

Every Child In School

A Challenge to Finance and Development Ministers

125 million children are out of school, and there are nearly one billion illiterate adults. In a rapidly globalising world, the costs of excluding so many from the economic and political opportunities associated with education are rising sharply, and threaten growing instability. At the Spring Meetings of the World Bank and IMF, the world's Finance and Development Ministers will consider an action plan for achieving education for all. This action plan represents the best chance in a generation to get all the world's children into school. Ministers should turn the promise of new aid made last month in Monterrey into action to tackle the global education crisis.

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Summary

The world is gripped by a global education crisis. 125 million children are not enrolled in primary school, and two-thirds of them are girls – that is **one in five children in the world out of school**. Many more drop out of school before learning how to read, write, or do simple sums. They will join the ranks of nearly **one billion illiterate adults in the world**. In a rapidly globalising world, the costs of excluding so many from the economic and political opportunities associated with education are rising sharply, and threaten growing instability.

Two years ago at the World Education Forum in Dakar, 180 governments, UNESCO, and the World Bank committed to deliver education for all (EFA) by 2015 and endorsed the principle that 'no country seriously committed to education for all will be thwarted in their achievements of this goal by lack of resources'.

Since Dakar, governments and international organisations have been going round in circles, failing to agree how the international community will work together to get all the world's children into school. **On current trends there will be 75 million primary-aged children out of school in 2015**. The World Bank estimates that 88 countries will not achieve universal completion of primary education by 2015.¹ The target of getting an equal number of girls in school by 2005 will be comprehensively missed.

The picture is bleak, but a solution is within reach. A new climate of opportunity has emerged following the commitments made last month in Monterrey by the USA, EU, Canada and others to increase aid to countries that are committed to achieving the Millennium Development Goals, which include universal primary education.

The April meeting of the World's Finance and Development Ministers in Washington provides an historic opportunity to transform the promise of Monterrey into action. Ministers have asked the World Bank to present them with an action plan for achieving education for all by 2015. The World Bank action plan provides **the best opportunity in a generation to get every child into school**. It seeks to establish a new compact. Governments that prioritize basic education will receive the financial support they desperately need from the international community. Many countries, like Tanzania (see box 1), have adopted sound education policies, but urgently need financial support.

Like the HIPC debt initiative, the action plan represents a serious effort from the international community to tackle one of the world's most glaring injustices. The key to success will be whether Finance and Development Ministers can agree to launch a financing framework that will ensure that 'no country that is seriously committed to education for all will be thwarted in their achievements of this goal by lack of resources'.

We propose a very pragmatic approach. A donor consortium should fill education financing gaps at a twice-yearly pledging conference. The pledging conference should mobilize resources from the World Bank, debt relief, bilateral aid, and the private sector in support of national education plans that are embedded in wider poverty reduction strategies.

The Global Campaign for Education hopes that Finance and Development Ministers will launch an ambitious action plan for achieving EFA which:

- **Commits all developing countries to finalize in 2002 plans for achieving education for all, with clear strategies for improving the quality of education, for abolishing user fees, and for getting an equal number of girls into school**
- **Mandates the World Bank to work with donors to create a financing framework to fill financing gaps in specific countries**
- **Announces immediate action to fill education financing gaps in 19 countries**

Box 1 Tanzania: children flooding back to school – international community must act now

When Godfrey Joseph started classes at his local primary school in northern Tanzania, his experience was a little unusual. It was the first time he'd ever set foot inside a classroom, and yet he was already thirteen – by any country's standards an advanced age for a child to learn to read and write.

But Godfrey's story is a common one this year in Tanzania. His school in the dusty town of Shinyanga has seen an influx of hundreds of children since January when the government introduced free primary education. Until then, parents had to pay tuition fees as well as a bewildering array of charges – for books, uniforms, food, and school maintenance. Sometimes as little as \$5 per child per year, these fees nevertheless price education out of the reach of the very poorest families.

Now the floodgates have opened. More than half of the three million primary-aged children who were excluded from school in Tanzania are, like Godfrey, eagerly devouring new skills and knowledge. His eight-room school is crammed with almost two thousand pupils, a testimony to the deep pent-up thirst for education.

But the challenges remain enormous. The number of new classrooms and teachers hasn't kept up with the enthusiasm for enrolment. Many children are being taught in hugely overcrowded classes, or have been enrolled but sent home until the new classrooms have been built. The whole plan will fail entirely unless there is enough money at school level not only to replace the fees that would have been collected, but also to provide a decent quality of education.

