or Education. Secondly, multiple data sources were used to triangulate and determine the accuracy of the data collected. These included data from IMF, World Bank, UNESCO, UNICEF and the Collaborative Africa Budget Reform Initiative (CABRI) which is a peer-learning and exchange network for senior officials working in ministries of finance and planning on public financial management. Thirdly, the ANCEFA team contacted coalition coordinators and held feedback consultations with GCE staff regularly, to provide updates on the data collection process and to ensure that findings were accurate. The figures obtained from the online source were compared with the data from the MEL System and the GPE Replenishment pledges.

Data on the COVID-19 pandemic and emerging issues on education was collected and analysed based on the extent to which governments planned to guarantee access to free quality public education for all and ensure the continuity of education after the COVID-19 crisis and its impact on countries' progress towards achieving SDG4.

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United Nations (1999) Economic and Social Council (1999). Committee on Economic, Social and Cultural Rights. General Comment Nº 1 (2001): The aims of education (CRC/GC/2001/1)

Perez Murcia, L.E. (2007). La exigibilidad del derecho a la educación a partir del diseño y la ejecución de las políticas públicas educativas. Revista Estudios Socio-Jurídicos. Vol. 9, 142-165.

# 3.0 What is stopping education financing? Understanding education financing and debt

**GCE advocates for publicly funded, equitable, inclusive, free, quality education.**

**This requires a dramatic increase in domestic and international financing.**

GCE will continue to advocate for strong publicly funded education systems that meet the internationally agreed education financing benchmarks, to promote tax justice as a critical instrument to financing public education and to push back on the commercialisation of education.

**The African Union's Agenda 2063**

Agenda 2063 is founded on the African Union (AU) vision of "an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena."[10] Domestic resource mobilisation - the process through which countries raise and spend their own funds to provide for their people - is meant to represent at least 75% to 90% of the financing of Agenda 2063 on average per country, namely through:

- Enhanced fiscal resource mobilisation
- Maximisation of natural resource rents
- The leveraging of the increasingly important pool of African institutional savings: pension funds, central bank foreign exchange reserves, sovereign wealth funds and capital market development
- Enhanced retail savings mobilisation through financial inclusion
- The curbing of illicit financial flows
- The reduction of inefficiency and governance/corruption-based financial leakages and wastages including government funding, infrastructure services and agriculture value chain
- Diaspora remittances and savings
- Improved access to international financial markets

International Development Aid can play a role in filling some gaps in education financing, but there is no prospect of sufficient resources being mobilised from international sources. The bulk of the financing needed has to come from domestic resources.

[10] United Nations (September 2015) The African Union Commission, Agenda 2063, Framework Document: The Africa We Want.

### 3.1 Debt Crisis

Most African countries are heavily indebted and many can be considered to be in debt crisis.[11] An African Union (AU) study on the economic impact of COVID-19 released in April 2020 showed that the continent could lose up to $500 billion and that countries may be forced to borrow heavily to survive after the pandemic.[12]

Debt has become more expensive. The rise in debt levels has been accompanied by a shift in the cost of the debt, which has become much more expensive. Taken together, these trends equal a big warning sign. More expensive debt means that governments have to spend more of their revenues repaying it. This means less for other priorities like health, education, or infrastructure. It also leads to an increased probability that debt will increase, as borrowing may be needed to plug holes in expenditure caused by the diversion of revenues to repay debt[13].

Between 2010 and 2018, the average public debt increased by half from 40% to 59% of GDP, making sub-Saharan Africa the continent with the fastest growing debt accumulation. Almost all sub-Saharan African countries contributed actively to the increase of the ratio of debt-to-GDP.[14] For instance, the debt-to-GDP ratio has doubled in countries like Angola, Burundi, the Central African Republic, Cameroon, the Republic of Congo, Democratic Republic of Congo, Gabon, Equatorial Guinea, and Nigeria from 26.7% in 2010 to 53.4% in 2018. Meanwhile, the debt-to-GDP ratio increased by about 40% in countries like Botswana, Comoros, Eritrea, Eswatini, Ethiopia, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, South Sudan and Sudan over the same period.[15]

One analysis, using IMF and World Bank data, estimates that the amount governments are paying to service debts has almost doubled in recent years, taking up more than 12% of government revenue in 2018, compared to under 7% in 2010. Given that low-income countries struggle to raise tax revenue – tax as a share of GDP is significantly lower than for other categories of country – this large share of revenue taken up by debt servicing is a big problem.

The UN Secretary-General António Guterres in June 2020 warned that an additional "50 million people risk falling into extreme poverty in 2020 owing to the pandemic." Mr. Guterres appealed for a "global response package amounting to at least 10% of the world's Gross Domestic Product. For Africa, that means more than $200 billion as additional support from the international community."[16] Africa needs at least $100 billion to immediately resource a health and social safety net response,

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[11] Jubilee Debt Campaign (2020) Debt Data Portal

[12] Ighobor, K (15th April 2020) AU Study: COVID-19 Could Cost Africa $500 Billion, Damage Tourism and Aviation Sectors. Africa Renewal.

[13] Griffiths, J. (15th Oct. 2019) Low-income country debt: three key trends, ODI, London.

[14] Carneiro, FG & Kouame, WA (3rd Feb. 2020) How Much Should Sub-Saharan African Countries Adjust to Curb the Increase in Public Debt. World Bank Blogs.

[15] World Bank (2019) World Bank International Debt Statistics.

[16] Sallent, M (30th July 2020) External Debt Complicates Africa's COVID-19 Recovery, Debt Relief Needed. Africa Renewal.

and another $100 billion for economic stimulus, including a debt standstill, the financing of a special purpose vehicle for commercial debt obligations, and provision of extra liquidity for the private sector, according to the UN Economic Commission for Africa (ECA).[17]

The debt burdens are worrying and experts are calling for debt cancellation.[18] While the G20 agreed to suspend debt repayment for the world's 75 poorest countries until the end of the year, Mr. Guterres maintains that debt suspension should be extended to all developing countries, adding that the private sector must be part of any dialogue on debt cancellation.[19] The countries that received debt service relief are Benin, Burkina Faso, Central African Republic, Chad, Comoros, DRC, The Gambia, Guinea, Guinea-Bissau Liberia, Madagascar, Malawi, Mali, Mozambique, Niger, Rwanda, Sierra Leone, and Togo[20].

There is also a call for complete temporary debt standstill for two years for all African countries, without exception. Reducing domestic debt is key to making the government's budget sustainable and increasing allocations to public sectors like education.

