

GPE'S EFFORTS to INCREASE DOMESTIC FINANCING FOR EDUCATION

FACTSHEET

THE CHALLENGE

Developing countries face a critical shortage in financing for education, and action must be taken to avert the learning crisis caused by this deficit. If current trends continue, by 2030 over 800 million of the world's 1.6 billion young people will not have the skills necessary for decent employment, and only one in ten school-aged children in low-income countries will have basic secondary-level skills.

THE OPPORTUNITY

Domestic spending is the most important source of finance for education, and will continue to be the main driver for expanding access to quality education. It is estimated that 97% of the additional global education financing needed by 2030 will come from domestic sources. The Incheon Declaration and Framework for

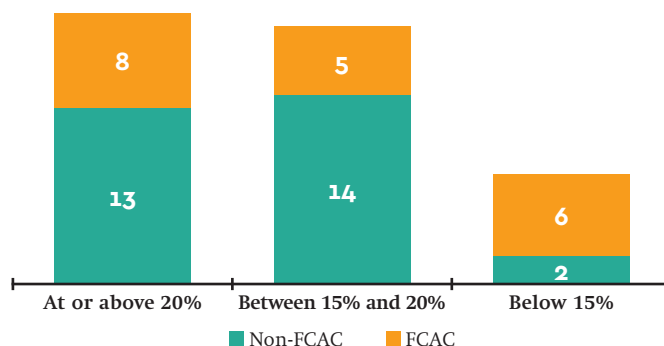
Investment in education pays handsome dividends to countries, but failing to invest could slow economic growth and increase poverty, social tensions and political instability.

GPE'S APPROACH TO DOMESTIC EDUCATION FINANCING WORKS

The Global Partnership for Education (GPE) is working with developing countries to increase domestic investment in education, and this is the focus of GPE's strategic plan and its results-based funding model.

A country applying for an education sector program implementation grant is required to show that efforts were made to increase domestic spending on education to at least 20% of the national budget to be eligible for GPE funding. In 2016, 44% of GPE partner countries for which data were available met this requirement. The figure shows education spending as a percentage of national budgets in developing countries with which GPE has a partnership.

Education spending in GPE partner developing countries, 2016



FCAC = fragile and conflict-affected countries

GPE'S REPLENISHMENT

- GPE'S replenishment is an opportunity for governments to make pledges to increase spending on education. The GPE Secretariat is working with partner governments to collect and validate their pledge data before they formally announce their commitments to increase domestic spending on education.
- A domestic financing pledge framework aligned with GPE's results framework will assess the proportion of public spending on education by partner developing countries, and whether spending has been maintained at or above 20%.
- Government pledges will be based on recurrent education spending as a proportion of total recurrent public spending. Countries that have met or exceeded this threshold will be asked to commit to maintain their progress.
- Progress on domestic education spending will be monitored under GPE's results framework and tracked in terms of the actual proportion of total public spending committed to education, compared with the percentage pledged by the government.

- GPE's goal is that by 2020, 90% of all GPE partner developing countries will have increased their public spending on education or maintained spending at 20% or higher.
- GPE will make data available to its partner countries to help inform a more robust dialogue on domestic financing, allowing for better advocacy, creating potential for knowledge sharing, and helping catalyze external donor financing.

Recurrent spending is used in the pledge framework to capture the volume of a country's domestic discretionary resources committed to education. Using recurrent spending gives a clearer picture of how government revenue is being channeled. Recurrent spending typically excludes large donor-funded projects which are usually recorded in the capital or development budget.



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