Already there is evidence of schools collecting money 'by the backdoor' to make good the shortfall. The international community must immediately back the Tanzanian government and fill the education financing gap for the country. If the world does not respond, the pledge that 'no country seriously committed to education for all will be thwarted in their achievement of this goal by lack of resources' will sound very hollow indeed.²

The global education crisis

'Will our legacy be more than a series of broken promises?'

Nelson Mandela, speaking to an international conference on child poverty in 2001

125 million children across the world are not enrolled in school; two-thirds of them are girls. Many more than that drop out before being able to read or do simple mathematics. They will join the ranks of nearly 1 billion illiterate adults in the world.

In a rapidly globalizing world, the costs of excluding so many from the economic, developmental, and political opportunities associated with education are rising sharply, and threaten growing instability both in the North and in the South. Large concentrations of poverty and illiteracy provide a breeding ground for extremism. The rise of the Taliban in Afghanistan was facilitated by illiteracy. In 2001 UNESCO estimated that 63 per cent of the population of Afghanistan were unable to read or write.

Box 2 Malawi: how the international community failed a country's children

In 1994, the Government of Malawi abolished fees for education as part of a strategy to achieve universal basic education. Enrolments increased from 1.9 million to 3 million pupils within the first year, illustrating the huge pent-up demand for education blocked by user fees. The World Bank estimates that resources going to education needed to double within three years of the fee abolition in order to cover the extra costs of teachers, learning materials, and the management of the larger and more complex system. The government significantly increased the education budget, but it was insufficient to cover the additional needs and to make up for the backlog in teachers and school infrastructure. Donor support in Malawi accounts for approximately 90 per cent of capital expenditure on education, and when this support failed to increase after the abolition of fees, the quality of education plummeted. The massive expansion of enrolment, combined with a lack of willingness from donors to support an expansion of infrastructure and capacity, led to ratios of 62 pupils for every teacher, and ratios of 119 pupils for every permanent classroom. As quality declined, drop-out rates rose. The drop-out rate in the first two years of primary education is now as high as 30 per cent. A great opportunity to break the cycle of poverty for a million children in Malawi was undermined.

If rhetorical commitments to education for all were even remotely matched by reality, the situation would be very different. Two years ago at the World Education Forum in Dakar, 180 governments, UNESCO, and the World Bank committed to launch a 'global

initiative' to deliver education for all (EFA) by 2015, and endorsed the principle that 'no country seriously committed to education for all will be thwarted in their achievements of this goal by lack of resources'. They also committed to getting an equal number of girls in school by 2005.

Since then there has been very little discernable progress, and no sign of a 'global initiative' to achieve education for all. On current trends there will be 75 million primary-aged children out of school in 2015. The World Bank estimates that 88 countries will not achieve universal completion of primary education by 2015.

An historic opportunity

'Ministers looked forward to full consideration of this subject at their next meeting, based on an action plan that will address, inter alia, the policy and resource requirements needed to ensure that EFA goals are reached by 2015 through the development of sustainable and high quality EFA programs at the country level.'

Development Committee Communiqué, Nov 2001

The global community has one last chance to prove that the promises made to the world's children were more than mere political posturing. When they met in Ottawa in 2000, Ministers of the Development Committee³ asked World Bank staff to develop by April 2002 an Action Plan that would enable the international community to deliver education for all by 2015.

There is some reason for optimism that a strong action plan can be agreed. The recent announcements made in Monterrey of increased aid from the USA, EU, Canada and others provide a new climate of opportunity. There is a growing consensus on the need to increase significantly aid to countries committed to poverty reduction. The NEPAD⁴ initiative illustrates how developing-country governments are increasingly committed to achieving the Millennium Development Goals, including universal primary education. Growing numbers of poor countries are developing strategies for achieving education for all. The April meeting of the Development Committee is the moment to turn this new potential into action.

If the international community can reach agreement on a strong action plan, there is a real chance that progress towards universal basic education could be rapidly accelerated, and that the lives of millions of children around the world could be dramatically transformed.