[17] UNECA (17th April 2020) ECA Report COVID-19 in Africa Protecting Lives and Economies. Africa Renewal.

[18] Songwe, V (July 2020) Drop Debt , Save Lives : Global South Debt and Covid-19. Jubilee Debt Campaign.

[19] Sallent, M (30th July 2020) External Debt Complicates Africa's COVID-19 Recovery, Debt Relief Needed. Africa Renewal.

[20] See note on debt relief mechanisms in Appendix 2.

# 4.0 What needs to happen to Fund Education?

**Education is a human right, and a basis to realising all SDGs.**

**Sustainable financing for education is and always will be domestic. There is need to expand the domestic tax base but also to avoid financial leakages such as tax avoidance and evasion and other illicit finance flows such as repatriation of profits by multinational corporations.**

### 4.1 Domestic Resource Mobilisation to Fund Education

The Education Commission projects that with greater efficiencies and considerable expansion of domestic financing only 3% of total financing will be needed from international sources[21]. Domestic revenue mobilisation is one of the most pressing policy challenges facing African countries.[22] While the reasons may vary according to country-specific circumstances, there are three aspects of domestic revenue mobilisation that make it so important.

1. African countries need to increase their resources to invest in programs that support the achievement of the SDGs in their countries. This includes efforts to reduce poverty and inequality, ensure adequate health and education for all, and develop basic infrastructure to support more inclusive growth. Despite recent progress, the region still faces massive development challenges.

2. The impact of COVID-19, explored in Section 7, has made the inter-linkages between health and economic activities more visible. Countries ought not to prioritise economic drivers alone in their national budgetary allocations but should also consider other social sectors, such as health and education. Addressing the economic impacts of this pandemic at macro and household levels is crucial. The aim should be to minimise the adverse effects of the pandemic in the post-coronavirus period. Above all, this pandemic is a strong reminder of the interconnectedness of the world and the importance of global cooperation in addressing health challenges.

[21] The Education Commission (2019) The Learning Generation: Investing in education for a changing world.

[22] International Monetary Fund (May, 2018) Regional Economic Outlook: Domestic Revenue Mobilization and Private Investment.

**Post-COVID 19, there is extra urgency to raise taxes in a fair and progressive way.** This can be achieved through:

- Setting new global rules to make sure that companies pay their fair share
- Raising taxes on excess profits and wealth
- Ending harmful tax incentives (where developing countries lose $138 billion a year)
- Preventing aggressive tax avoidance (where developing countries lose at least $200 billion a year)
- Stopping illicit financial flows.[23]

3. At a time when public debt levels have been rising rapidly, domestic revenue mobilisation should be a key component of any fiscal consolidation strategy.

4. Developing adequate capacity to collect taxes as a way to strengthen institutions and build state capability since the basic function of the state is to provide public services such as education, health, infrastructure and the enforcement of a state based on laws. GPE has made it a requirement that countries must maintain or increase their own domestic funding for education towards or above 20% of national budgets.[24]

To take action on domestic financing for education, education advocates need to look at strategic financing issues that affect the whole public sector. They need to find common solutions to defend and increase domestic financing for all public services. This will require coordinated action, for example, looking at action on debt, tax reform, macro-economic policies, public sector wage bills[25] and other elements affecting sustainable domestic financing. International actors will have a key role to play in transforming their own policies and practices to support sustainable domestic financing of education, alongside other public services during post-COVID recovery.

### 4.2 Taxation and Tax Justice to Fund Education

The overall size of the government revenue is critical in determining how much goes to financing education. Each year developing countries are losing an estimated US$138 billion in tax breaks, and around US$200 billion through companies avoiding their taxes altogether.[26] It would only take a fraction of this amount to put all children not currently in school through 12 years of quality education.

Developing countries have made progress in increasing their tax revenue because they now collect 4% – 5% of GDP more than 15 years ago. The UN recommends a minimum tax-to-GDP ratio of 20%

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[23] Education International et al. (July 2020, 2021) Domestic Financing of Education Post-Covid.

[24] Archer, D. (22nd June 2020) Domestic Resource Mobilisation for Education: What Should the Global Partnership for Education Do in Its New Strategy. NORRAG.

[25] European Commission International Partnerships Conference (28th May 2020) The COVID-19 Pandemic Crisis and the Impact on Health Systems: Curbing the Pandemic and Improving Health Outcomes in Low and Middle Income Countries.

[26] Action Aid (17th March 2020) Financing Education.

but the average in Low Income Countries (LICs) is 14%. However, at 10-20% of GDP, their tax revenues are still far behind the 30-40% of GDP collected in developed countries.[27]

Domestic taxation should be a major source of education financing, but is suffocated by illicit financial flows and other forms of tax avoidance, tax evasion and repatriation of profits by multinational corporations. There are new and sophisticated ways of illicit financial flows through cyber and other digital business that are not monitored or taxed whose revenue losses for Africa go beyond 100 billion dollars annually. It is estimated that Africa alone loses US$240bn in government revenue every year because of tax avoidance and tax evasion especially in the extractive industries.

Since "tax pays for education", we examined new tax reforms to increase domestic revenue for education financing, and the impact of COVID 19 on the financial situation in the 35 countries.

**Tax revenue is the only sustainable and reliable source of financing of public services including education. The size of the tax base determines the size of the national budget and that influences the size of the education budget.**

Studies have shown that countries with low tax to GDP ratios of less than 12% are far off from achieving SDG4 because a minimum tax-to-GDP ratio is associated with a significant acceleration in the process of growth and development[28].

## CASE STUDY: MALAWI URANIUM

The Africa Initiative collected this case study where revenue from Malawian mines has not been optimised for the public good due to the presence of companies operating without properly negotiated agreements.

Momentum and interest in Malawi's extractive industry was ignited by the commissioning of Kayelekera uranium mine in 2007/2008 which is by far the largest Foreign Direct Investment (FDI) in the country with an investment portfolio of over US$500 million.

In 2012, uranium accounted for close to 10% of Malawi's exports, by value. The mining sector contributed 10% to both GDP and exports, but ironically, it contributed only 0.76% to government revenue and 1.2% to domestic revenue. The major problem that resulted into the disproportionate sharing of benefits are the country's laws that were lenient towards the interests of Multinational Corporation (MNCs) and that failed to hold the MNCs more accountable to pay taxes and remit profits to Malawi.

