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Missing the Mark

A School Report on rich
countries' contribution to
Universal Primary Education
by 2015

Summary

At this defining moment in history, we must be ambitious. Our action must be as urgent as the need, and on the same scale.

– Kofi Annan, *In larger freedom: towards development, security and human rights for all* (March 2005)

What you have always declared is that we, boys and girls, are the future. You said it with a lot of enthusiasm, but as soon as you got elected, you forgot about your words. We are not the future, we are the present.

– Dante Fernandez Aguilhar, 13, Peru

On a balmy, September day in New York five years ago, heads of state set themselves eight tough goals for ending global poverty: the Millennium Development Goals. Among the most important of these was universal completion of primary education. Free basic education was declared to be the right of every child as long ago as 1948, but this time world leaders vowed to make it a reality by no later than 2015. As a first step, they promised to get as many girls as boys into school by 2005.

Education, especially for girls, empowers families to break the cycle of poverty for good. Young women with a primary education are twice as likely to stay safe from AIDS, and their earnings will be 10–20 per cent higher for every year of schooling completed. Evidence gathered over 30 years shows that educating women is the single most powerful weapon against malnutrition — even more effective than improving food supply.¹ Without universal primary education, the other Millennium Development Goals — stopping AIDS, halving the number of people living in poverty, ending unnecessary hunger and child death, amongst others — are not going to be achieved.

Rich countries' aid to education is producing results. Over the past five years, primary school fees have been abolished in many African countries, and as children flood into schools, aid has helped to provide tens of thousands more teachers and classrooms. Africa's gross enrolments have risen to over 90 per cent and, as a result, an estimated 17 million more children, especially girls, are in school.

For only \$5.4bn more per year, we could provide a quality, free education to every child, and unlock the full power of education to beat poverty. This amounts to less than two and a half days' global military spending. For the price of just one of the Cruise missiles dropped on Baghdad, 100 schools could be built in Africa.²

It is vital that rich countries should be held accountable for keeping their promises on education. Towards this end, we have produced this report to assess the aid efforts of 22 industrialised nations belonging to the Organisation for Economic Cooperation and Development (OECD). Our report shows that rich countries are still falling well short of the financing targets they set themselves, although some countries, such as Norway, the Netherlands, Sweden, and Denmark, are performing well. The chief laggards are Austria, the USA, New Zealand, Spain, and Italy. Five of the G7 countries are in the bottom half of the class, with a combined grade of 'D'. The two richest countries in the world, the USA and Japan, languish at the bottom of the class, providing less than 10 per cent of their fair share of support to Education for All.

Donor nations have launched an 'Education for All Fast Track Initiative' (FTI) to ensure that developing countries that come forward with good policies and clear plans for achieving Education for All are rewarded by increased aid. This is in line with the pledge by donor countries in 2000 that 'no country seriously committed to Education for All will be thwarted in their achievement of this goal by a lack of resources'.³ In addition to 13 countries that have already won approval for their plans and started implementation, there are a further 38 countries that could have plans ready by the end of 2006. If all of these plans were funded, the Fast Track Initiative could be reaching 75 per cent of the world's out-of-school children within the next few years.

The Fast Track Initiative has the potential to become an effective global partnership to achieve quality, free education for all, inspiring and enabling dramatically-increased efforts by both rich and poor countries. It is not such a partnership yet: it includes too few developing countries, mobilises too little in additional funding, and lacks clear and certain guarantees from the rich world.

This is the moment for rich countries to launch an ambitious expansion of the Fast Track Initiative by pledging at least \$3bn a year to support all 51 of the existing and potential FTI partner countries, as and when their plans are approved. They should also announce a timetable for further aid increases, in order to deliver by 2010 the full \$5.4bn needed annually to achieve universal primary education in all 79 low-income countries. Without these steps, progress in developing countries is likely to remain insufficient to achieve the education Millennium Development Goals in the short ten years remaining. To give every girl and boy a decent primary education by 2015, current rates of progress need to double in South Asia and quadruple in Africa.⁴ Despite recent gains, over 100 million children are still out of school. The first Millennium Development Goal — equal numbers of girls as boys attending school by 2005 — has already been missed, and according to UNICEF, 9 million more girls than boys are left out of school every year.

It is therefore deeply worrying that bilateral and multilateral aid to basic education in low-income countries, although it increased to \$1.7bn in 2003, is still only about one-fifth of what is needed. Even the star-performing developing countries are not getting enough resources. Some 40 per cent of the additional aid promised to the first 12 Fast Track Initiative countries has yet to arrive, and they still need another \$300m per year to fully implement their Education for All plans.⁵

To reach the Millennium Development Goals, both developing and developed countries will have to work together to do more, do it faster, and do it better. That is why we need rich countries to back the Education for All Fast Track Initiative, and pledge enough resources to expand the FTI to *all* poor countries that come forward with credible and transparent plans for achieving the education goals.

Marks and final grades

Class position	Country	Indicators (each marked out of 20)					Marks out of 100	Final grade (A–F)
		1. Meeting the 0.7% target	2. Funding a fair share of access to primary education	3. Committing to co-ordinate for better results	4. Focusing on poorest countries where girls most lack access to education	5. Providing high-quality aid to education		
1 st	Norway	20	20	20	20	20	100	A
2 nd	Netherlands	20	20	20	18	17	95	A
3 rd	Denmark	20	7	20	20	19	86	B
4 th	Sweden	20	10	15	20	19	84	B
5 th	United Kingdom	10	11	20	17	18	76	B
6 th	Ireland	11	10	13	20	20	74	B
7 th	Canada	7	15	20	13	10	65	C
8 th	Switzerland	11	4	13	15	16	59	C
9 th	Belgium	17	3	9	16	10	55	C
10 th	Finland	10	6	0	17	15	48	D
11 th	France	12	10	7	5	12	46	D
12 th	Luxembourg	20	0	0	11	10	41	D
13 th	Portugal	6	3	1	16	12	38	D
14 th	Greece	6	16	0	0	15	37	D
15 th	Japan	6	2	7	10	10	35	D
16 th	Germany	8	3	7	7	9	34	D
17 th	Australia	7	6	0	10	8	31	D
18 th	Italy	5	0	1	16	1	23	E
18 th	Spain	7	3	6	3	4	23	E
19 th	New Zealand	7	5	0	5	5	22	E
20 th	USA	4	2	2	10	0	18	F
21 st	Austria	6	1	1	0	3	11	F

PART 1: OVERVIEW

To reach the Millennium Development Goals on education, both developing and developed countries will have to work together to do more, do it faster, and do it better. The introduction to our 2005 report card reviews current aid to basic education against the promises made in 2000, and examines exactly what rich countries need to do to guarantee success on the universal primary education goal.

1 Doing more

For about the cost of four Stealth bombers, we could get 100 million more children into school.

Aid

When it comes to education, aid works. A number of poor countries are using a little bit of rich country aid, and a lot of their own money, to make amazing progress towards Education for All. Aid and debt relief is helping African countries like Kenya, Tanzania, Uganda, Benin, Malawi, and Zambia to finance free primary education for all, bringing millions more children into school. Ethiopia has more than doubled enrolments since 1990. In Nicaragua, a grant of just \$3.5m from the Fast Track Initiative's (FTI) Catalytic Fund (a multi-donor trust fund) is helping 70,000 more 6-year-olds to attend school, and is now providing a daily school meal to 800,000 pupils, up from 200,000 in 2004.

However, even the good performers need to do more - much more - to reach the Millennium Development Goals (MDGs). If we want poor countries to double, triple, or quadruple their progress in order to achieve universal, good-quality basic education by 2015, they need to know — reliably and transparently — that rich countries will provide the *full amounts* of additional funding needed to sustain these efforts.

For very poor countries like Ethiopia and Nicaragua, success depends on planning carefully and setting sensible targets, within the bounds of the resources available. With as much as 20 per cent (or more) of their government budgets already going to education, many good performers are already up against the absolute limit of what they can finance from domestic resources plus existing aid.

Without a firm long-term pledge of dramatically-increased resources from rich countries, countries like Ethiopia simply cannot afford to take the additional steps needed to reach the 2015 goal. As Ethiopia's Ministry of Education points out:

In a country like Ethiopia, with a total population of over 65 million, achieving good quality universal primary education by 2015 will require a huge sum of money and other resources as well. Since the Ethiopian Government is committed and has given it high priority, we will not defer this goal [until] sometime later. However, the total resource requirement may be unbearable for such a poor country as Ethiopia. To achieve the targets set in [Ethiopia's universal primary education strategy, approved by donors], the financing gap has to be filled. But if additional money is not available, the targets will not be achieved.⁶

UNESCO's *Education for All Global Monitoring Report* estimated that achieving universal primary education in all 79 low-income countries would require \$7.1bn per year in aid to basic education. In other words, rich countries had to provide an extra \$5.6bn over and above 2000 levels, which UNESCO estimated at \$1.5bn.⁷ This would amount to a 500% increase.

