Financing at Full Force
Global leaders hail girls’ education as “the world’s best development investment.” Educated girls have the power to grow the global economy and build a safer, healthier, more equal world for us all. Yet more than 130 million girls are out of school. And almost one billion girls and young women lack the education and skills they need to succeed in a rapidly changing labour market. Girls in low- and lower-middle-income countries are least likely to receive a full education — the poorest girls in Africa only have a 2% chance of completing secondary school. Their untapped potential acts as a brake on economic progress and sustainable development. Not educating girls and women costs the global economy $30 trillion in lost lifetime earnings.

Without enough funding, school systems cannot equip students with the skills and knowledge to realise their potential and prepare for the jobs of tomorrow. At the G20 and G7 summits, the world’s leading economies have the opportunity to address this education crisis and in doing so, boost economic growth in their own countries and around the world. This paper presents new data insights on how current donor funding for education falls short of the financing goals required to meet global targets. Our research reveals that these funds are not targeting the right countries and fail to adequately promote gender equality in education. Just 10% of global education aid goes to the 10 countries with greatest girls’ education challenges, and less than 40% of aid aims to promote gender equality in education.

This paper calls on the G20 and G7 to launch complementary initiatives at their respective summits to accelerate progress for girls’ education. It details how additional financial resources to poorer countries and support of national education sector plans can help ensure that all girls learn and earn at full force.
Decades of research demonstrate the impact of educating girls on economic growth, individuals’ and households’ earning power, health, environmental sustainability and reduced conflict. The data is clear: when girls learn and women earn, economies and societies are stronger and fairer.

Today’s social, economic and technological developments mean that getting girls in school and learning is now more important than ever. Digitalisation, artificial intelligence and automation are changing the workplace and education needs to rise to the challenge. Malala Fund’s 2018 report, *Full Force: Why the world works better when girls go to school*, found that almost one billion girls and young women, primarily in the poorest countries, lack the education and skills they need to succeed in a rapidly changing labour market. Unleashing their untapped potential could benefit the entire global economy.

Recognising the transformative potential of girls’ education, the Presidencies of the G20 and G7 have placed it at the top of their development cooperation agendas.

Education is key to meeting the shared G20 and G7 goals of promoting inclusive growth and economic development, building a skilled workforce, eliminating extreme poverty, reducing inequality and creating a better future for women and children. Yet in the countries where most girls are out of school, financing for education — both through domestic budgets and overseas development assistance (ODA) — remains inadequate.

To achieve their ambitious goals, the G20 and G7 must provide more and better financing for basic and secondary education.

The G20 and G7 represent the world’s biggest economies and most important donors. Their combined efforts could give new global momentum to the fight to bring quality education to all by 2030 and help build strong, stable economies around the world. While primary responsibility for providing education rests with developing countries themselves, the G20 and G7 have the opportunity to play a pivotal role in redoubling efforts to ensure that every girl can realise her potential through quality, gender-responsive education.

Malala Fund calls on Prime Minister Abe and President Macron to use their respective leaderships of the G20 and G7 to drive progress on girls’ education for economic transformation and gender equality, in 2019 and beyond.

This paper presents new data insights on financing for girls’ education and calls for more investment in countries’ education sector plans. It also suggests how the G20 and G7 can incentivise countries to make their education systems more gender responsive and innovative, in order to give girls and boys the skills they need for the future.

As the G20 president, I would like to confirm with other G20 leaders our determination to create a world where all can have access to at least 12 years of high-quality education.

— PRIME MINISTER SHINZO ABE, SPEECH TO THE WORLD ASSEMBLY OF WOMEN, MARCH 2019

It is unacceptable not to enjoy the same opportunities depending on the country you are born in, not to be able to go to school in countries because you are a woman.

— PRESIDENT EMMANUEL MACRON, SPEECH TO THE UNITED NATIONS, SEPTEMBER 2018

It is unacceptable not to enjoy the same opportunities depending on the country you are born in, not to be able to go to school in countries because you are a woman.

— PRESIDENT EMMANUEL MACRON, SPEECH TO THE UNITED NATIONS, SEPTEMBER 2018
1. The world’s best investment: girls’ education

Research over decades proves clear links between girls’ education, economic growth and many other social and economic benefits. In 2018, the World Bank found that if every girl around the world received 12 years of quality education, lifetime earnings by women could increase by up to $30 trillion globally. Women with primary school education earn 15% more than women with no education at all and women with secondary school education earn almost twice as much.