Taxation laws failed to adequately address issues of capital flight, tax avoidance or evasion, which the study findings revealed were being perpetrated by MNCs. To this extent the MNCs in the extractive industry have evolved to use more rigorous and complicated accounting systems that evade the detection radar of the local tax and revenue authorities.

[27] Capacity4dev (27th July 2017) Tax Justice for Development – Tackling Spillovers and Incentives. European Union.

[28] Gaspar V, Jaramillo L & Wingender P (2nd Dec. 2016) Tax Capacity and Growth : Is There a Tipping Point? International Monetary Fund.

**Tax Justice**

**Tax justice** is a fair and progressive tax system which generates sufficient public revenues, while ensuring that this revenue is fairly redistributed.

**A progressive taxation system** ensures that the rich, wealthy and corporations pay more, while the poor pay less or are exempted and there is no shifting the tax burden to women and the poor.[29]

**A fair tax system** is where resources are mobilised domestically to finance development or public service. It also entails advocating for pro-poor policies and interventions. An emphasis on clear and fair tax laws and regulations can convince citizens that government taxation will be used to fund reasonably efficient and transparent spending programs. With these systems in place, the right to education is secured by the citizens through payment of direct taxes such as PAYE (Pay As You Earn), CIT (Corporate Income Tax) that is paid by corporations according to their profit margins, or indirect taxes like VAT which everyone, including the poorest landless citizens, pay when they buy sugar, salt and paraffin for example. Because citizens pay tax, they can claim services to be delivered and rights to be progressively fulfilled. They hold governments to account for the fulfilment of those rights.

### 4.3 Holding governments to account: The Global Partnership for Education Replenishment Campaign

The Global Partnership for Education (GPE) replenishment campaigns in 2014 and 2017 brought together a broad spectrum of civil society organisations, all supporting these campaigns as they built up to the respective replenishment events. GCE joined those voices, calling for better education financing and replenishment.

The campaign ask for 2018 was for Developing Partner Countries to make pledges in public, for financing education. The GPE Replenishment Conference held in Senegal in February 2018, was the world's largest-ever education financing event.[30] It was also the first ever global partnership conference on development financing which saw both developing and donor countries alike come together to make significant and concrete pledges towards the financing of common goals. The success of the replenishment conference was a success for those who pledged and those who had pushed for increased efforts. There was successful collaboration in building momentum on domestic financing at the African Union Summit and many other events where civil society voices were heard.

In 2014, pledges reached $26 Billion, but these pledges lacked credibility. In Dakar in 2018, donors put in $2.3bn and Developing Countries pledged $30 bn. A review of the projected budgets submitted by the countries compared to the GPE pledges made in 2018 showed a mixed picture. Some countries adhered to their pledges while others continued to make ambitious pledges while lowering projections or approved budgets. While the pledges demonstrated political will by the countries, the tracking of expenditure was difficult.[31]

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[29] ActionAid International Tax Justice.

[30] Global Partnership for Education (February 2018) Replenishment Conference.

[31] Henry. Education Budget and Pledge Tracking Advocacy - Africa NECs.

In preparation for the next GPE Education Summit in July 2021, GCE will support national coalitions to look for evidence that pledges made by developing countries during the 2018 replenishment campaign were fulfilled. If not, national coalitions must hold their governments accountable.

### 4.4 The Limitations of Foreign Aid in Funding Education

The challenge with foreign aid stems from two interrelated accountability dilemmas:

**Accountability** - in deciding on aid policies and interventions, donor agencies are accountable to their own parliaments and domestic pressure groups rather than to foreign aid beneficiaries in recipient countries. Foreign Aid can undermine the relationship of citizens with their government because education reforms are not agreed upon by public dialogue or parliamentary debates but rather behind closed doors

**Lack of sustainability** – foreign donors' sometimes focus on short-term targets and results which can undermine efforts to build the institutions needed for the long-term sustainability of development outcomes. Education budgets need to be sustainable and predictable. If they are not, the professional security for teachers is at risk when, motivated by the IMF calls for public service reduction, larger parts of the education budget are dependent on Official Development Assistance (ODA) or the IMF's austerity measures. Foreign Aid can also undermine domestic investment because it comes with conditionality such as austerity measures.

These dilemmas generate some 'contradictions' that are very difficult for donors to avoid and that have consistently undermined aid effectiveness.[32]

[32] De Renzio, P (25th Aug. 2016) Accountability Dilemmas in Foreign Aid. ODI.

# 5.0 Findings and Observations

### 5.1 The Monitoring, Evaluation and Learning (MEL) System

The MEL System is a tool that enables coalition advocates to scout for data and then compare with the GPE Replenishment pledges. Based on the 2018 learnings, there was a need for a simpler data repository, which would also allow easy access to data and aggregated reporting for advocacy purposes. It was therefore proposed to build the budget monitoring database within the existing GCE online MEL system. The tool was already being used for reporting, so little additional training was needed for the coalitions to start uploading data on it. The tool was revised recently and a simpler excel sheet was introduced by ANCEFA to make data collection easier before uploading on the MEL system. A training was conducted for the coalition coordinators on how to use the new tool.

Inputs made in the MEL System were reviewed and it was observed that some coalitions had difficulties collecting and collating data from their countries due to different country-specific challenges. Access to expenditure tracking seemed a major challenge to most coalitions. Accordingly, there were discrepancies in the data uploaded on the MEL system, some countries had incomplete data, and others had complete data but did not indicate the source of data. Some data were incorrect when compared to the figures given by the Ministry of Finance of those particular countries. There were some discrepancies in the data provided by the different Development Partners, Ministries of Finance and those uploaded by the coalitions in the MEL system. Generally, the pledge percentages for Education budgets were higher than the actual percentages in the enacted budgets for the various countries.

### 5.2 Comparison of Data in the MEL System, Online Sources and GPE Replenishment Pledges

Table 1. in Appendix 3, presents data for selected countries taken from information obtained from GPE pledges, the MEL System and online sources. It was observed that there were disparities in the figures for the National Budget and the Education Budget depending on the source of data. It was also observed that percentage allocation for Education was lower than the projected percentage of 20% indicated in GPE Replenishment pledges in the majority of cases.

### 5.3 Impact of Debt Servicing on Education Budget Allocation and the 4S Framework

**10 out of the 35**

**countries were spending a greater percentage of their national budgets on debt servicing than on education.**

There is a relationship between Debt Servicing and education budget allocation as indicated in Table 2, Appendix 3. The table presents National and Education Budgets including debt servicing and domestic revenue. The budget figures are presented in local currencies because the data for the countries covered by this report were collected in the local currencies. It was not possible to convert them into United States Dollar because the exchange rates for the previous years were not readily available.