Key features of an action plan for achieving education for all

The action plan should be a compact between developing countries and donors. It should have 4 key components:

- 1) National plans
- 2) Monitoring
- 3) Financing framework
- 4) Immediate action in 19 countries

National plans

Like the HIPC debt initiative, the EFA action plan should be built on the commitment of developing countries to prepare strong national plans. Clearly priority action areas will vary from country to country. However, key features of a strong national plan might include:

- The devotion of a minimum share of national resources to basic education
- Strategies to get an equal number of girls into school
- Strategies to abolish user fees in basic education
- Commitment to decent salaries to attract and retain strong candidates to the teaching profession
- Strategies to address the impact of HIV-AIDS on education systems
- Strategies to extend access to marginalized groups
- Strategies to keep pupil/teacher ratios at a level that permits effective learning
- Broad participation in the development of education strategies.

It is important to recognize that almost all of these policy goals will require genuinely additional resources to be mobilized from donors and governments.

Monitoring

The action plan should provide a snapshot of progress on EFA goals. It should incorporate a ledger tracking policy challenges and financing gaps in individual countries. It should identify countries that are on-track or off-track and in need of additional support.

The need for a financing framework

Current donor efforts to finance EFA are grossly inadequate. The World Bank's report for the Finance for Development conference estimated a global primary education financing gap of \$10-15bn a year. Precise figures are a matter for debate. What is clear is that substantial and sustained increases in aid will be needed if the promise made at Dakar is to be realized. We propose that developing-country governments should meet half the cost of achieving education for all.

Box 3 Aid to education is woefully inadequate

Current donor support to basic education is woefully inadequate in view of the scale of the challenge the world's poorest countries face. The OECD's Development Assistance Committee data shows that in 2000 only 1.5 per cent of total ODA – less than \$1bn – went to basic education. This is less than one-tenth of the additional annual financing requirements the World Bank estimates are needed to reach the goal of Universal Primary Education. World Bank IDA lending for basic education, which is the largest source of external education financing in low-income countries, has also fallen sharply. Whereas new IDA commitments to education in Africa totalled over \$400m in 1993, by 2000 this had slumped by half to \$200m. The weak record of donors in education is reflected more broadly in aid patterns. As donor countries grew wealthier over the 1990s, they became meaner. Whereas 0.38 per cent of OECD GDP was given in aid in 1982, in 1999 this had fallen to 0.22 per cent. Because the share of aid going to education has remained more or less fixed at 10 per cent of the total, education funding has declined markedly as a share of rich countries' GDP. The recent commitments by the US, the EU, Canada and others to increase aid to countries committed to achieving the Millennium Development Goals (which include universal primary education by 2015) will hopefully represent a significant change of direction.

Aid quality, as well as quantity, urgently needs to be addressed. In particular, the lack of donor co-ordination on EFA requires immediate action. This lack of co-ordination exists both nationally and globally. At present, governments often face years of negotiations – sometimes with as many as a dozen donors, each with conflicting needs and priorities – before they can secure the additional finance they need to implement policy reforms.

Aid targeting also demands a major rethink. Currently, aid flows are rarely focused on those countries in greatest need, or on those that are best placed to make effective use of additional resources to tackle poverty. The financing framework would address these problems by establishing a positive incentive structure where aid rewards progress in a predictable and transparent way, responds to demonstrated need, and can be used most effectively.

Box 4 Why aid matters: the case of Uganda

The case of Uganda provides a dramatic contrast to the case of Malawi (see box 2 above). Uganda abolished school fees in 1996 and experienced an increase in enrolment from 3.1 million to 5.3 million pupils. The government significantly increased its budget for education (from 9 per cent of total recurrent expenditure going to primary education in 1996 to 19 per cent of the same by 1999). In addition, the international community quickly moved in with quick disbursing support to help close the financing gap. Major increases in aid for education came from the World Bank and from bilateral sources.

Aid money was used to increase teacher training and execute major programs to extend access to school and provide teaching materials. As a result, enrolment rates in Uganda increased, without the same decline in education quality seen in Malawi.

Operation of the financing framework

The financing framework should channel additional resources from a range of bilateral and multilateral sources. It should not be a fund, though some donors may wish to contribute through a dedicated financing facility. What matters is that additional donor support is provided through mainstream budget channels at the country level, in the context of national education plans and poverty reduction strategies. The financing framework should be a mechanism that operationalizes the commitment that no countries that are seriously committed to EFA will fail for lack of resources. The framework should operate as follows:

- Wherever possible financing gaps should be filled through donor co-ordination at the national level (usually through the consultative group process).
- **An EFA Donor Consortium** should fill remaining financing gaps at a twice-yearly donor pledging conference.
- The pledging conference should mobilize financing from IDA, debt relief, bilateral aid, and the private sector.