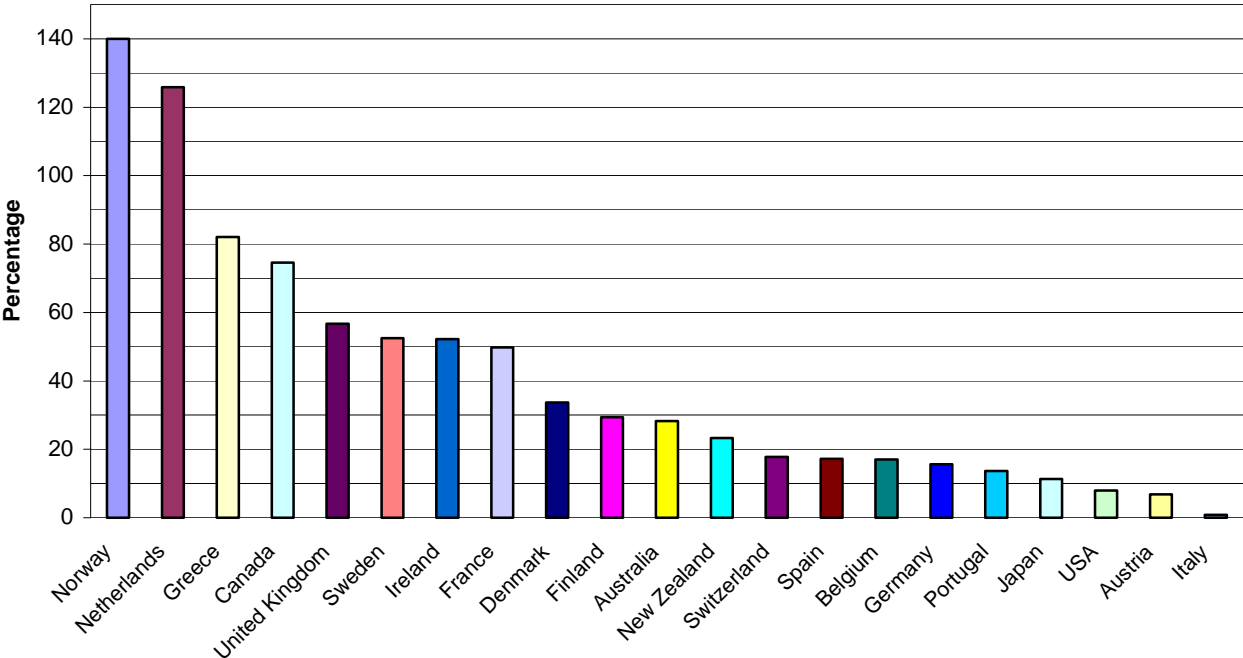
However, aid to basic education in low-income countries has increased only very modestly since 2000, reaching about \$1.7bn in 2003 (of which \$875m came from bilateral donors and about \$830m from multilateral agencies).⁸ This spectacularly half-hearted effort still leaves the international community \$5.4bn away from guaranteeing its share of the projected costs of achieving universal primary education. The missing money amounts to less than two and a half days' global military spending, or about the cost of four Stealth bombers.

In addition, one needs to bear in mind that UNESCO's \$7.1bn estimate of total financing requirements covers the bare essentials of delivering a decent primary education, and therefore assumes that nearly every aid dollar will be available to spend on core costs such as teachers, books, and classrooms. Yet, as discussed later in this report, most donors allocate the lion's share of aid to 'optional extras' such as seminars, consultancies, and expensive small-scale pilot projects. If these 'extras' are stripped away, then net aid to basic education in low-income countries may be as little as \$0.7–0.9bn per year.⁹

To do enough to reach the universal primary education goal,¹⁰ rich countries must: meet the target of giving 0.7 per cent of Gross National Income to assist developing countries; allocate a larger share of that aid to basic education; and ensure it is efficiently spent on core service-delivery costs.

Currently, for every dollar of national income, rich countries give only about one-quarter of a cent in aid, and basic education gets only a 3 per cent slice of this tiny aid pie.¹¹ Only two countries, Norway and the Netherlands, are paying their share of the total funding gap for universal access to primary education, while 13 donors provide less than 50 per cent of their share of the funding gap (see Figure 1). In practice this means that in 2003, each Norwegian citizen contributed \$66 to education in the developing world, whilst each US citizen contributed only \$0.55.¹²

Figure 1. Rhetoric vs. reality: aid to basic education as a proportion of each country's fair share of the education financing gap (2003)



Source: GCE School Report, Indicator 2

Box 1 Promises to keep: new pledges to basic education

Our report uses 2003 aid figures because that is the most recent year for which globally-comparable data are available. Has the picture improved since then?

Increasing total aid to basic education

According to estimates by Tony Blair's Africa Commission, if all donors kept all of their pledges to raise aid levels, aid to basic education could increase by as much as \$665m in 2005 — a significant improvement, but still not enough to reach the universal primary education goal. Some countries that are already translating general funding promises into specific increases for education include the following:

Canada pledged in 2002 to quadruple aid to basic education between 2000 and 2005, and to double its support for basic education in Africa to \$81m (CAN\$100m) per year by 2005. It has kept this promise, and now invests \$215m annually in basic education, in line with its fair share of the total basic education financing requirement proportional to Gross National Income (GNI). About 17 per cent of Canada's total aid goes to education and 7 per cent to basic education. About 37 per cent of its aid to education, or \$80m a year, goes to sub-Saharan Africa.

The European Union failed to raise aid to basic education in 2003 above the disappointing \$291m recorded in 2000. However, during the 2004 mid-term review of the 9th European Development Fund (EDF), which runs from 2002 to 2007, increases in financial allocations to education were proposed for a total of \$140m (€109m). Ongoing sector interventions were increased by a total of \$56m (€44m) in six countries. As a result a total of \$597m (€466m) is programmed for education in African, Caribbean, and Pacific (ACP) countries following the review. The EU also provides \$2.1bn (€1.66bn) in general budget support to ACP countries, linked to delivery of key social services, i.e. health and education.

France recently pledged to raise Official Development Assistance (ODA) to 0.5 per cent of GNI by 2007, and 0.7 per cent of GNI by 2012, with 50% of the additional aid going to Africa. It plans to increase its aid to basic education to \$207m (€160m) by 2007, up from \$146m in 2001 but still only about half of its fair share of the total basic education financing requirement.

Japan estimates that if all sources, including its 'grassroots/human security grant', are taken into account, its fiscal year 2004 aid to basic education was worth \$343.5m. Its fair share of the basic education financing requirement should be about \$1.1bn per year.

The Netherlands, which has already surpassed the 0.7 per cent target for aid as a percentage of GNI, plans to almost triple its ODA to basic education from \$303m (€236m) to \$804m (€625m) in 2007 – well in excess of its fair share based on GNI.

Norway has increased aid to basic education from \$10m in 2000 to \$80m in 2003. Education now receives 15 per cent of Norway's total aid budget, which has reached 1 per cent of GNI. Norway has also pledged \$68m in support to girls' education programmes through UNICEF in 2005.

Sweden aims to increase aid to 1 per cent of GNI by 2006. It does not have a specific target for education sector aid, but currently dedicates about 8 per cent of its aid budget to education and anticipates that aid to education will continue to increase.

The UK has committed to raise ODA to 0.47 per cent of GNI by 2007–2008, and to 0.7 per cent of GNI by 2013. About \$875m (£460m) a year of the resulting funds will be allocated to education, a total of \$2.6bn (£1.4bn) over the next three years. This represents a significant increase over the 2001 figure of \$155m for education (although the new figures are not strictly comparable to the old, as they include indirect support for education through contributions to multilateral agencies, general budget support, and debt relief). In 2002 the UK announced a target of £1bn (\$1.9bn) per year in direct bilateral assistance to Africa by 2006. It also plans a substantial increase in its contribution to the IDA, the World Bank concessional lending facility.

The USA has tripled its aid budget for basic education since 2001, to nearly \$400 million in fiscal year 2005/6; a substantial improvement, but still only about 15 per cent of its fair share based on GNI. It is supporting girls' education in countries with large numbers of girls out of school, including Afghanistan, Bangladesh, India, and Pakistan; and has launched an African Education Initiative that will spend \$70m in 2004–5 on scholarships for vulnerable girls and boys, teacher training, and textbooks. The initiative has already provided scholarships to 14,500 girls in 27 African countries.

Some resources for education may also flow through the Millennium Challenge Corporation (MCC), which intends to disburse \$1.5bn in 2005 and up to \$3bn in 2006; however, this depends on the selected countries making education a priority for MCC funding. The USA has pledged to increase MCC funding to \$5bn in future. This would result in a 50 per cent increase in US development assistance, currently among the lowest in the world as a proportion of GNI.

The World Bank has more than doubled its annual new lending for education since 2000. New lending for primary education in low-income countries grew from \$300m in 2000 to \$800m million in 2004. In addition, \$597m in Poverty Reduction Support Credits (interest-free loans) will provide an estimated \$86m for education budgets for eight low-income countries in fiscal years 2004 and 2005.

Note: When data was supplied to us in Euro or local currency we have given the current US dollar equivalent, as well as the original denomination (in parentheses). When the source data was denominated in US dollars, we have not attempted to convert it back to the historic equivalent in local currency.

Debt

Five years ago, leaders of the rich world also recognised that the continuing burden of unpayable debt was holding back progress on education, saying that ‘high priority should be given to providing earlier, deeper, and broader debt relief and/or debt cancellation, with a strong commitment to basic education’.

Debt relief *has* made a difference for children in the countries that have received it. The 27 countries that have qualified for Highly Indebted Poor Country (HIPC) debt relief since 2000 have increased poverty-reducing expenditures, including for basic education, from 6.4 per cent of GDP in 1999 to 7.9 per cent in 2003. In Tanzania, for example, debt relief enabled the government to double its per capita spending on education, and introduce a policy of free and compulsory education in 2002, benefiting 1.6 million children. Niger is using 40 per cent of the resources freed up by debt relief to fund its universal primary education programme.