**Observations**

It was observed that countries that are spending large sums of money repaying external debts are allocating less money to the education budget. Some of the countries spending more money on debt servicing and less on education include: Uganda, Eswatini, Ghana, Angola, Cameroon, Tanzania, Nigeria and South Sudan. In total, ten out of the 35 countries monitored were spending a greater percentage of their national budgets on debt servicing than on education.

The countries that are spending less on Debt Servicing and more on education are: Mozambique, Malawi, Lesotho, Rwanda, Burundi, Cape Verde, The Gambia, Liberia, Kenya, Niger, Mali, Senegal, Mauritania, Madagascar, Burkina Faso, and Democratic Republic of Congo. The countries that are allocating low budgets (less than 10%) to both Education and Debt Service include: Somalia, Benin, Togo and Guinea Conakry.

**5.4 The Share and Size of Education Budget**

In terms of the share and size of education budget, whilst national budgets have been increasing over the years, the size of the budget allocation for education has remained small. Only four countries out of the 35 are spending over 20% of their national budgets on education: Kenya, Lesotho, Ethiopia and Cape Verde. For example, Kenya allocated 30% (2017), 29% (2018), 39% (2019) and 38% (2020) on Education and Ethiopia allocated 20.8% (2017), 22.5% (2018), 22.5% (2019) and 25.2% (2020) on Education. National Budget allocation for Cape Verde in 2017 (24%), 2018 (20%), 2019 (23%) and 2020 (20%)**.**

**Only 11% of countries are spending over 20% of their national budgets on education**

**Worryingly, the data revealed a decrease in the percentage of national budget allocation for education for 60% of countries between 2017 and 2020.** For example, Malawi allocated 22.3% of its national budget to education in 2018 and 25% in 2019 but experienced a decrease in 2020. Similarly, Burundi allocated 20.7% in 2017 and 21.1% in 2018 but in 2020 is down to 17.6%. Nigeria allocated 20% of its National Budget to Education in 2017 but since 2018 the budget allocation to education has dropped drastically to 5% in 2019 and 2020. The countries that are spending between (15% - 19%) of the National Budget include: Zambia, Eswatini, Mozambique, Mali, Burkina Faso and Cote D'Ivoire.

**34% of countries allocated less than 10% of their national budgets on education**

The countries spending between (10%-14%) are: Madagascar, Senegal, Democratic Republic of Congo, Chad, Niger, Liberia, The Gambia, Tanzania, Rwanda and Ghana. The countries spending less than 10% of their National Budget in 2020 on Education include: Uganda, Nigeria, Sierra Leone, Benin, Togo, Mauritania, Angola, Cameroon, Somalia, South Sudan, Central Republic of Africa and Guinea Conakry.

**Review of National Projected Budget for 2021**

Table 3, in Appendix 5, presents the 2020 and the 2021 Projected National Budget. The countries listed in the table are the ones who provided the projections for 2021. It was observed that while some countries registered an increase in their GDP and national budgets, most countries experienced a decline due to the impact of COVID 19 pandemic.

# 6.0 Trends in multilateral and bilateral aid

For many years, aid to education has reduced. The share of education in official aid was close to 15% in the early 2000s and now stands at just over 10%.[33] In May 2018, the UN revealed that aid has increased in the latest statistics from 2016 to $13.4 billion, the highest figure since records began in 2002, but the proportion of that money spent on education is reduced.

Education has been falling as a priority for international donors, including ODA bilateral and multilateral donors and philanthropic organisations. Financing intended to reach the poorest and most marginalised has been insufficient. Critical multilateral grant funds for education are not achieving their aims in full. Aid to education experienced robust growth in the 2000s but stagnated after 2010, in part, due to the impact of the financial crisis as well as a general change in priorities in donor support. Similarly, global education has long struggled to attract interest from philanthropic donors, especially compared to other public service sectors such as health.

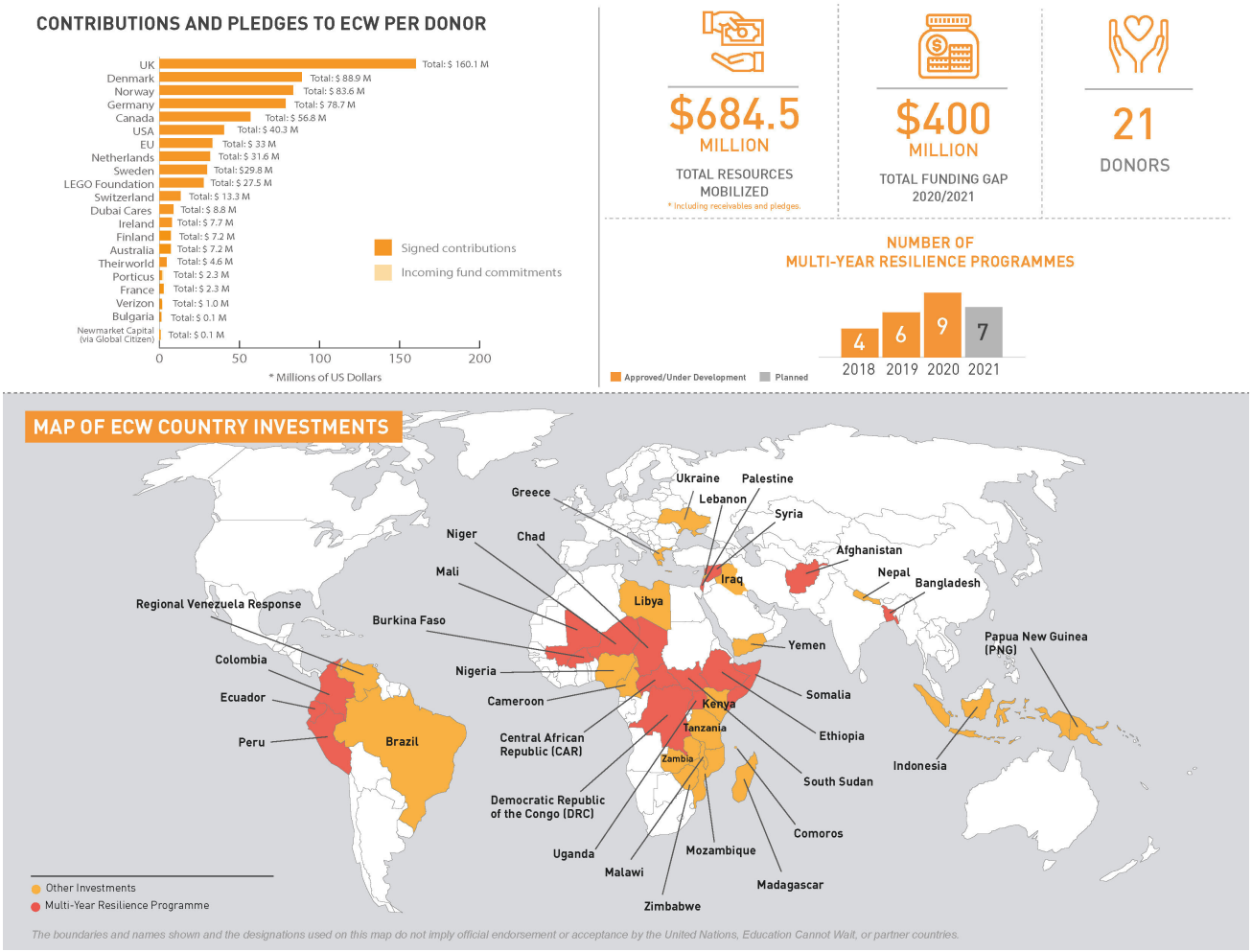
Donor governments should be investing Official Development Assistance (ODA) in funding for global education as there are many countries that will not be able to generate the funding necessary to get every child in school, especially the poorest or those hardest hit by conflict and humanitarian disasters. **It is recommended that donor governments spend 0.7% of GDP on aid and invest 15% of their aid in education**. To be more effective, a larger share of this increasing amount should be spent multilaterally through the Global Partnership for Education, the Education Cannot Wait fund for education in emergencies, UNICEF, UNRWA and other agencies.

