

THE COMPACT ON DOMESTIC FINANCING OF EDUCATION

This Declaration will be launched on 31st October 2017 – 100 days before the GPE Financing Conference in Dakar – helping civil society actors to galvanise action on domestic financing of education from developing country governments, using GPE replenishment 2020 as a key opportunity.

The Education Finance Commission report in 2016 recognised that 97% of the new financing needed to achieve the Sustainable Development Goal on education would need to come from domestic resources. Over the coming months there is an opportunity to make a significant breakthrough in mobilising new domestic resource commitments for education.

On 8th February 2018 the Global Partnership for Education (GPE) will hold an historic replenishment conference in Senegal, co-hosted with France. This is the first time that such a global fund replenishment has taken place in a developing country. This offers an incredible opportunity to make visible GPE's distinction as a real partnership between developing and donor countries, where donor funds only flow to countries that commit to maintain or expand their own domestic resources for education.

Education is a human right, and a crucial means for development. It is widely acknowledged that if we fail to make significant progress on education outcomes, we will fail to meet any of the Sustainable Development Goals. Yet 275 million children and young people today are still not able to access education, with over half a billion more in school but not learning and over 750 million adults who lack even basic literacy. As civil society organisations we are committed to seize this moment to secure ever greater financial commitments to education from developing country governments – in order to ensure that everyone is able to access their right to an inclusive, quality education. We recognise that all pledges of resources are first and foremost pledges that governments are making to their own citizens.

In 2014 developing country governments made remarkable commitments of \$26 billion at the GPE replenishment event – ten times more than the donors – but many of these pledges were lacking in credible detail. This time GPE has put in place an elaborate system to encourage developing country governments to make credible pledges to maintain or increase their spending on education towards the benchmark of 20% of national budgets. But we believe the coming months can be used for much more.

Civil society campaigners are calling for developing country governments to make a breakthrough in their own efforts to increase education financing, and to use the GPE replenishment process over the coming 100 days, by:

1. **Making pledges early** - in advance of the GPE replenishment date of 8th February - to leverage greater commitments from donors. Developing country governments can show dynamic and inspirational leadership by making their own commitments to finance education, and then call on donors to build on their efforts.
2. **Approving commitments at the highest level** - ensuring that all pledges of increased financing to education are approved by Heads of State and Ministers of Finance – to show serious political

support. The commitments should be made explicit in relevant annual budget and medium term expenditure documents.

3. **Announcing domestically first** - new finance commitments to education should be heard first by national citizens *before* being made as formal pledges to the GPE. The context of the GPE replenishment offers a real rationale for countries to make pledges at this moment but the announcements should be made in national parliaments or in the media, as they are ultimately announcements of interest to the voters and citizens of the country concerned.
4. **Ensuring commitments are credible** – with clear baseline data, clearly expressed targets and a commitment to track and report on them over time in a fully transparent way.
5. **Increasing the share of budgets for education** - in line with the Education 2030 Framework for Action and the GPE benchmark / requirement. countries should pledge to maintain their budget share at or above 20% - and if present spending falls short of this the pledge should include ambitious steps to increase the share of the national budget spent on education.
6. **Increasing the size of budgets overall** – for countries which already spend 20% of the budget on education, financing commitments to education could be made in the form of ambitious steps to expand domestic revenues through action to expand the tax base in progressive ways (targeting a tax to GDP ratio of at least 20%). This could be achieved for example by ending what the IMF term as ‘harmful tax incentives’, removing tax loopholes, challenging aggressive tax avoidance or introducing new earmarked taxes for education.
7. **Increasing the sensitivity of budgets** – alongside pledges of increased resources, countries might frame a pledge to spend their education budgets with a greater attention to equity, inclusion and quality – increasing spending on basic education, including early childhood education and adult literacy, and targeting spending on what works effectively in respect of girls’ education, the inclusion of children with disabilities, those from minority ethno-linguistic backgrounds, children living in poverty, out-of-school children, and those affected by conflict.
8. **Increasing the scrutiny of budgets** – too often money that is allocated to education does not get spent on education or does not arrive on the frontline in schools. Action to ensure budgets are transparent and funds are tracked independently (including with help from civil society) can help to ensure that new resources are converted into real delivery on the ground. The primary accountability for effective use of funding should always be of governments to their own citizens.
9. **Adding to the collective voice for education** - we urge developing country governments to use any sub-regional, regional or international forums to come together and vocalise their support for greater investment in education – making a collective call to donors to deliver on their side of the GPE compact.
10. **Adding to the collective call for global tax reforms** – global tax rules are presently set by the OECD and favour richer nations. There is a growing call for a democratic inter-governmental body that is fully resourced and empowered to set and enforce global tax rules. Urgent action is needed to find ways to tax revenues deposited in tax havens, to set up a global wealth tax or a financial transactions tax. Developing countries that prioritise spending on education in their

own national budgets stand to gain enormously from making a collective stand calling for global progress on tax justice.

Together we can make the 8th February 2018 a landmark day – one that marks the beginning of a transformation of the right to education for hundreds of millions of people around the world!