The study also found that women with secondary education are less likely to:

- Marry and have children before the age of 18.
- Have a baby who is stunted in growth, and who, in turn, will earn less as an adult.
- Experience intimate partner violence.

Girls educated to secondary level are also more likely to be in formal sector jobs, use modern contraception methods and have lower fertility levels and healthier families.

Because of this overwhelming evidence, world leaders frequently describe girls’ education as “the world’s best development investment.” Yet, more than 130 million girls are out of school today. The following section briefly outlines the state of girls’ education, demonstrating the continuing need for investment by the G20 and the G7.

At the global level, almost as many girls as boys are now in school. Yet, more than 130 million girls are out of school today. The following section briefly outlines the state of girls’ education, demonstrating the continuing need for investment by the G20 and the G7.

2. Girls’ education in 2019

At the global level, almost as many girls as boys are now in school. But this apparently encouraging statistic is misleading: the world is not on track to provide 12 years of quality education for all girls and boys, the Sustainable Development Goals (SDGs) global target for 2030. At current rates of progress, it will take until the year 2100 for all countries to reach the target. In addition to the millions of girls out of school, 290 million girls are not achieving minimum learning targets for their age. The poorest girls in Africa have just a 2% chance of completing secondary school.

Despite recent global progress in increasing primary enrolment, twice as many girls as boys will never start school, with gender gaps widest in South and West Asia and Sub-Saharan Africa. Marginalised girls who do enrol drop out at a faster rate than both boys and richer girls. Regional statistics for Africa also show that there is a large gap in learning the basics between rich, urban boys and poor, rural girls.

From enrolment to empowerment: gender-responsive education

By removing gender bias in education systems and ensuring all girls can learn in safe and girl-friendly school environments, education can help address gender inequality in wider society.

The best way to achieve this is through national Gender-Responsive Education Sector Plans (GRESPs), developed and owned by governments, which include efforts like providing stipends and bursaries, ending school-related gender-based violence, readmitting pregnant girls and young mothers, improving school sanitation and hygiene, and addressing gender bias in teaching.

When properly resourced and effectively implemented, GRESPs are transformative. This type of planning has resulted in policies allowing girls who become pregnant to return to school in Namibia, in the adoption of new behaviour codes prohibiting violence and sexual harassment of girls in Papua New Guinea, and in the creation of a scheme to encourage girls to study STEM (science, technology, engineering and maths) subjects in South Africa, among others.
3. Shortfalls in education financing persist, especially where girls need it most

Analysis commissioned by Malala Fund shows that donor funding remains short of the financing required to reach global goals, does not reach countries where girls’ education challenges are highest and does not adequately integrate a gender focus.

The international community has repeatedly pledged additional financial resources for education, dating back to the 2000 Education For All Declaration.

“No country with a serious plan for achieving Education For All will be thwarted in this ambition by lack of resources.”

— 2000 EDUCATION FOR ALL DECLARATION

At secondary level, a slightly different pattern emerges. Globally, 16% of girls are out of school at lower secondary level and 36.5% at upper secondary. Sub-Saharan African and South and Western Asian countries have both the highest absolute out-of-school girl populations and the widest gender gaps in enrolment. Learning deficits are also evident at secondary level for both girls and boys. When girls do stay in school, their performance is marginally better than boys. But given they average fewer years in school than boys, this does not put them at substantial advantage. And, girls are less likely to pursue STEM subjects at higher levels of education, putting them at a disadvantage in the changing economy where study in these subjects is becoming increasingly crucial to secure well-paid work.

In Beyond Basics: Making 12 Years of Education a Reality for Girls Globally, Malala Fund set out a pathway for increasing funding to ensure that countries could progressively achieve 12 years of education for all girls. It estimated the ODA required to achieve 12 years of education for all girls and boys in poor countries to be $39 billion per year by 2030. This estimate that was later endorsed by the International Commission on Financing Global Education Opportunity.

Globally, ODA to education remains substantially short of this total, standing at $13.2 billion in 2017, the latest year for which data is available (see Figure 1), a slight drop compared to the 2016 figures. Education’s share of total ODA is also dropping each year, reflecting donors’ prioritisation of other issues in development cooperation. And Malala Fund’s calculations now show that far too little of this aid is actually available for primary and secondary schooling in poorer countries, as donors spend much of it elsewhere and on other priorities. Our calculations show that the ODA actually available to spend on schooling in poorer countries is just $7.5 billion per year.

Focus on the Sahel: Education on the frontline

The French G7 Presidency will focus on supporting peace and development in the Sahel region.