Many donors continue to channel a large proportion of their funding bi-laterally and often **focus a large proportion of their funding on levels of education which are less likely to benefit the most marginalised.** A large share of official financing for education is allocated to higher education whereas **reallocation of public resources to primary and secondary education is critical to the achievement of SDG4 and the Education 2030 Agenda.**

While aid to education in humanitarian situations has increased in the past decade due to increased total flows as well as greater prioritisation, the share of education in global humanitarian aid stands

[33] Global Education Monitoring and Report Team (Feb. 2021) Inclusion and Education. 2020b. UNESCO, Paris, France

at just 3%. Education Cannot Wait (ECW), the global multilateral fund established in 2016 that aims to mobilise USD $1.8 billion by 2021, had only raised USD $684.5 million by March 2021, as illustrated below.[34]




## Potential Shifts for the Coming Years

The COVID-19 pandemic has added additional pressures on education financing. The World Bank estimates education spending could fall by USD $100 billion in 2021 alone compared to earlier estimates. UNESCO predicts that these budget cuts could lead to a further increase in the financing gap by more than one third. The pandemic may lead to further contractions of more than 10% in aid to education.

According to an analysis by UNESCO[35], the forecasted GDP growth rate for the eight largest donors to education namely UNICEF, UNESCO, UKAID, USAID and Japanese International Cooperation Agency will be -8% in 2020 and 5% in 2021, which may cause a reduction in aid spending. New estimates suggest that between 2020 and 2022, there could be a drop as steep as 12 percent in aid to education.

[34] Education Cannot Wait (February 2021) We, The Peoples: Newsletter 23.

[35] UNESCO, (April 2020) UNESCO Covid-19 Education Response. Education Sector Issue No.7.1.

# 7.0 The COVID-19 pandemic and emerging issues in education

The COVID-19 pandemic is an emergency situation. The world has been hit hard by the coronavirus. As of 12th April 2021, there have been 3,176,707 cases confirmed by the WHO in Africa[36] and the death toll in Africa has reached 115,765.[37] The COVID-19 pandemic is a major global crisis with far-reaching implications that threaten sustainable development across the globe. Low- and middle-income countries, struggling to achieve universal health coverage, are particularly hard hit by the unprecedented challenge for health care systems and social policies worldwide.[38]

### 7.1 The impact of COVID-19 on African economies

The COVID 19 health crisis has also become a global economic crisis. The impacts are both short- and long-term. They range from job losses, to reduced incomes, loss of human capital due to death, and infrastructural deterioration, among others. Besides the deaths, the economic impacts have had dramatic effects on the wellbeing of families and communities. Many families have lost their source of income and this has translated into spikes in poverty, missed meals for children, and reduced access to healthcare.[39]

> The outbreak of COVID-19, school closures and lockdowns have compounded the plight of **those who were already marginalised, such as the girl-child, children with disabilities and children who have suffered sexual abuse and domestic violence.**

The African Union has launched several programmes, such as the **African Union Development Agency (AUDA-NEPAD) COVID-19 Response Plan** to help countries fight the pandemic and recover better.[40] As the pandemic continues to adversely impact on most socio-economic activities in African countries, real GDP in Africa is projected to grow by 3.4 percent in 2021, after contracting by 2.1 percent in 2020. This projected recovery from the worst recession in more than half a century will be underpinned by a resumption of tourism, a rebound in commodity prices, and the rollback of pandemic-induced restrictions. The outlook is, however, subject to great uncertainty from both external and domestic risks.[41]

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[36] WHO Coronavirus Disease (COVID-19) Dashboard, accessed 12.04.2021

[37] Coronavirus Disease 2019 (COVID-19) – Africa CDC, accessed 12.04.2021

[38] European Commission International Partnerships Conference (28th May 2020) The COVID-19 Pandemic Crisis and the Impact on Health Systems: Curbing the Pandemic and Improving Health Outcomes in Low and Middle Income Countries.

[39] Ssempala, R. (April 2020) COVID-19: A Global Health Crisis that has become a Global Economic Crisis, School of Public Health, College of Health Sciences, Makerere University, Kampala, Uganda

[40] AUDA-NEPAD (4th April 2020) AUDA-NEPAD Launches Its COVID-19 Response Plan.