However, debt relief remains too little, and is reaching too few countries. In 2003, sub-Saharan African countries were still spending about twice as much on servicing debt than they were on meeting the basic social needs of their populations. In order to have a decent chance to achieve the Millennium Development Goals, poor countries urgently need not just relief, but 100 per cent cancellation of their debt.¹³

2 Doing it faster

By 2006, over 50 developing countries could start implementing plans to give every child a quality, free education, if donors commit the necessary resources through the Fast Track Initiative.

Donors are also doing very poorly when it comes to making sure that the limited resources available for development are invested in achieving the Millennium Development Goals. Less than half of all official development assistance supports these goals, according to economist Jeff Sachs and his colleagues in the UN Millennium Project.

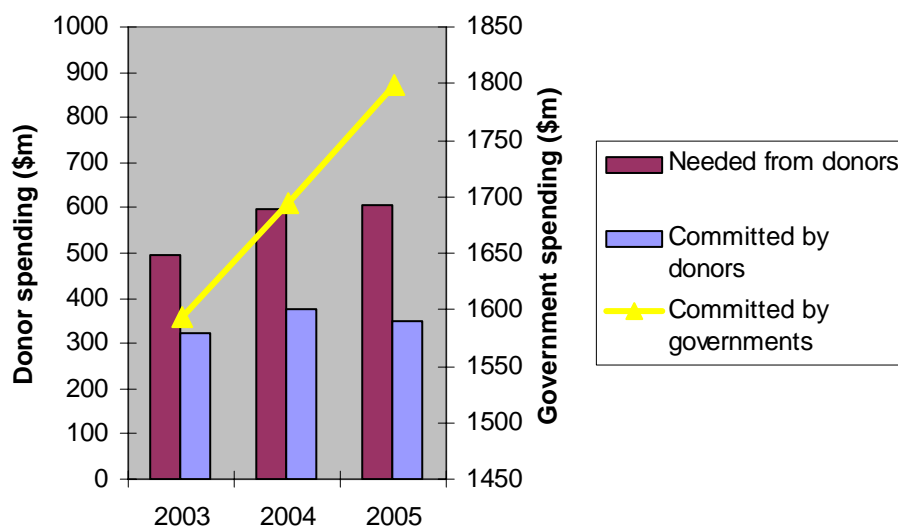
This is nowhere more evident than in the education sector. Donors use a large share of their money to fund higher education in middle-income countries, while millions of children in the poorest countries are still going without any schooling at all. For example:

- Only 11% of all aid to education in 2002 went to South and Central Asia, despite the fact that it contains 34% of the world's out-of-school children.
- Only 39% of all aid to education in 2002 went to sub-Saharan Africa, which accounts for 75% of the education financing gap. Bilateral aid to basic education in Africa has averaged only about \$500m a year since 2000 — or about \$4.60 for every school-age child in the region.
- Less than 12 per cent of bilateral aid to education reaches the 15 countries with the most girls out of school — despite the pledge by world leaders to achieve gender parity in education by 2005.

Shocking facts like these help to explain why the international community, with the backing of the G7 leaders, launched the Education for All Fast Track Initiative in 2002. The aim was to match donor funds to MDG needs, encouraging poor countries to come forward with clear and credible plans for achieving Education for All and ensuring they get sufficient funding to move ahead quickly. The first 12 countries to have their plans endorsed by the Fast Track Initiative need an additional \$600m a year from rich countries to implement these plans; they are currently bearing 75 per cent of the total costs themselves.

Donors have participated vigorously in vetting plans, and have cut and trimmed country budgets with gusto. Yet, when it comes to keeping their side of the bargain, they are leaving countries in the lurch. As Figure 2 shows, steeply rising government effort has been met with a flat and apathetic trend of donor support. Since gaining FTI endorsement, the first 12 partner countries have seen donor support increase only marginally — by about \$3m–\$4m per country per year, or a total of \$350m.¹⁴ Scandalously, almost 75 per cent of this increase has been provided by one single donor, the Netherlands.¹⁵ Outside of the Netherlands' contribution, the 29 other funding agencies participating in the FTI only managed to scrape together \$16m between them in additional aid last year — less than the cost of a single new middle school in an average US school district.¹⁶

Figure 2. Country commitment, donor apathy: financing gaps in the first 12 FTI countries, 2003-2005



Source: EFA-FTI Status Report, Nov. 2004

Looking at more recent donor planning, some countries (including Japan and the Netherlands) stand out for their plans to double aid to FTI-endorsed countries over pre-FTI levels. Others (Germany, the USA, Spain, Japan, the UK, and Finland) have initiated partnerships with ‘new’ countries following their FTI endorsement (see Box 2). Other than the Netherlands, France is perhaps the donor to act most fully in the spirit of the FTI as a ‘partnership’, by clearly signalling its commitment to support sector plans in six additional countries, provided they receive FTI endorsement.

On the whole, however, most donors are doing far less than they could, or should. Funds that could be used to support — and expand — the FTI partnership are instead continuing to flow to donors’ traditional favourites, often reflecting political and economic ties instead of MDG needs and potential. In 2003, only six countries gave over 80 per cent of their aid to education to low-income countries (Denmark, Ireland, Norway, Sweden, the UK, and Portugal). Only seven gave over 50 per cent of their aid to education to countries where girls’ primary school enrolment is lower than 75 per cent (Denmark, Ireland, Sweden, Finland, Italy, Switzerland, and Australia).¹⁷

Box 2 On track? New pledges to the Fast Track Initiative

Donors participating in the Fast Track Initiative agreed to commit *more* aid to countries that have the right policies in place, to accelerate progress towards universal primary education. Since the current 13 countries that qualify only gained FTI endorsement of their plans in 2003 or 2004, they should start to see significant increases in donor funding starting from 2004 or 2005 – too late to be captured in the aid database of the Development Assistance Committee (DAC) of the OECD, that was our main source for this report.

Surprisingly, given that the FTI aims to provide partner countries with predictability and transparency in financing flows, the FTI secretariat was unable to provide information on each donor’s recent and future pledges to these 13 countries.¹⁸ We were, however, able to construct a partial picture with information supplied by individual donors. Unfortunately, although several donors plan to double their aid to basic education in FTI countries in the next couple of years, their efforts will be insufficient to close the FTI financing gap unless other donors also come to the party.

Canada plans to provide about \$20m per year in direct support of education plans in five FTI-endorsed countries over the next few years. It is making a three-year, \$13.4m commitment to Nicaragua, one of the FTI countries still facing a financing gap. In November 2004, Canada signed a five-year, \$16.2m agreement to provide pooled funding for the EFA plan of Honduras. Over the period 2004–2010 Canada will contribute \$13.4m to untied, pooled funding for primary education in Viet Nam. Between 2003–2006 it is giving \$32.4m to Mozambique’s education sector plan, half of

that as pooled funding. In 2004 and 2005 it will provide \$6.5m to Burkina Faso's education sector plan.

The European Union has recently increased its contributions to sector plan financing in Niger (\$25.6m/€20m for 2005–7) and Burkina Faso (\$17.9m/€14m for 2005–7) as well as Ghana, and supports the education sector plan of Viet Nam (\$15.4m/€12m for 2005–6). Following a review of its aid, the European Commission plans to earmark an additional \$80.6m (€63m) of conditional funds from the 9th European Development Fund for the needs of FTI countries up to 2007, although this allocation has yet to receive final approval. It is worth noting that EU aid funds come from member states, and these contributions are not captured in our estimates of European countries' aid to basic education.

Finland supports basic education in four FTI countries. It plans to double its support to Mozambique (from \$12.8m/€10m in 2003–5, to \$25.6/€20m in 2006–9) and significantly increase its aid to Ethiopia (currently \$12.8m/€10m for the period 2003–6). It is also giving about \$0.64m/€0.5m per year to finance bilingual education as part of the FTI strategy in Nicaragua and Honduras — adding Honduras to its list of partner countries for the first time. There is a possibility that it will further increase allocations to all of these countries.

France announced in 2003 that it will provide \$83.2m (€65m) over three years for four African countries selected by the FTI. This includes: \$10.6m (€8.2m) towards implementation of Mauritania's FTI plan over 2002–2005; \$9m (€7m) as additional bilateral debt relief targeted on FTI activities; \$32m (€25m) for Burkina Faso in 2004–2007, all of it as sector budget support; and \$29m (€22.5m) for Niger in 2004–2007, almost half of it as sector budget support. Additionally, sector programme grants are being considered for Benin, Madagascar, Chad, Senegal, Cameroon, and Mali, provided their plans win FTI endorsement. These countries could receive \$5–8m (€4–5m) a year.

Germany will make a one-off grant of \$7.7m (€6m) to help close the FTI financing gap in Niger. It has significantly expanded its support to basic education in Mozambique since that country gained FTI endorsement.

Japan will nearly double its contributions to nine of the FTI-endorsed countries, from a total of \$25.3 in 2004 to \$48.4m in 2005, with 2005 pledges for a further four FTI countries still to be determined. Notably, in 2005 Japan will double its contribution to Nicaragua (to \$12.6m) and Ethiopia (to \$2.3m) while also making new grants to Mauritania (\$7.8m) and Burkina Faso (\$8.9m). In Viet Nam, in addition to \$5m in aid to basic education in 2004, Japan is also contributing \$18.2m to the overall government budget, a share of which goes to basic education, and it has provided bilateral debt relief to five of the FTI countries.