Currently more than 11 million children and youth are out of school in the Sahel G5, over 50% of them girls. Girls in the region face barriers to their education like harmful social norms and household poverty. For example, Niger has the highest rate of child marriage in the world and Burkina Faso is home to 790,000 malnourished children. Rising fundamentalism and conflict intensifies these education challenges. Extremist groups have used tactics such as burning schools and kidnapping children in Burkina Faso, Chad and Mauritania. The number of schools in the region forced to close has doubled since 2017, depriving almost half a million children of education, according to UNICEF. Girls who don’t attend school are those more likely to suffer violence and be forced to marry early — especially in refugee situations. Sahel G5 countries are also host to significant refugee populations from countries like Nigeria, Sudan, and Central African Republic, as well as internally displaced people.
Focus on the Sahel: Financing shortfalls limit countries’ ambition

The Sahel G5 countries face significant financing gaps in education. This means that they are far from being able to achieve 12 years of quality education for all by 2030 and may not even be able to implement their current education strategies. Malala Fund has commissioned research on what additional funding is needed for them to deliver on their existing education sector plans (ESPs). The research found that to deliver their existing national education sector plans, the Sahel G5 collectively are short of about $200 million per year in funds (see Appendix 9).14

Without external funding to fill the gaps, these countries will struggle to reopen closed schools, make alternative provisions for refugees and IDPs, reach marginalised populations and extend opportunity to all girls.

Further analysis shows that donors do not allocate their funding to the countries in greatest need, in terms of girls’ education. Malala Fund commissioned a Girls’ Education Challenge Index (GECI), allowing us to evaluate countries according to a range of measures and see where girls face the greatest challenges.15 Comparing the most-challenged countries with ODA flows, we find that only about 10% of the available education ODA goes to the places where girls are facing the biggest barriers (Figure 2).

Donors also do not adequately prioritise funding for education programmes that explicitly focus on promoting gender equality. Donors report that gender equality is the principal objective for only about 5% of ODA to education and has a significant impact on gender equality in just over 30% of aid programmes.16 This is at odds with the rhetorical commitment to girls’ education seen in many donor governments’ communications.

G7 donor performance in the region is weak when it comes to education ODA. Recent data shows that the G7 has allocated an average of $89.7 million per year to education in the Sahel countries in recent years, accounting for less than 5% of their total aid to the region.17

The Sahel G5 collectively are short of about $200 million per year in funds (see Appendix 9).14

Fig. 2
Is aid targeted to the countries where girls face the biggest challenges in getting an education?

$39bn
$7.5bn
$0.7bn

FINANCING REQUIREMENT
AVERAGE FINANCING 2015-2017
AVERAGE FINANCING TO 10 LOWEST GECI COUNTRIES 2015-2017

Fig. 3
Do G7 countries prioritise education in their development cooperation with the Sahel G5?

95.3%
4.7%
OTHER ODA
EDUCATION ODA EXCL. POST-SECONDARY

Fig. 4
Domestic spending on education in GPE countries

Average public expenditure on education, 2002 and 2016

14.0
14.5
15.0
15.5
16.0
16.5
17.0
17.5
18.0
Lower- and middle-income countries (80 countries)
GPE developing country partners (37 countries)

Domestic financing matters

The vast majority of financing for education comes from countries’ own resources. Poorer countries will need to increase public spending on education from the current $11 trillion per year to $2.7 trillion. The 2015 Incheon Declaration recommends that national governments allocate 4-6% of their gross domestic product (GDP) and/or at least 15-20% of their total public expenditure to education, with a focus on basic education.

Although progress is uneven, many countries are allocating more to education. Low-income countries in GPE have increased their spending to average almost 17% of budgets (Figure 4).

The 4 S framework for financing education

Domestic financing commitments should be judged not only on the share of resources allocated to education, but also the total available and how well funds are spent. This is expressed in the 4 S framework that the African Union Ministers of Education Meeting adopted in 2018.18

- **Share:** Ensure education has optimal share of available revenue, using the benchmarks of the Incheon Declaration.
- **Size:** Grow the domestic revenue base to increase available resources.