[41] African Development Bank Group (12th March 2021) African Economic Outlook 2021: From debt resolution to growth, the road ahead for Africa. South Africa

According to the World Bank and UNESCO Education Finance Watch[42], education budgets are not adjusting proportionately to the challenges brought about by COVID-19, especially in poorer countries. Despite additional funding needs, two-thirds of low- and lower-middle-income countries have, in fact, cut their public education budgets since the onset of the Covid-19 pandemic. The research found that education budgets declined in 65% of low- and lower-middle- income countries compared to only 33% of high- and upper-middle-income countries. It noted that these divergent trends will exacerbate pre-existing inequalities between low and lower-middle-income countries and high- and upper-middle-income countries in education spending. It predicted that inequalities in education spending are likely to increase where lower-income countries are more likely to continue a decreasing trend in their education budgets or to shift from a positive to a negative trend after Covid-19.[43]

**Change in education budgets before and after Covid-19 (%)[44]**

| | All countries | | High- and upper-middle-income | | Low- and lower-middle-income | |
|---|---|---|---|---|---|---|
| | Pre-Covid | Post-Covid | Pre-Covid | Post-Covid | Pre-Covid | Post-Covid |
| ***Total education budget*** | | | | | | |
| Change in education budget | 1.1 | 4.0 | 2.2 | 6.7 | 0.3 | 2.0 |
| Share of countries decreasing education budget | 44.8 | 51.7 | 41.7 | 33.3 | 47.1 | 64.7 |
| Average decrease in countries that decreased their budget | -8.3 | -4.6 | -6.9 | -7.4 | -9.1 | -3.6 |
| Average increase in countries that increased their budget | 8.7 | 13.2 | 8.8 | 13.8 | 8.7 | 12.4 |
| ***Education's share of the total budget*** | | | | | | |
| Average change in percentage points | -0.5 | 0.1 | -0.3 | -0.1 | -0.6 | 0.2 |
| Average share | 13.4 | 13.5 | 13.7 | 13.6 | 13.2 | 13.4 |

*Source:* Country budget documents for selected countries.
*Note:* Budget changes are expressed in real terms.

[42] World Bank (22nd Feb 2021) Press release: Two-Thirds of Poorer Countries Are Cutting Education Budgets Due to COVID-19

[43] Al-Samarrai, S et al. (2021) Education Finance Watch 2021. Washington, D.C.: World Bank Group.

[44] Ibid.

**According to GPE's COVID-19 response, more than 1.1 billion children and youth worldwide have been put out of school because of the pandemic.** These nationwide closures are impacting over 60% of the world's student population. Several other countries have implemented localised closures impacting millions of additional learners. UNESCO is supporting countries in their efforts to mitigate the immediate impact of school closures, particularly for more marginalised communities, and to facilitate the continuity of education for all through remote learning.

COVID-19 related learning losses will have long lasting impacts on economies. Based on World Bank data, it is estimated that over USD $10 trillion could be lost due to the lessening of lifetime wages these learning losses will have caused, which amount to 1/10th of global GDP.[45] This effect was estimated largely on the assumption that **0.6 years of learning years will be lost due to the pandemic,** which roughly then equates to USD $16,000 of wage losses for students over the course of their lives, estimating through an intermediate scenario created. This could potentially amount to USD $10 trillion.

## The digital divide

It is reported that more than 1 billion children are at risk of falling behind due to school closures aimed at containing the spread of COVID-19.

To keep the world's children learning, countries have been implementing remote education programmes. **Unfortunately, many of the world's children, especially those in poorer households, do not have internet access, personal computers, TVs or even radio at home, amplifying the effects of existing learning inequalities.**

Students lacking access to the technologies needed for home-based learning have limited means to continue their education.

**As a result, many face the risk of never returning to school, undoing years of progress made in education around the world.**

### 7.2 International aid to African countries and its conditionality during the COVID-19 crisis

The COVID-19 pandemic has seen unprecedented financial pledges and commitments from the global community, much of which is supplied in the form of official development assistance (ODA). There is an immediate need for these resources to be tracked from the perspectives of both donors and recipient countries, to see how commitments are translated into real assistance

Bilateral aid commitments reported to the International Aid Transparency Initiative (IATI) in the first five months of 2020 (US$16.9 billion) are lower than expected and a third less than that of the same period in 2019 (US$23.9 billion). Unlike bilateral donors, multilateral donors have increased their

[45] Geven, K (18th June 2020) Simulating the Potential Impacts of COVID-19 School Closures on Schooling and Learning Outcomes A Set of Global Estimates. The Wold Bank.

commitments published through IATI in the first five months of 2020 (US$48.8 billion) compared with the same period in 2019 (US$28.7 billion) and what would be expected without the crisis.[46]

**UNESCOs Global Education Monitoring Report estimates that global aid is likely to decline by up to US$2 billion from 2018 to 2022 as a result of recession caused by COVID-19, entailing a 12% drop in international support for education.**

**This means that without new measures, aid to education would only reach 2018 levels in 2024, which poses a serious threat to the recovery of education from the unprecedented disruption caused by the COVID-19 pandemic.**

In view of the negative effects of COVID-19 pandemic, international organisations like IMF, World Bank, European Union, US Government, USAID, GPE, African Development Bank and Islamic Development Bank have responded by providing financial support in form of loans, credit and grants to low and middle income countries to mitigate the effect of COVID-19.

The IMF's emergency financial support under the Rapid Credit Facility, along with the additional donor financing is expected to help catalyse and address urgent balance of payments and budget support needs. However, this credit facility is going to further indebt the countries that have received it. The World Bank's financial support is a *loan* for supporting public health interventions, working to ensure the flow of critical supplies and equipment, and helping the private sector continue to operate and sustain jobs. ADB (African Development Bank) is providing financial support with the Crisis Response Support Program (CRSP) to support government's response to the COVID-19 pandemic. The funds are designed as budget support within the framework of the Bank Group's COVID-19 Crisis Response Facility. The objective of the operation is to support governments' efforts to contain the human cost of COVID-19, mitigate its social and economic impact, and support economic recovery.

Table 4, in Appendix 6 presents a summary of financial support given to African countries by Development Partners during COVID-19 crisis with the terms and conditions.

[46] Development Initiatives (22nd July 2020) Factsheet: How are aid budgets changing due to the Covid-19 crisis? Bristol, UK

### CASE STUDY: CAPE VERDE

Cape Verde received US$750,000 COVID-19 grant supports for:

- TVs for students in remote areas who have access to electricity
- Learning materials to students who lack access to online programs
- Ensuring sufficient sanitary facilities (masks, protective gowns, gloves, gels, soap and hand washing areas) in schools according to new standards
- Training of teachers on the use of digital platforms and creation of content including creating a support line for teachers and parents
- Training a "Radio and Educational Technologies" team in charge of creating a new Studio TV Education program.

In late March 2020, the UNICEF office in Cape Verde received a GPE grant of US$70,000 to support the Ministry of Education in its response to the pandemic. The grant was used to produce a video promoting distance learning via radio and TV.