The Netherlands was the source of \$40m of the total \$49m disbursed by the FTI Catalytic Fund in 2004. It has pledged a further \$200m (€155m) to the fund over the period 2005–2007. Outside of the Catalytic Fund, the Netherlands disbursed \$31m (€24.2m) last year to four FTI-endorsed countries (Ethiopia, Mozambique, Yemen, and Burkina Faso). It plans to double its annual contribution to these countries in 2005–7 to an average \$62m a year; is considering a silent partnership with another donor to help close Ghana's \$15m annual financing gap, and is also exploring ways to ensure sustained financing for the six countries that received Catalytic Fund grants.

Norway has not clarified how much of its recent increases in aid to basic education will benefit current and future FTI countries, but it has earmarked 80 percent of the new aid for low-income countries, mainly in Africa. In addition to its current pledge of \$25m over four years (2004–2007) to FTI pooled funds, it is considering an additional Catalytic Fund contribution of up to \$50m.

Spain is considering supporting universal primary education programmes in two or more FTI countries, probably through a grant to the Catalytic Fund. The amount had not been announced at the time we went to press.

Sweden, Belgium, and Italy made small pledges to the FTI Catalytic Fund in 2004 and 2005, in the order of \$2.5–5m apiece. Sweden is considering a further pledge of \$15m to the Catalytic and Programme Development Funds for 2006–7 and will explore possibilities to take a more active role in the education sector in new countries gaining FTI endorsement. Sweden also supports UNICEF and UNESCO. Italy has pledged \$32m (€25m) for primary education in Ethiopia over the 2003–2005 period.

The UK has not specified how much of recent increases in its aid to education will be used to support the FTI process, but states that it expects FTI endorsement to influence UK support to new countries. Examples include a first-ever pledge to Niger in the form of a three-year, \$12.8m (€10m) sleeping partnership agreement with France, and a \$25m contribution to pooled funding for Yemen's sector plan over the period 2005–2010. The UK plans to increase its commitment to Ethiopia and Mozambique, but we were unable to obtain specific figures. It has also pledged small amounts (\$17.5m over three years) to the FTI Catalytic and Programme Development Funds and is considering an additional commitment to the Catalytic Fund.

The USA is a donor to basic education in six of the FTI countries, and has started supporting education for the first time in two of them (Honduras and Yemen). USAID describes its programmes in Nicaragua (\$2.7m in 2005) and Honduras (\$3.5m in 2005) as supporting co-ordinated FTI plans. Both of these countries are also under active consideration for Millennium Challenge Corporation funding. The USA also supports basic education projects in Yemen, Ethiopia, Ghana, and Guinea but we could not establish whether this funding directly contributes to the budget of the FTI-endorsed sector plan. USAID is shortly to launch a new education strategy which will include information about future commitments and policies, but unfortunately this document was not finalised before we went to print.

The World Bank's IDA (concessional) loans and Poverty Reduction Support Credits (PRSCs or interest-free loans) help to finance the implementation of basic education plans in nine FTI countries, but we were unable to obtain specific information about planned funding increases to help close financing gaps in those countries. The World Bank also contributes to FTI by hosting its secretariat. It is important to note that the World Bank's contributions to basic education are financed by shareholder countries, and this is not captured in our estimates of total rich country aid to basic education.

Note: When data was supplied to us in Euro or local currency we have given the current US dollar equivalent, as well as the original denomination (in parentheses). When the source data was denominated in US dollars, we have not attempted to convert it back to the historic equivalent in local currency.

The net result is that, after devoting much effort to working out painstaking plans and budgets with donors, the first 12 FTI partner countries are left facing a collective aid shortfall of about \$300m per year, and a cumulative gap of nearly \$1bn for the first three years of their universal primary education programmes.¹⁹ In other words, 40 percent of the aid promised has never arrived.²⁰ Beyond 2005, the picture looks even more uncertain; there are ad hoc pledges from individual donors, but there is no overarching guarantee from the donor community as a whole that the financing requirements for next year – let alone the next five years – will be met.

As Yemen's education minister explains, both the lack of funds and the lack of certainty have a strongly negative impact on progress. Yemen's citizens want their children to have the opportunities that they never had, and are putting pressure on the government to open as many new schools as possible. The plan endorsed by the FTI donors turns this political imperative into an engine for sustainable progress. It will permit a rapid expansion of access while also ensuring adequate quality, and implementing a bold package of measures to close the enormous gap between girls' and boys' enrolments. However, if the funds promised to implement the FTI plan do not arrive in full and predictably, then Yemen faces a 'Hobson's choice'. It can build lots of classrooms without being able to supply them with adequate trained teachers, books, or girl-friendly facilities; and risk boys monopolising the new school places, a soaring drop-out rate, and plummeting learning achievements. Or it can attempt to defy popular demand, and limit the number of new schools opened until there is adequate guaranteed funding to employ the necessary teachers, and finance the large-scale expansion of subsidy programmes for girls and other pro-girl measures.

Either way, far fewer children, especially girls, will enrol in and complete primary school with acceptable learning outcomes:

On current rates of progress [without additional donor support], net primary enrolment is expected to increase to only 71 percent for female students by 2015. With current financial resources, not only the coverage ... of education but also the improvements on the quality and equity of education [will remain] limited.²¹

Adiatou Issaka is a 12-year-old girl growing up in Niger, another FTI country still waiting for the full external financing that the donor community agreed would be required to implement its Education for All plan. Adiatou does not know much about financing gaps, but she knows that she wants to go to school. Adiatou's local school is full. Like over a million other out-of-school children in her country, she spends her days working instead of learning. She pounds millet grain, fetches firewood, and carries water. 'Sometimes the work is very very hard,' she says. 'I want to learn to read and write.' According to donors' own projections, nearly 180,000 left-out children like Adiatou could already have been getting an education if Niger had received the full amounts of aid needed to implement the universal primary education plan that donors approved two years ago.

Box 3: Left in the lurch: what FTI countries could do with donors' missing millions

Ethiopia, a country where 70 per cent of the population has no formal schooling at all, has brought nearly 5 million more children into primary education in recent years, but another 5 million remain out of school. There are 68 pupils for every primary teacher, and at upper primary level fewer than 25 per cent of teachers are professionally certified.²² Ethiopia estimates that it needs \$100m a year to meet the interim targets set out in its FTI-approved plan, including raising gross enrolments to 65 per cent. These funds would build 1,481 new low-cost schools (including non-formal 'feeder schools' and mobile classrooms for pastoralists), upgrade 1,682 existing schools, ensure each student has access to textbooks, get poorly-trained teachers into distance learning programmes, and provide a free school meal to pupils in the poorest communities.

Mozambique has more than doubled student enrolments since emerging from a devastating civil war in 1992. Enrolment in lower primary school has increased from 56 per cent to almost 100 per cent, and all of the schools that were destroyed in the war, plus more besides, have been rebuilt. Equal numbers of girls and boys now start Grade 1. In 2003, donors congratulated Mozambique on its tremendous efforts and its determined commitment to achieve universal primary education.

But where is the corresponding effort from donors? The World Bank, Canada, the Netherlands, Germany, the UK, Finland, and Japan have come through with aid increases. However, others have actually decreased their contributions to basic education since Mozambique joined the FTI, and the total shortfall in donor aid will grow to \$200m next year — not nearly enough to provide sufficient teachers and classrooms to achieve the universal primary education goal. One million children remain out of school altogether, and for those who do attend there is only one teacher to every 67 pupils. Some schools are so overcrowded that children have to attend in three separate shifts, each group of students spending only a couple of hours a day in the classroom. Worse, with a rampant HIV/AIDS epidemic, Mozambique will lose some 53,000 teachers by 2010.²³

The missing \$138m from donors would enable Mozambique to construct 11,000 badly-needed new classrooms. In combination with the government-financed teacher development drive, this would eliminate the need for triple-shifting and bring the pupil-teacher ratio down to 52:1 by next year.²⁴ The missing donor funds would also pay for attendance-linked subsidies to 457,000 AIDS orphans to help them stay in school, fund HIV prevention and peer education programmes in 8,800 schools, and cover the costs of training 1,300 extra teachers to replace those lost to AIDS.²⁵

Yemen is an impoverished Arab country with per capita incomes comparable to those of India or Lesotho. Only one in two Yemeni children —and one in three rural girls — attend primary school. Yemen has developed a painstaking plan for achieving universal primary education, which would bring nearly one million more girls (and 600,000 more boys) into school by 2015. At the same time, the plan would dramatically increase the quality of education provided to each child, by increasing teacher numbers and pay, improving teacher training, and supplying more textbooks. To implement the first three years of this plan, Yemen needed about \$100m in additional support from donors; so far, it has received only \$20m (most of that from the Netherlands and the World Bank). This money has helped Yemen to train 14,000 teachers and build 86 new schools. The World Bank, the UK, and the Netherlands plan to jointly provide about \$14m per year over the next five years to help finance Yemen's needs (including adult literacy as well as primary education), but this still leaves a sizeable shortfall. Another 11,000 teachers and 14,000 schools are still required. If all donors had done their fair share, Yemen could already have built half of the additional classrooms needed, put teachers into them, and equipped them with girl-friendly facilities such as separate toilets and boundary walls.²⁶

Niger has made impressive strides, raising enrolments by about 13 per cent a year between 1998 and 2003. It is devoting 40 per cent of its HIPC debt relief to achieving the universal primary education goal. However, Niger is the world's poorest peaceful country and starts from a very low baseline: only 33 per cent of girls attend school at all. Even with debt relief, there is a limit to what it can do on its own. The best the government could realistically aim for — before FTI came along — was achieving a female primary completion rate of 75 per cent by 2015.