Finally, despite some recent increases, multilateral funding mechanisms for education also remain under-funded. The 2018 Global Partnership for Education (GPE) Financing Conference brought in $2.3 billion in commitments, engaged new donors and increased contributions from existing donors.19 Since then, this amount has increased to $2.5 billion, making progress towards GPE’s target of $2 billion a year by 2020. GPE needs to raise a further $600 million from donors to reach its target for the period 2018-2020.20 Education Cannot Wait (ECW), the global fund dedicated to education in emergencies, has a funding target of $1.8 billion and to date has raised $336 million, pending a pledging opportunity later in 2019.21

• Sensitivity: Use gender-responsive planning and budgeting.
• Scrutiny: Enable civil society scrutiny to oversee budget disbursement.
4. Grasping the opportunity of 2019

It is not enough for the world’s leading economies to pronounce the value of girls’ education without contributing additional funding. Malala Fund calls on the G20 and G7 to step up in 2019 to play complementary roles in the international financing architecture based on their established expertise, underpinned by new resources. Their efforts should centre on backing country-owned education sector plans, while incentivising countries to ensure these plans address the twin challenges of getting all girls into school for 12 years and learning the skills they need for the future workplace.

4.1 A DIVISION OF LABOUR FOR THE G20 AND G7

The G20 and G7 have the power to mobilise additional external resources for girls’ education, backed by technical assistance and triangular cooperation. They bring distinct interests and expertise to the debate about education’s role in sustainable development and how to ensure that funding has the maximum impact.

The G20’s focus has been on financial stability, macro-economic policy and, more recently, on development. Since 2017, the issue of skills has come increasingly to the fore, for example with the German Presidency’s eskills4girls initiative and the Argentina Presidency’s prioritisation of education and the future of work. The G20 also promotes triangular cooperation between richer countries, emerging economies and low-income countries. Its agenda has featured gender equality — especially in the labour force — more prominently in recent years. The G20 is well-placed to advance work on readying the workforce and ensure marginalised girls are not left behind. Based on average costs in countries that have tested these interventions, we estimate that a funding envelope of $400 million could enable 40 million girls to benefit indirectly from improved policies, better teaching and upgraded facilities, and could provide 3.6 million disadvantaged adolescent girls with targeted support to stay in school.

Focus on the Sahel: Analysis reveals how extra funding would benefit girls’ education

A review of the Sahel G5 countries’ ESPs revealed that they all contain at least some measures to improve girls’ education. Several of them include policies to incentivise girls to attend schools. For example, Burkina Faso and Chad outline proposals for school fee exemptions for poor girls. Niger’s plan includes scholarships and grants for marginalised girls, and there is provision for uniform and dry rations in Burkina Faso’s plan. Plans also provide for girls’ physical safety through transportation (Chad), separate latrines (Mauritania and Burkina Faso) and measures to counter gender-based violence (Burkina Faso). Niger’s plan pays particular attention to tackling gender bias in teaching and learning, while Mauritania’s focuses on achieving parity in enrolments in basic education and incentivising girls to participate in upper secondary school, training and higher education. Mali’s plan emphasises construction of local secondary schools and support for non-formal education “bridging” classes to bring out-of-school girls and boys back into formal education.

These plans could — and should — go further. Malala Fund’s analysis suggests that none of them fully meet the criteria for gender-responsive education sector planning. By providing donor funding for them and, at the same time, offering support to gender-responsive planning, the G7 could help create the conditions for greater ambition on girls’ education in the Sahel countries.

4.2 THE OSAKA G20 2019

Prime Minister Abe has committed to accelerating efforts on girls’ education at the G20 Summit in Osaka in June 2019 and the Development Working Group has agreed a G20 Education Initiative on Human Capital Investment and Sustainable Development.

Malala Fund recommends that G20 leaders endorse the initiative at the Osaka Summit and begin work to develop a three-year programme to provide technical and financial support to low-income countries. The programme would enable countries to meet 21st century challenges, prepare the future workforce and ensure marginalised girls are not left behind. Based on average costs in countries that have tested these interventions, we estimate that a funding envelope of $400 million could enable 40 million girls to benefit indirectly from improved policies, better teaching and upgraded facilities, and could provide 3.6 million disadvantaged adolescent girls with targeted support to stay in school.

4.3 THE BIARRITZ G7 2019

France has pledged that the 2019 G7 will provide tangible, effective and innovative solutions to tackle inequalities, with a special focus on gender inequality. Various ministerial meetings will propose elements of an “action framework to combat inequality”. As far as education is concerned, France has put gender-responsive education sector plans at the centrepiece of their effort, with a ministerial event planned for 5 July 2019. The French G7 Presidency will also launch a Sahel Initiative at the summit.

To deliver the Sahel G5’s full education sector plans, an uplift in external financing is essential. A G7 commitment to double aid to basic and secondary education would allow these countries to reach around 7 million girls of primary and secondary school age through the plans. This should be the centrepiece of a wider G7 push on girls’ education in poorer countries, as outlined in the detailed recommendations on page 12.
THE GLOBAL COMMUNITY’S EFFORT MUST CONTINUE AFTER SUMMIT FEVER HAS DIED DOWN.