# 8.0 Lessons Learnt

Budget tracking is a challenging activity that requires time, dedication and commitment. Getting some of the national budgets and most especially education budgets was a challenge because budget speeches and budget frameworks were not available online. The only way to get the data was to go to the websites of development partners such as the World Bank, the IMF, UNESCO and UNICEF. Another useful source of budget document was the Collaborative Africa Budget Reform Initiative (CABRI), a peer-learning and exchange network for senior officials working in ministries of finance and/or planning on public financial management. We were able to obtain budget speeches and budget frameworks from this website.

During this review, the issue of reliable data source was critical because the validity, accuracy, credibility of the data depended on the source of the data. If the data is not from a credible source, it can be misleading and may lead to skewed analysis and results. GCE's advocacy and campaigning are evidence-based which made it critical to scrutinise the data that was filled in the MEL System and compare it with online sources and GPE Replenishment pledges. Training and capacity building for coalition members was an important part of the Budget Tracking process because national coordinators needed to know how to correctly fill in the data in the MEL System. It was observed that some coalitions had not filled in their data, while others had incomplete data. Others did not indicate the source of the data, which made it difficult to verify.

# 9.0 Recommendations

## More than a billion people's education affected by COVID-19

During the peak of the COVID-19 pandemic, **an estimated 1.5 billion learners had their education stopped or interrupted**. Education systems continue to face a devastating crisis, the challenges around public financing and the ever-increasing pressure on resources for public services, are resulting in less prioritisation of education. While some learners have returned to school, the COVID-19 pandemic deepened digital exclusion of many especially marginalised communities, including children with disabilities.

**The world faces a tipping point where a seismic reversal in education progress has begun** and has devastating effects on many other Sustainable Development Goals. Furthermore, the World Bank projects a potential 10% cut in education budgets due to the COVID-19 pandemic. Not only must these rollbacks on education financing be stopped but more and better financing for education must be secured and secured now.

Reversing the decline in access to education requires action from every individual country impacted, from donor countries and international bodies and from civil society. This report focusses on 35 African countries, countries that have a unique opportunity to be global leaders in prioritising education and ensuring that COVID-19 does not mean an end to education for so many. The most marginalised in every society have been hard hit by the pandemic and they will be hard hit by the loss of funding for education, we cannot leave a generation behind.

The 35 National State Governments examined in this report must:

1. **Deliver on the commitments** they have made to provide free quality education for all and deliver on pledges made towards that goal at all international, regional and national forums, notably the **Global Partnership for Education Financing Summits.**

2. **Maintain and increase education budgets**, to get learners affected by COVID-19 back into school. They must not roll back their financial commitments due to COVID-19. Specifically states must:
    a. Deliver on commitments made to domestic financing within the Incheon 2030 Framework to Action, to protect the progress being made towards the achievement of SDG4, by **allocating at least 4% to 6% of gross domestic product (GDP) to education and/or allocating at least 15% to 20% of public expenditure to education;**
    b. Improve monitoring and financial planning, including the sharing of data for tracking spending and results and increased accountability for how funds are spent;
    c. Involve the Global Campaign coalitions in the drawing up of education budgets in order to make proposals and input into the budget frame at inception.

3. **Prioritise education within COVID-19 response and recovery plans** including:
    a. The use of creative and innovative strategies tailor-made to reach out to all learners regardless of their circumstances and implemented in a manner that does not deepen inequalities or advance trends of commercialisation and privatisation of education;
    b. Working in close partnership with civil society, develop curriculum recovery strategies and delivery thereof at all levels, including providing necessary support to educators to facilitate catch up for all learners;
    c. Preparing for future crises by establishing crisis and post-crisis response mechanisms and an evaluation framework that can inform new forms of learning as well as emphasising the role that education plays during and after emergencies;
    d. Ministries of Finance and Education should appoint a focal point within the Ministry of Finance to collaborate with GCE coalition coordinators.

4. **Increase their tax base in order to enable an increase in domestic resources for education.** States must also examine new tax sources and **work towards a minimum tax-to-GDP ratio of 20%.** The IMF suggest most countries could increase their tax to GDP ratios by 5% in the medium term (3 to 5 years), and GCE believes all countries should develop ambitious strategies to do this using **fair, progressive taxes**.

**Countries that provide aid**

5. States that provide aid must **fulfil all commitments related to official development assistance (ODA)** including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product (GNP) for ODA to developing countries. In accordance with their commitments, we urge those developed countries that have not yet done so, to make additional concrete efforts towards the target of 0.7 per cent of GNP for ODA to developing countries, and to spend 20% of aid on education, in order to secure timely and predictable funding to reach SDG4.

6. We recommend improving aid effectiveness by donors **increasing their contributions to the Global Partnership for Education and Education Cannot Wait**, in order to have better coordination and harmonisation.

**International community**

7. The international community's failure to provide upfront debt relief for countries whose financial resources have been allocated to tackle the COVID pandemic, have forced a significant number of countries to cut public budgets. In order to release domestic resources to be available to increase investment in public services, notably free public education, we call for urgent debt cancellation for the least developed and low development countries and a new global commitment or compact from creditors and debtors to require full transparency in agreeing future loans

**Education Community**

8. The global education community must come together to **provide sustained tracking of education pledges and to work together to hold governments to account** for the pledges and commitments they have made.

9. The development and launch of a new **Education Financing Observatory** should be prioritised to enable such joint tracking and accountability lobbying.

## 10. Now, more than ever, is the time to keep education funding high on the agenda of these 35 states.

Political and advocacy opportunities such as the **Africa Finance Ministers Conference** and the **26th Commonwealth Heads of Government Meeting (CHOGM)** that will take place in Rwanda in the week of 21 June 2021[1] will be key decision making opportunities and it will be up to civil society to ensure that our leaders don't miss these vital opportunities to ensure education for all.

# 10.0 Conclusion

Many countries are not on track to achieve SDG4 and the Education 2030 agenda.

The COVID-19 pandemic is having an unprecedented negative impact on education budgets as most government efforts are focused on fighting the pandemic at the expense of other public services such as education. With schools still closed in many countries, the money that would normally go towards providing education is being channelled to health services.

Most African countries are too heavily indebted. GCE joins worldwide experts in calling for debt cancellation instead of debt relief because servicing external debts takes away domestic revenue that would otherwise go towards financing public services including education. A quick analysis of budget projections for 2021 shows a decline in both domestic revenues and education budgets. African economies are estimated to shrink, implying that education budgets, which were already insufficient, may decrease even further.