Niger's Ministry of Education rose to the challenge posed by FTI and developed a clear, comprehensive strategy for using additional donor resources to reach 100 per cent female completion by 2015 (80 per cent by 2012).²⁷ An extra one million children would benefit from primary education as a result of this more ambitious plan. In their enthusiastic endorsement of Niger's FTI plan, donors noted that 'FTI financing will enable Niger to make significant gains in terms of access, coverage, the reduction of disparities, and quality improvements'.²⁸

In order to meet interim FTI targets agreed with donors for 2006, over 9,000 new teachers were to be recruited and 8,774 new classrooms built by the end of 2005.²⁹ Inexplicably, however, donors came forward with only \$21m of the additional financing needed for the first three years of Niger's plan, leaving a cumulative unfilled gap of \$76m. Contributions from France (\$7.1m per year for four years), the UK (\$4.2m per year for three years), the EU (\$26m over five years) and Germany (one-off grant of \$7.7m) will improve the picture, but a much bigger effort is needed. According to donors' own projections, nearly 180,000 additional children could already be in school if Niger had received the full amounts promised by FTI donors.

The reluctance of donors to get behind the FTI also constitutes a huge missed opportunity to accelerate education progress in the world's remaining low-income countries. FTI is currently reaching only nine of the 73 countries that are at risk of not meeting the universal primary education or gender parity Millennium Development Goals by 2015.³⁰ At least 38 countries — accounting for half the world's out-of-school children — have the potential to launch credible and costed Education for All strategies within the next 18 months, but covering their financing needs and the needs of the existing partner countries would cost the donor community about \$3bn a year. Unless rich country leaders are ready to pledge these sums now and upfront, the FTI will remain a small-scale, small-change operation, making little impact on the 60 million girls and 40 million boys who are still denied an education.

Table 1: FTI expansion potential and financing needs, 2005–2007

	Status			Total (51 countries)
	Already endorsed (13 countries)	Potential endorsement 2005 (25 countries)	Potential endorsement 2006 (13 countries)	
Countries	Burkina Faso Ethiopia Gambia Ghana Guinea Guyana Honduras Mauritania Mozambique Nicaragua Niger Vietnam Yemen	Albania Bangladesh Benin Bhutan Bolivia Cambodia Cameroon Chad Congo, Rep. Djibouti India Kenya Lesotho Madagascar Malawi Mali Moldova Nepal Rwanda Sao Tome Senegal Sierra Leone Tanzania Timor Leste Uganda Zambia	Armenia Bosnia- Herzegovina Burundi CAR Congo (DRC) Côte d'Ivoire Dominica Eritrea Georgia Guinea-Bissau Kyrgyz Rep. Lao PDR Pakistan	
Total number of children out of school (millions)	27.7	>41 (excluding six countries for which no data are available)	>10.3 (excluding two countries for which no data are available)	79
Annual financing gap, 2005–2007 (US\$)	0.8bn	1.5bn	0.8bn	3.1

With only ten years to go to achieve the universal primary education goal, and the deadline for education gender parity already missed, are donors finally serious enough about the education Millennium Development Goals to put their money where it can achieve most impact? This is a question that the G7 heads of state and other rich country leaders cannot afford to put off any longer.

3 Doing it better

Books and teachers, not consultants and red tape, are the priority for poor countries

To get over 100 million children into school worldwide, what countries need most urgently are classrooms, books, and teachers, on a very large scale. In fact, UNESCO estimates that 15–35 million more teachers must be trained and hired in order to reach the 2015 universal primary education goal.

In 2000, at a meeting in Dakar to discuss how to achieve Education for All by 2015, donors promised to respond to these needs by ‘making longer-term and more predictable commitments and ... being more accountable and transparent’. They pledged to ‘co-ordinate their efforts to provide flexible development assistance within the framework of sector-wide reform’.³¹

Since then, a few donors have taken major steps towards supporting a single, government-led plan and budget for the education sector. This has made a real difference in enabling countries to succeed with bold reforms such as abolishing school fees (see Box 4). But while donors enjoy preaching reform to developing countries, most of them have been extremely slow to change their own practices. Too much aid to education is not aligned with country needs and priorities, and is neither flexible nor predictable.

Box 4: Making education free: how aid has helped to transform lives

In 77 of 79 low-income countries, according to a World Bank survey, primary education is not free. Parents have to pay a range of fees and charges to send a child to school, and for the poor these costs are often prohibitive.

Helping countries to remove these charges has proven to be one of the best things that donors can do to accelerate progress towards the Millennium Development Goals, and to ensure that their aid money is reaching those who need it most: girls, HIV/AIDS orphans, child workers, and the very poor. According to the UN Millennium Commission, abolishing school fees is one of the ten most effective things that could be done now to save millions of lives and make an immediate impact on poverty. The Africa Commission, a panel of African leaders and development experts convened by Tony Blair to map practical strategies for getting Africa out of the poverty trap, lists the elimination of school fees as one of its top priorities.

When Kenya abolished fees, families who previously couldn't afford the \$133 for tuition or the \$27 for a school uniform began sending their children to school. Since January 2003, more than 1.3 million children have entered school for the first time under Kenya's free primary education policy. This has pushed national enrolment up from 5.9 million to 7.2 million. In Tanzania, net primary enrolment increased from 57 per cent to 85 per cent within a year after fees were lifted. Similar gains have been experienced in Uganda, Zambia, Malawi, Mauritania, Benin, and India after these countries removed some or all of the direct costs of schooling.

Eliminating fees is an especially powerful tool for reaching girls. Before the Ugandan government introduced its policy of free and universal primary education in 1996, girls, especially poor girls, were much less likely to go to school than boys. After dropping fees, Uganda was able to close the poverty gap in primary education and has now almost closed the gender gap.

Abolishing education charges can be a matter of life and death in countries hit by HIV/AIDS since, as UNAIDS points out, staying in school offers HIV/AIDS orphans the best chance of escaping extreme poverty and keeping themselves safe from infection.³² Head teachers in Lesotho credit free education with bringing thousands of AIDS orphans back into the classroom.³³

A policy of free and compulsory education also helps to entrench popular demand for schooling as a right, and puts positive pressure on both local and national governments to deliver. In India, a constitutional amendment guaranteeing free basic education has helped *dalit* ('untouchable') families to challenge decades of discrimination. For example, Henna Kosar was expelled from her primary school in the state of Rajasthan because her father, a trolley puller, could not afford to pay extra fees

imposed by a local education committee. In the old days, Henna would have had no choice but to return to her former job, making bangles for Rs.20 a day. But today Henna is busy studying for her certificate exams, after child rights activists took her case to the state human rights commission, and won a ruling that this widespread practice violates the constitution's free education provision.³⁴

If free education is going to be successful, substantial investment is needed by governments and donors alike to enable education systems to cope with the expanding demand for school places, and ensure that quality does not suffer. Kenya estimates the increased costs of its free education policy to be \$138m per year. Tanzania estimates that to keep up with demand for free schooling, it needs 29,500 new teachers and 35,000 new classrooms in 2005 alone. It is also planning a major expansion of non-formal education (NFE) to reach children who are still left out of formal schooling. Enrolments in NFE centres are projected to rise to 900,000 by 2006, so 10,000 such centres need to be built and staffed. To pay for all of this, Tanzania's Ministry of Education estimates that it still needs an additional \$150m a year in external support.³⁵

Just getting rid of fees may not be enough to enable the poorest and most vulnerable children to gain access to education. Additional help, such as a free school meal or an attendance-linked stipend, may also be needed. School feeding programmes, costing as little as \$0.25 per child per day, can improve health outcomes at the same time as improving attendance.

Supporting free primary education effectively means that donors have to make a long-term commitment to contribute directly and generously to core system costs, through sector-wide programmes or budget support. They have to be willing to shift resources from small-scale, donor-led projects into major needs identified in the government's sector plan — such as hiring more teachers, building more schools, and financing block grants to schools to make up for lost revenue from fees. And finally, they need to provide deeper debt relief and put a stop to rigid macroeconomic conditionalities that put too tight a rein on social sector investment. In Zambia, for example, IMF-advised caps on the public sector wage bill made it impossible to hire thousands of teachers desperately needed to cope with increases in enrolment after fees were lifted in 2002.

At least 11 donor agencies have made an explicit policy commitment to quality free primary education and the abolition of some or all user charges (France, Canada, Sweden, the UK, Germany, Japan, the Netherlands, Finland, Norway, the World Bank and the EU).³⁶ However, of these, only France, the UK, and the World Bank have outlined a proactive strategy for promoting and supporting the abolition of user charges. Just as important, of course, is translating words into action by increasing core funding to help countries finance quality free education. Canada, the EU, World Bank, Ireland, Finland, and the Netherlands are among the donors to have significantly increased their support to countries that have recently abolished fees. Canada, in particular, stands out for increasing its aid to Tanzania from a very low level in 2000 to about \$10m per year in pooled funding for the national education plan over the 2002–7 period, while also contributing to pooled funding or sector budget support for free primary education in Kenya, Uganda, and Zambia. The emergency grant given by the Netherlands last year to help Zambia resolve the teacher shortage crisis is another example of putting principles into action.

Many donors remain far more willing to supply developing countries with expensive consultants than to help pay teachers' salaries. Eleven countries (Canada, Spain, Austria, Portugal, France, New Zealand, Austria, Germany, Italy, Belgium, and the USA) provide more than 70 per cent of their aid to education in the form of technical assistance: study tours, seminars, capacity-building workshops, and policy advice that may or may not be wanted. A good deal of this ends up generating lucrative contracts for foreign experts.³⁷ While good technical assistance can be invaluable, no-one with a \$100,000 budget to build a house would spend \$70,000 on architects' fees and leave themselves only \$30,000 for bricks, mortar, and construction work. Luxembourg, Denmark, Sweden, and Ireland adopt a sensible approach by providing less than 10 per cent of aid to education as technical assistance.