In the years that follow, all governments should honour their commitments to increase financing so that all children can go to school and learn. Malala Fund recommends that leaders take the opportunity of the Heads of Government meeting of the U.N. High Level Political Forum on Sustainable Development in September 2019 to affirm the following commitments:

- The G7 and G20 report back annually on progress of their respective initiatives, under the auspices of established accountability frameworks.
- All developing country governments draw up and implement GRESPs that aim for progressive realisation of 12 years of education for all by 2030, starting with the most marginalised girls.
- International institutions to ensure that their external funding targets and replenishment efforts are based on the external financing required to provide 12 years of education for all, and supporting GRESP development on request.
- Developing countries adopt the 4S framework for financing girls’ education.
- Traditional and non-traditional bilateral donors commit to meeting a target of 0.7% of GNI in ODA and increase the share of aid to basic and secondary education to at least 15% of total aid budgets.
- Donors prioritise countries with large girls’ education challenges, and increase the share of education ODA that has gender equality as a principal objective.
- Donors’ support to the multilateral initiatives financing education in low- and lower-middle-income countries, including the Global Partnership for Education and Education Cannot Wait.

5. Recommendations

AT THE G20 SUMMIT IN OSAKA, LEADERS SHOULD:

- Launch a G20 Education & Skills Initiative on Human Capital Investment and Sustainable Development and commit $400 million in ODA to support low- and lower-middle-income countries to update their education sector plans and ensure girls are in school and learning skills relevant to the future of work.
- Promote gender-responsive planning, education policy innovation for “21st century” skills, and support for marginalised girls through triangular cooperation, technical support and capacity building.

AT THE G7 SUMMIT IN BIARRITZ, LEADERS SHOULD:

- Reaffirm their commitments in the 2018 Charlevoix Declaration and report back on progress in mobilising the additional financing therein.
- Agree to double the amount of ODA to basic and secondary education in the Sahel G5, for a minimum of three years, aligning funds behind the implementation and updating of education sector plans, through a combination of bilateral and multilateral contributions.
- Offer support to Sahel G5 and other African countries to improve gender responsiveness of national education sector plans, providing financing for scale up of technical support, capacity building and coordination of international efforts to support GRESP planning.
- Agree to give greater priority to gender equality objectives in all their education ODA programmes.
- Reaffirm their commitment to reaching the U.N. target of giving 0.7% Gross National Income (GNI) in ODA, allocating a minimum of 15% of ODA to education, and increasing the proportion of funds that are on-plan and on-budget.
1. Appendix 1

# Breakdown of financing gaps in education sector plans, Sahel G5

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>ESTIMATED NEEDS</th>
<th>AVAILABLE BUDGET</th>
<th>ESTIMATED GAP (USD MILLIONS, PER ANNUM)</th>
<th>TOTAL GAP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BURKINA FASO</td>
<td>$946.68</td>
<td>$889.70</td>
<td>$56.97</td>
<td>6%</td>
</tr>
<tr>
<td>CHAD</td>
<td>$237.86</td>
<td>$176.17</td>
<td>$61.69</td>
<td>26%</td>
</tr>
<tr>
<td>MALI</td>
<td>$461.00</td>
<td>$425.00</td>
<td>$36.00</td>
<td>8%</td>
</tr>
<tr>
<td>MAURITANIA</td>
<td>$218.00</td>
<td>$208.00</td>
<td>$10.00</td>
<td>5%</td>
</tr>
<tr>
<td>NIGER</td>
<td>$543.00</td>
<td>$521.00</td>
<td>$22.00</td>
<td>4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$186.96</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


# Footnotes


5. Ibid.


16. Ibid.

17. Ibid.

18. Ibid.

19. Ibid.


21. Ibid.

22. Ibid.

23. Ibid.

24. Ibid.

25. Ibid.

26. Ibid.

27. Ibid.

28. Ibid.

29. Ibid.

30. Ibid.


32. Ibid.


35. Ibid.

36. Ibid.

37. Ibid.

38. Ibid.

39. Ibid.

40. Ibid.

41. Ibid.

42. Ibid.

43. Ibid.

44. Ibid.

45. Ibid.

46. Ibid.

47. Ibid.

48. Ibid.

49. Ibid.

50. Ibid.

51. Ibid.

52. Ibid.

53. Ibid.

54. Ibid.

55. Ibid.

56. Ibid.

57. Ibid.

58. Ibid.

59. Ibid.

60. Ibid.

61. Ibid.

62. Ibid.