The national education coalitions, education unions, regional networks and international non-governmental organisations constituting GCE **stand ready to strengthen collaborations with governments to ensure that interventions to the COVID-19 pandemic are equitable, inclusive and rights-based.**

***"Civil society is an essential partner and is ready to support States to provide solutions to the COVID-19 crisis. We strongly believe that education can help achieve all SDGs, including SDG 3 (Good health and well-being), and it is crucial that education and health remain a priority."***

Grant Kasowanjete, GCE Global Coordinator.

**It's not too late to ensure Education for All, but urgent action is required now.**

# 11.0 APPENDIX 1 - LIST OF ACRONYMS

| | |
|---|---|
| ADB | African Development Bank |
| ANCEFA | Africa Network Campaign on Education for All |
| CABRI | Collaborative Africa Budget Reform Initiative |
| CHOGM | Commonwealth Heads of Government Meeting |
| CRSP | Crisis Response Support Program |
| CSOs | Civil Society Organizations |
| DRM | Domestic Resource Mobilisation |
| E2030 | Education Agenda 2030 |
| ECA | Economic Commission for Africa |
| ECOWAS | Economic Community of West African States |
| ECW | Education Cannot Wait |
| FFA | Framework for Action |
| GCE | Global Campaign for Education |
| GDP | Gross Domestic Product |
| GEM | Global Education Monitoring |
| GPE | Global Partners for Education |
| IATI | International Aid Transparency Initiative |
| IDA | International Development Aid |
| MEL | Monitoring, Evaluation and Learning |
| ODA | Official Development Assistance |
| OECD | Organisation for Economic Co-operation and Development |
| SDG 4 | Sustainable Development Goal 4 |
| UNESCO | United Nations Educational, Scientific and Cultural Organisation |

# APPENDIX 2: NOTE ON DEBT RELIEF MECHANISMS

This appendix is a summary of the conceptualisation of debt relief mechanisms included in Global Campaign for Education (2020). Debt relief and Education Financing: Background Paper written by Luis Eduardo Perez Murcia. October 2020.

**Government debt**: is any credit owed by a central government to creditors. Creditors can be any national person or institution within or outside the country. The former is called *domestic debt* and the latter *foreign* or *international debt*.

The international financing architecture contemplates several ***debt alleviation mechanisms*** also called 'debt relief' mechanisms.

The terms debt alleviation and debt relief are used by GCE as synonyms. They both refer to the process of cancelling, rescheduling, or refinancing a government debt; often owed to a multilateral or bilateral organisation. Those mechanisms are often used as a last resource for supporting countries facing ***debt crises*** and/or ***debt distress***.

The World bank Group and International Monetary Fund use the term 'debt crisis' to denote a situation in which governments cannot repay their debt.

IMF (2016) conceptualises 'debt distress' as a situation when a country is already experiencing difficulties in servicing its debt. This can be evidenced, for example, by "the existence of arrears, ongoing or impending debt restructuring, or indications of a high probability of a future debt distress event"[47].

***GCE conceptualises the debt crisis as a situation in which the allocation of domestic financial resources to ensure basic human rights, notably the right to education, health, housing, and food, is falling short because rather than investing in their effective protection, countries are servicing debt.***

There is a large set of debt alleviation mechanisms in international financing architecture. Amongst others, debt cancellation, debt restructuring, and debt swaps are some of the most frequently used to support LICs to deal with illiquidity and solvency problems.

'*Debt cancellation'* is likely the most straightforward mechanism for debt alleviation. It is considered a last resort mechanism for countries facing significant debt distress situations due for example to war-related financial constraints or financial crises. As discussed in section four of this paper, this option was recently adopted by G20 countries to support LICs to navigate the health and subsequent financial crisis.

'*Debt restructuring'* can be defined as "an exchange of outstanding sovereign debt instruments, such as loans or bonds, for new debt instruments or cash through a legal

[47] IMF (17th March 2021) Joint World Bank-IMF Debt Sustainability Framework for Low-Income Countries.

process.'[48] Two main elements can be distinguished when conceptualising debt restructuring: debt rescheduling and debt reduction. "Debt rescheduling, which can be defined as a lengthening of maturities of the old debt, possibly involving lower interest rates. Debt rescheduling implies debt relief, as they shift contractual payments into the future; and debt reduction, which can be defined as a reduction in the face (nominal) value of the old instruments"[49].

'D*ebt swaps'*, also called 'debt swaps for development'[50] or 'debt conversions'[51] are a debt relief mechanism in which the counterparts involved in a loan agree a set of conditions to secure that resources that are no longer allocated for debt servicing being invested in financing development. Debt swaps are likely to improve liquidity indicators, and when the financial resources are used to invest in the provision of social rights, notably the right to education, long-term development and growth impacts can be expected[52]. In fact, as UN[53] stresses, "long-term productive investments in the SDGs will likely boost developing countries future growth rates, thereby, also facilitating the repayment of outstanding debt stocks".

**Appendix 3-8 are separate documents**

**Appendix 3 Table 1 Comparison of data from GPE Replenishment Pledge, MEL System and online sources**

**Appendix 4 Table 2 Education budget and debt servicing as a percentage of national budget**

**Appendix 5 Table 3 Comparison of 2020 budget and projected budget for 2021**

**Appendix 6 Table 4 Summary of financial support given to African countries during COVID-19 and conditions attached**

**Appendix 7 Table 5 Financial pledges to support the GPE Fund by country and currency**

**Appendix 8 Table 6 Summary of budget break down for education**

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[48] Das, U. S. et al (1st Aug. 2012), Sovereign Debt Restructurings 1950–2010: Literature Survey, Data, and Stylized Facts. IMF Working Paper Monetary and Capital Markets Department. WP/12/203

[49] Das, U. S. et al (1st Aug. 2012), Sovereign Debt Restructurings 1950–2010: Literature Survey, Data, and Stylized Facts. IMF Working Paper Monetary and Capital Markets Department. WP/12/203

[50] Buckley, R. P. (2011). Debt-for-development exchanges: History and new applications. New York: Cambridge University Press

[51] Hiroshi, I. Ryosuke, S. & Toshiyuki, Y. (2018) Debt swaps for financing education: Exploration of new funding resources, Cogent Economics & Finance, 6:1.

[52] For an analysis of the potential benefits of debt swaps for financing education see Cassimon et al (2009), UNESCO (2009 & 2013), and Hiroshi (2018).

[53] UN (2020). Financing for Development in the Era of COVID-19 and Beyond. Menu of Options for the Considerations of Ministers of Finance. Part II. September 2020. P.104.