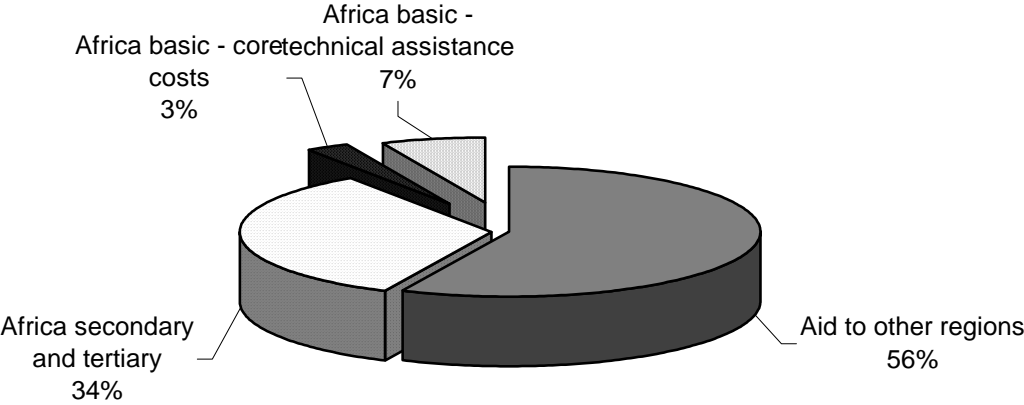
Much time and effort is wasted by ministries of education in attempting to juggle dozens of donor-led projects and programmes, each driven by priorities that may or may not correspond with the government's own assessment of needs and each imposing its own financial procedures, reporting requirements, and conditionalities. Even in Uganda, a 'poster child' for donor good practice, as recently as 2001 over 80 per cent of aid to basic education came in the form of discrete projects.³⁸ Mozambique, too, had 50 agencies funding hundreds of separate off-budget projects, 'making it hard for government to set priorities and leading to serious imbalances in resource allocation, both

geographically and among sub-sectors’, as the UNESCO EFA Monitoring Report observes. Results have improved since a group of major donors agreed to follow a single planning and monitoring cycle and established a pooled fund to support the national sector plan.³⁹

Donor projects often rely on expensive foreign inputs; for example, across Africa donors spend as much as \$24,000 to build and equip a classroom, about three times more than the cost of a locally-built and equipped structure.⁴⁰ Seven countries (Ireland, the UK, the Netherlands, Finland, Belgium, Switzerland, and Norway) have untied all, or almost all, of their aid to education so that governments can get best value for money when purchasing inputs. However, eight countries (Italy, Canada, Japan, New Zealand, Austria, Australia, Spain, and Germany) still tie a large proportion of their aid to education to the import of goods and services from the donor nation, with two (Spain and Austria) tying more than 90 per cent of their aid, and Italy tying 100 per cent.

One economist argues that ‘if the [government’s education] plan represents a credible and least-cost route to reaching EFA, and if there is a funding gap for implementing the plan, then projects lying outside it add to the total cost of achieving the goal’.⁴¹ The World Bank estimates that the net value of basic aid to education, the amount that actually constitutes a core resource transfer to recipient countries, is 25–50 per cent lower than the total figures that donors report, and could amount to as little as \$0.9bn per year for basic education in low-income countries. In 2000, a stunningly tiny 3 per cent of total aid to education went towards the core costs of basic education service delivery in Africa (see Figure 3).⁴²

Figure 3. Core resource transfers to basic education in Africa, as a share of total aid to education (2000)



Source: World Bank and OECD CRS

Lack of predictability, as discussed above, also prevents poor countries from making faster progress. As our Yemen example highlighted, countries embarking on major education reforms need to be able to count on donor funding for a period of 5–10 years (subject to continuing good performance), so that they can plan in full confidence, knowing that if they employ more teachers, build more classrooms, and enrol millions more students, they will continue to have money to pay for it.

Over the past five years, donors have indulged in a steadily-increasing volume of conferences, research projects, case studies, and guidelines on the topic of improving aid effectiveness, but with few concrete outcomes. The donor community is still resisting the adoption of any specific benchmarks and targets for reforming aid, and outrageously, a recent major meeting in Paris on aid effectiveness failed to agree on draft targets that had been proposed. It is urgent for all 22 OECD countries to sign up to the draft Paris targets, and to announce their own country-specific plan to deliver on them.

Finally, our research once again throws into relief the very low level of transparency and accountability among donors, in stark contrast to their demands for greater transparency and accountability by developing countries. Much aid remains off-budget, and is not even properly reported to the government of the recipient country. The OECD's reporting system is widely felt to be inadequate to capture the full extent of external financing for education, including through budget support and multi-sector programmes. On the other hand, it does not distinguish between money spent in support of a co-ordinated, government-led education sector plan, and money devoted to parallel donor-led projects. Even for the 13 Fast Track Initiative countries, the data collected by the FTI secretariat is entirely inadequate to assess whether donors are providing effective support to each country's sector plan, and how donor spending relates to key output targets listed in the plan (numbers of teachers trained, classrooms built, or textbooks distributed). Both donors and governments should report annually on their financial contributions to the national education plan, the expected future costs for the next three years (with indicative figures to 2015), current commitments from government and donor sources to cover these costs, and expected funding shortfalls for which additional commitments are requested. Spending and commitment data should be linked to output targets. This annual financial and performance assessment should be co-ordinated with the annual government budget cycle, and all data should be made freely available to civil society.

By pooling their funding in support of FTI-endorsed national education strategies, and providing transparent reporting on their current and future contributions to these plans, donors – and countries — can get much better results for their money.

Conclusion

The Fast Track Initiative makes education one of the only sectors with the practical means to respond to Kofi Annan's challenge: ensuring that developing countries with 'sound, transparent, and accountable national strategies ... receive a sufficient increase in aid, of sufficient quality, and arriving with sufficient speed to enable them to achieve the Millennium Development Goals'.

The task facing rich countries committed to Education for All has never been clearer. They must launch bold action to make the FTI a truly global and truly effective initiative. Some 38 developing countries could be ready to come forward within the next 18 months with sound plans for achieving free, quality Education for All. As an immediate step, rich country leaders need to pledge at least \$3bn per year to support all of these countries, as and when their plans are endorsed through the Fast Track Initiative. Secondly, they must announce a timetable for mobilising by 2010 the full \$5.4bn in additional aid that will be required to achieve Education for All in all low-income countries.

If they take these steps, more than 75 per cent of the world's out-of-school children could be in school and learning within the next few years, and by 2015 universal completion of primary education could become a fact of life rather than a distant hope. If they do not, progress will remain too slow to achieve the MDG education goals on time — bringing small change, once again, to the world's poorest children.

In our community we have no toilets and we have to drink dirty water. There isn't a clinic. We have to work all the time, even us children, and there is never enough to eat. Those are very hard things. But not getting a chance to go to school: that's the worst. It makes you feel like your future has already been thrown away.'

— 12-year-old Priti, who was born into bonded labour in Nepal

When over 100 million children are deprived of education, it is not just a huge number of lives that we are throwing away. We are also throwing away perhaps the best chance we have to put an end to world poverty, and secure a more peaceful and stable future for us all. That chance is affordable, and within our reach — if rich countries act without delay to expand the Fast Track Initiative and close the education financing gap.

PART 2: REPORT CARDS

A note on the data

As with the 2003 School Report, figures are taken from data supplied by rich country donors to the Organisation for Economic Co-operation and Development (OECD), which is the only source of globally comparable data available. The 22 donor countries are all members of the OECD's official body of donors, the Development Assistance Committee (DAC). Between them, they possess more than half the world's wealth and provide most of the world's aid. As in 2003, the tests are based on principles that all 22 countries have declared they will uphold: providing an overall level of aid that meets internationally-recognised targets; making a fair contribution to basic education; a strong commitment to co-ordinating with each other and supporting good plans for the delivery of education; focusing on the poorest countries, where girls most lack access to education; and supplying aid of a high quality.

This time, there was more complete data to work with, and fewer countries were penalised for gaps in their data. However, shortcomings in donor reporting and aid classification systems prevented us from capturing all the aspects of aid performance that we would have liked. While a few countries have already reported to the OECD on aid breakdowns for 2004, most have not, so we have had to use 2003 figures. Few donors report fully on actual disbursements (as opposed to mere commitments). The data do not show how much is allocated to supporting the core service delivery needs of country education systems — a figure that the World Bank suggests may be 25–50 per cent lower than the total aid reported by donors. On the other hand, neither do the data account for the increasing share of aid that is provided as budget or sector support, of which the share to education goes largely unrecorded. It was also extremely difficult to obtain good information on incremental aid flows to the 13 Fast Track Initiative (FTI) countries.

Each rich country donor is first given a report card, and donor performance is then compared for each individual indicator. A full account of the method and calculations used is given at the end of the report.