Immediate-action countries

The World Bank estimates that 88 countries will not achieve universal primary completion by 2015 if current trends continue.⁵ If the international community is serious about achieving education for all, then it should start by immediately accelerating progress in a significant number of these countries. This will signal the international community's intent, and provide strong incentives for reform in other countries.

A large group of countries are being held back from making progress towards EFA by a lack of resources. The table below shows 19 countries where public expenditure management is improving, where strong poverty reduction strategies are being developed, where education has been identified as a priority, but where there is a clear education financing gap. Table 1 includes the latest World Bank estimates of the additional external financing of basic education that is required in these countries.

Table 1: Latest World Bank estimates of the additional external financing of basic education

Country	External financing gap US\$m per year
Tanzania	123
Mozambique	54
Uganda	110
Burkina Faso	71
Senegal	55
Malawi	39
Nepal	32
Cambodia	19
Bangladesh	39
Honduras	20
Ghana	33
Ethiopia	239
Niger	56
Mali	55
Guinea	38
Benin	22
Mauritania	8
Guinea Bissau	4
Gambia	4
Total	1021

These calculations should be regarded as an absolute minimum requirement, since they assume both a significant increase in domestic resource mobilization, and politically and technically difficult reforms leading to major efficiency savings. As such, it is likely that they underestimate the cost of achieving EFA, since they

fail to take into account both the short-term costs of reform, and the full cost of strategies to improve quality, equity, and access.

The Development Committee should agree to the immediate filling of the financing gap in these countries. While increased IDA flows will be necessary to cover part of this gap, major increases in bilateral flows will also be required.

Although immediate donor action in high performing countries is vital, countries with weaker policy environments must not be ignored. These countries cannot be expected to receive additional donor assistance only after they have produced a perfect national plan. Instead, the financing framework should support and accelerate interim strategies aimed at meeting immediate educational needs (there is scope for a range of micro-financing initiatives in these countries), and getting countries 'on track' to meet the Dakar goals, while simultaneously working to develop long-term capacity to produce and implement national plans of action.

At each stage of this 'escalator approach' countries will be assured of the additional donor resources they need in order to build their capacity, and deliver quality basic education for all. Capacity-building will be developed as part of broad development cooperation frameworks such as the PRSP⁶.

Time line

No action plan can be complete without a specific timeline for taking action. We suggest the following approach:

21st April 2002 – Development Committee launches EFA action plan and financing framework and pledges immediate additional resources to 19 countries

May 2002 – membership of EFA donor consortium is agreed

June 2002 - G8 endorses EFA action plan and financing framework and pledges immediate support to additional countries

October 2002 – EFA donor consortium meets to hold the first annual pledging conference to mobilize resources to fill additional financing gaps.

Recommendations

The Global Campaign for Education hopes that Ministers of the Development Committee will agree an education for all action plan which:

- Commits all developing countries to finalize in 2002 clear strategies for achieving education for all that are embedded in wider poverty reduction strategies
- Endorses the principle that any country which is seriously committed to EFA will have its financing needs met
- Mandates the World Bank to work with donors to bring together a donor consortium to oversee a financing framework. The consortium should meet twice yearly at a pledging conference to fill financing gaps in specific countries. A bilateral donor should chair the consortium. The ongoing work of the consortium would be taken forward by an expert panel which would review national strategies and provide country feedback
- Incorporates a clear assessment of the steps that need to be taken to improve the quality of education, abolish school fees, and get an equal number of girls into school
- Asks UNESCO and the World Bank to work with governments to produce an annual global ledger giving an up-to-date snapshot of policy challenges and financing gaps within individual countries
- Announces immediate action to fill financing gaps in 19 countries
- Incorporates specific actions with a time line for implementation.

Notes

¹ 'Education for Dynamic Economies: Action Plan to Accelerate Progress Towards Education For All', World Bank, April 2002

² Information supplied by the NGO 'Maarifa ni Ufunguo', PO Box 15102, Arusha, Tanzania, Maarifa@meruonline.com, and from recent interviews by Oxfam in Tanzania.

³ The committee of the world's Finance and Development Ministers. It was established to advise the Boards of Governors of the IMF and World Bank on critical development issues and on the financial resources required to promote economic development in developing countries.

⁴ New Partnership for Africa's Development

⁵ 'Education for Dynamic Economies: Action Plan to Accelerate Progress Towards Education For All', World Bank, April 2002

⁶ Poverty Reduction Strategy Paper

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