Report card: Australia		D
Name: John Howard		
Overall mark: 31/100	Overall grade: D	Position in class: 17/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	D	
Providing a fair share of the funding needed for universal primary education	E	
Committing to co-ordinate for better results	E	
Focusing on poorest countries where girls most lack access to education	C	
Providing high-quality aid to education	D	
Teacher's remarks		
<p>Mediocre. John has made little improvement since his last report. He remains less than half-way to meeting the internationally-recognised aid target. His main weakness is working with others, and he still shows little inclination to fund the global Fast Track Initiative. He has done better at focusing on countries where girls most lack access to education and in untying his aid, but he has a long way to go to fulfil his promise.</p>		

Report card: Austria		F
Name: Heinz Fischer		
Overall mark: 11/100	Overall grade: F	Position in class: 21/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	E	
Focusing on poorest countries where girls most lack access to education	F	
Providing high-quality aid to education	E	
Teacher's remarks		
<p>Heinz is bottom of the class this term. He has let slip any focus Austria had on delivering to the poorest countries, and continues to ignore the importance of funding education. He will have to work extremely hard if he is to catch up with the class, in all areas of his work.</p>		

Report card: Belgium		C
Name: Guy Verhofstadt		
Overall mark: 55/100	Overall grade: C	Position in class: 9/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	B	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	D	
Focusing on poorest countries where girls most lack access to education	B	
Providing high-quality aid to education	C	
Teacher's remarks		
Guy again shows promise. He has increased his overall aid budget and unties all his aid to education. He has let himself down, though, on providing adequate finance for basic education, and could do much better on co-ordinating with others through the Fast Track Initiative.		

Report card: Canada		C
Name: Paul Martin		
Overall mark: 65/100	Overall grade: C	Position in class: 7/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	C	
Committing to co-ordinate for better results	A	
Focusing on poorest countries where girls most lack access to education	C	
Providing high-quality aid to education	C	
Teacher's remarks		
Paul does reasonably well, but he is not yet among the top performers. He shows real commitment to working with others to support Fast Track Initiative countries. He provides most of his fair share for primary education, focuses most of his aid on the poorest countries, and unties most of his aid. The real shame is that he gives so little of his money, spoiling his score with his lack of generosity.		

Report card: Denmark		B
Name: Anders Fogh Rasmussen		
Overall mark: 86/100	Overall grade: B	Position in class: 3/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	A	
Providing a fair share of the funding needed for universal primary education	E	
Committing to co-ordinate for better results	A	
Focusing on poorest countries where girls most lack access to education	A	
Providing high-quality aid to education	A	
Teacher's remarks		
Anders has done excellently this term, and is top of the class in focusing on the poorest countries where girls most lack access to education. He has really made an effort to improve his grades. It is therefore a shame that he lets himself down by providing so little of his fair share to primary education and, despite his current A grade, is cutting his aid budget.		

Report card: Finland		D
Name: Matti Taneli Vanhanen		
Overall mark: 48/100	Overall grade: D	Position in class: 10/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	D	
Providing a fair share of the funding needed for universal primary education	E	
Committing to co-ordinate for better results	F	
Focusing on poorest countries where girls most lack access to education	B	
Providing high-quality aid to education	B	
Teacher's remarks		
Matti continues to fall behind his Scandinavian colleagues. They have done a far better job of meeting the internationally-recognised aid target and co-ordinating for better results. Given that he focuses well on the poorest countries where girls most lack access to education, and in providing high-quality aid to education, it would be good to see a greater commitment in other areas also.		

Report card: France		D
Name: Jacques Chirac		
Overall mark: 46/100	Overall grade: D	Position in class: 11/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	C	
Providing a fair share of the funding needed for universal primary education	D	
Committing to co-ordinate for better results	D	
Focusing on poorest countries where girls most lack access to education	E	
Providing high-quality aid to education	C	
Teacher's remarks		
<p>Jacques should be doing better given his ostensible commitment to development. However, he is moving towards his promise to meet the internationally-recognised aid target in 2012. In two areas where he has done poorly this term — providing a fair share of the funding needed for universal primary education, and focusing on countries where girls lack access to education — he is improving his performance. In addition, he should pay attention to the amount of his education budget that is spent on consultancy and on French schools in developing countries.</p>		

Report card: Germany		D
Name: Gerhard Schroeder		
Overall mark: 34/100	Overall grade: D	Position in class: 16/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	D	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	D	
Focusing on poorest countries where girls most lack access to education	D	
Providing high-quality aid to education	D	
Teacher's remarks		
<p>Gerhard is among the poorer performers in the class, and a great disappointment considering the example he could set to his classmates. In particular, he needs to concentrate on providing his fair share of aid to universal primary education, the area where his performance is weakest. Although he does reasonably well in focusing on the poorest countries and untying aid, his overall marks have slipped as he does not concentrate on girls' education, or on reducing his consultancy budget. As a potential candidate for the Security Council, he should think harder about his progress towards the internationally-agreed aid target.</p>		

Report card: Greece		D
Name: Konstandinos Simitis		
Overall mark: 37/100	Overall grade: D	Position in class: 14/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	B	
Committing to co-ordinate for better results	F	
Focusing on poorest countries where girls most lack access to education	F	
Providing high-quality aid to education	B	
Teacher's remarks		
Konstandinos has done much better this term. He has really tried to meet his responsibilities to basic education, and provide aid of better quality. There is room for improvement, though, in being more generous with the aid budget and to the poorest countries, which would bring him into the top half of the class.		

Report card: Ireland		B
Name: Bertie Ahern		
Overall mark: 74/100	Overall grade: B	Position in class: 6/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	D	
Providing a fair share of the funding needed for universal primary education	D	
Committing to co-ordinate for better results	C	
Focusing on poorest countries where girls most lack access to education	A	
Providing high-quality aid to education	A	
Teacher's remarks		
Bertie has missed his chance for top marks by breaking his promise to meet the internationally-recognised aid target in 2007. This is especially disappointing given his excellent record on providing high-quality aid and his real concern for the poorest countries.		

Report card: Italy		E
Name: Silvio Berlusconi		
Overall mark: 23/100 Overall grade: E Position in class: 18/21		
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	E	
Focusing on poorest countries where girls most lack access to education	B	
Providing high-quality aid to education	F	
Teacher's remarks		
Silvio has had another poor term, and is bottom of the class at providing high-quality aid to education. Once again, however, he has pulled up his marks thanks to a good focus on the poorest countries where girls most lack access to education.		

Report card: Japan		D
Name: Junichiro Koizumi		
Overall mark: 35/100 Overall grade: D Position in class: 15/21		
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	D	
Focusing on poorest countries where girls most lack access to education	C	
Providing high-quality aid to education	C	
Teacher's remarks		
Junichiro is still performing poorly across the board and, worse, since last term he has cut his aid budget. If he wants to join the Security Council, he should really pay more attention to this. His only effort has been to focus aid to education on the poorest countries, but he has not paid as much attention to countries that have large numbers of girls out of school.		

Report card: Luxembourg		D
Name: Jean-Claude Juncker		
Overall mark: 41/100	Overall grade: D	Position in class: 12/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	A	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	F	
Focusing on poorest countries where girls most lack access to education	C	
Providing high-quality aid to education	C	
Teacher's remarks		
Jean-Claude could be top of the class if he chose. He does very well on meeting the internationally-recognised aid target and focusing on the poorest countries, but he falls down by making silly mistakes, such as not reporting his data for basic education and tying of aid. And he has still made no contribution to the Fast Track Initiative countries.		

Report card: Netherlands		A
Name: Jan Peter Balkenende		
Overall mark: 95/100	Overall grade: A	Position in class: 2/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	A	
Providing a fair share of the funding needed for universal primary education	A	
Committing to co-ordinate for better results	A	
Focusing on poorest countries where girls most lack access to education	A	
Providing high-quality aid to education	B	
Teacher's remarks		
Jan Peter's grades show what can be done when a country puts its mind to it. He takes his aid commitments seriously, with a dedication to focusing on the poorest countries where girls most lack access to education and to supporting Fast Track Initiative countries, way beyond what is required. He has been overtaken by Norway, though, and if he is to regain his position as top of the class he should pay even more attention to focusing on the poorest countries where girls most lack access to education, and to the quality of his aid.		

Report card: New Zealand		E
Name: Helen Clark		
Overall mark: 22/100	Overall grade: E	Position in class: 19/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	E	
Committing to co-ordinate for better results	E	
Focusing on poorest countries where girls most lack access to education	E	
Providing high-quality aid to education	E	
Teacher's remarks		
<p>Helen has made an effort, which means she is no longer bottom of the class. She is disclosing more data, even if her results are still poor. She still does not contribute to the Fast Track Initiative, but she gets some credit for her recent commitment to basic education in the Solomon Islands, a Least Developed Country in her region. This is an encouraging start on breaking her bad habit of spending too much on consultants and tertiary scholarships.</p>		

Report card: Norway		A
Name: Kjell Magne Bondevik		
Overall mark: 100/100	Overall grade: A	Position in class: 1/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	A	
Providing a fair share of the funding needed for universal primary education	A	
Committing to co-ordinate for better results	A	
Focusing on poorest countries where girls most lack access to education	A	
Providing high-quality aid to education	A	
Teacher's remarks		
<p>Top of the class! Kjell has surpassed himself to become a class leader, improving in every subject. He has made a particular effort to improve in his share of basic education funding and his commitment to the Fast Track Initiative. He is an inspiration to his classmates.</p>		

Report card: Portugal		D
Name: Pedro Santana Lopes		
Overall mark: 38/100	Overall grade: D	Position in class: 13/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	E	
Focusing on poorest countries where girls most lack access to education	B	
Providing high-quality aid to education	C	
Teacher's remarks		
<p>When Pedro concentrates he does well — for example, focusing on the poorest countries and untying aid to education. When he doesn't, he does poorly, spending very little on aid overall and contributing only a small amount of his fair share to basic education. More all-round effort and a focus on FTI countries would boost his marks.</p>		

Report card: Spain		E
Name: José Luis Rodríguez Zapatero		
Overall mark: 23/100	Overall grade: E	Position in class: 18/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	E	
Focusing on poorest countries where girls most lack access to education	E	
Providing high-quality aid to education	E	
Teacher's remarks		
<p>José has made a lot of promises, but still has a long way to go if he wants to improve his grades. He is a newcomer to the class, but in coming terms should prove himself by increasing the quality and quantity of his aid, and reviewing his strategy on aid to education. He has committed to contribute to the Fast Track Initiative, but still has to show concrete results. There are high expectations of José, and he should respond quickly and decisively.</p>		

Report card: Sweden		B
Name: Goran Persson		
Overall mark: 84/100	Overall grade: B	Position in class: 4/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	A	
Providing a fair share of the funding needed for universal primary education	D	
Committing to co-ordinate for better results	B	
Focusing on poorest countries where girls most lack access to education	A	
Providing high-quality aid to education	A	
Teacher's remarks		
Goran is showing others what can be achieved. He should now work on co-operating with others through the Fast Track Initiative and focusing on countries where large numbers of girls lack access to school. In all other areas his performance is excellent, and he should be proud of his solid record.		

Report card: Switzerland		C
Name: Joseph Deiss		
Overall mark: 59/100	Overall grade: C	Position in class: 8/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	D	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	C	
Focusing on poorest countries where girls most lack access to education	B	
Providing high-quality aid to education	B	
Teacher's remarks		
Joseph has made little change to the Swiss grade since the last School Report. He has upped the aid budget slightly, but still fails to pull his weight in supporting basic education. He continues a history of excellence on untying. Otherwise, it is a pity his appointment has not given the grades a boost.		

Report card: United Kingdom		B
Name: Tony Blair		
Overall mark: 76/100	Overall grade: B	Position in class: 5/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	D	
Providing a fair share of the funding needed for universal primary education	D	
Committing to co-ordinate for better results	A	
Focusing on poorest countries where girls most lack access to education	B	
Providing high-quality aid to education	A	
Teacher's remarks		
<p>Tony's record has definitely improved. He is providing more aid, a better share of aid to basic education, and an improved focus on the poorest, while 100 per cent of his aid to education is untied. He has made promises that should see his grades improving further in future years — for instance, setting a date to meet the internationally-recognised aid target. If he really wants to be top of the class, he should improve funding for primary education further, and examine his consultancy budget.</p>		

Report card: USA		F
Name: George Bush		
Overall mark: 18/100	Overall grade: F	Position in class: 20/21
Subject	Grade (A–F)	
Meeting the internationally-recognised aid target	E	
Providing a fair share of the funding needed for universal primary education	F	
Committing to co-ordinate for better results	E	
Focusing on poorest countries where girls most lack access to education	C	
Providing high-quality aid to education	F	
Teacher's remarks		
<p>George is making strides to increase basic education funding, although he is not yet living up to his potential. He is also focusing more on girls' education, and does better at focusing on poorer countries than in other subjects. To make a real difference, though, he should increase his assistance to primary education, and disclose how much aid is untied.</p>		

Indicator 1: Meeting the internationally-recognised aid target

Measured by Net Official Development Assistance (ODA) as a percentage of Gross National Income (GNI)

Providing quality education for all does not simply require investment in education. Resources for health, water and sanitation, and infrastructure are all vital to ensuring children all over the world receive a good-quality education. These resources are particularly critical to getting girls into school. When death or illness strikes a family, for example, girls are often the first to be taken out of school to provide care for family members or to look after siblings.

Rich countries first agreed to a target of providing aid of at least 0.7 per cent of their Gross National Income (GNI) in 1970. If every rich country met this target, it would mean that enough resources would be available to eradicate poverty, including ensuring that all children had access to a quality education. However, currently just five rich countries make the grade.

Grading:

A: 0.7% or more of GNI is given in aid

B: 0.55–0.69%

C: 0.4–0.54%

D: 0.25–0.39%

E: 0.1–0.24%

F: 0.1% or less

Table 1: Meeting the internationally-recognised aid target

Country	Net ODA as % of GNI, 2003	Marks out of 20	Grade (A–F)
Norway	0.92	20	A
Denmark	0.84	20	A
Luxembourg	0.81	20	A
Netherlands	0.80	20	A
Sweden	0.79	20	A
Belgium	0.60	17	B
France	0.41	12	C
Ireland	0.39	11	D
Switzerland	0.39	11	D
Finland	0.35	10	D
United Kingdom	0.34	10	D
Germany	0.28	8	D
Australia	0.25	7	D
Canada	0.24	7	E
Spain	0.23	7	E
New Zealand	0.23	7	E
Portugal	0.22	6	E
Greece	0.21	6	E
Japan	0.20	6	E
Austria	0.20	6	E
Italy	0.17	5	E
USA	0.15	4	E

Data source: DAC database, OECD, Table 1, 2003.

Indicator 2: Providing a fair share of the funding needed to achieve universal access to primary education

Measured by the amount each donor gives to basic education relative to the amount each donor should contribute to the \$5.6bn funding gap, according to its national income (GNI)

In Dakar, Senegal, in 2000, rich countries agreed that 'no countries seriously committed to Education for All will be thwarted in their achievement of this goal by lack of resources'. Central to the aims of Education for All was meeting gender equality in education, including eliminating gender disparities in primary and secondary education by 2005. However, 70 countries are set to miss this target and, worldwide, 60 million girls remain out of school.

The UN has calculated that \$5.6bn each year is needed to fund universal participation, by both boys and girls, in primary education. Rich country donors should fairly share this additional financing need between them, with wealthier countries assuming more of the financing burden than less wealthy ones. Sadly, only two rich countries devote the funding required of them to make up the gap.

Grading:

- A: 100% or more of the fair share of aid to primary education is provided
- B: 80–99.9%
- C: 60–79.9%
- D: 40–59.9%
- E: 20–39.9%
- F: 19.9% or less

Table 2: Providing a fair share of the funding needed to achieve universal access to primary education

Country	Aid to basic education, \$m, 2003	Donor GNI as % of total DAC GNI	Fair share of \$5.6bn based on donor GNI, \$m	% of fair share actually given	Marks out of 20	Grade (A–F)
Norway	80.58	0.8	57.6	140.02	20	A
Netherlands	162.8	1.8	129.3	125.9	20	A
Greece	36.7	0.6	44.8	82.1	16	B
Canada	164.9	3.1	221.0	74.6	15	C
United Kingdom	268.4	6.6	473.6	56.7	11	D
Sweden	41.03	1.1	78.2	52.5	10	D
Ireland	17.3	0.5	33.0	52.2	10	D
France	227.42	6.3	456.3	49.8	10	D
Denmark	18.2	0.8	54.0	33.7	7	E
Finland	12.2	0.6	41.5	29.4	6	E
Australia	36.2	1.8	127.6	28.3	6	E
New Zealand	4.4	0.3	19.0	23.3	5	E
Switzerland	15.5	1.2	87.2	17.8	4	F
Spain	37.3	3.0	217.3	17.2	3	F
Belgium	13.5	1.1	79.7	17.0	3	F
Germany	96.8	8.6	619.5	15.6	3	F
Portugal	5.2	0.5	37.7	13.7	3	F
Japan	127.6	15.7	1132.7	11.3	2	F
USA	226.8	39.5	2842.7	8.0	2	F
Austria	4.3	0.9	64.8	6.8	1	F
Italy	3.1	5.2	376.4	0.8	0	F
Luxembourg	No data available				0	F

Data sources: DAC database, OECD, Table 1, 2003; DAC database, OECD, Table 5, 2003 and 2002.

Indicator 3: Committing to co-ordinate for better results

Measured by the 'fair share' that countries have contributed to the Education for All Fast Track Initiative

The Education for All Fast Track Initiative provides financial support to developing countries that put forward good plans for education. The proposed education plan must include a strategy for the education of girls. The Fast Track Initiative offers a good means for donors to provide co-ordinated aid to countries where it can be most immediately effective.

This indicator measures how much rich donors have contributed to the FTI, compared with how much they should contribute, based on their relative wealth. Only five donors provided their fair share in 2004. Countries endorsed by the FTI are therefore frustrated in their aims, including that of getting girls into school. Yemen, for example, is short of \$64m needed in 2005 to expand girls' enrolments, including a programme of stipends that has proven very successful in attracting poor girls to school.

Grading:

A: 100% or more of fair share contributed

B: 70–99.9%

C: 50–69.9%

D: 30–49.9%

E: 0.1–29.9%

F: 0%

Table 3: Committing to co-ordinate for better results

Country	Fair share of finance required to fill the financing gap for the 12 FTI-endorsed countries, based on GNI, 2004, \$m	Amount committed to the FTI-endorsed countries, \$m, 2003/2004	Amount committed as % of fair share	Marks out of 20	Grade (A–F)
Norway	4.8	25.3	531.9	20	A
Canada	18.3	56.4	308.4	20	A
Netherlands	10.7	29.2	273.1	20	A
United Kingdom	39.2	92.0	234.6	20	A
Denmark	4.5	4.6	101.7	20	A
Sweden	6.5	5	77.2	15	B
Ireland	2.7	1.8	66.6	13	C
Switzerland	7.2	4.8	66.0	13	C
Belgium	6.6	2.9	44.2	9	D
Germany	51.3	18.7	36.5	7	D
Japan	93.8	33.4	35.6	7	D
France	37.8	13.3	35.1	7	D
Spain	18.0	5.2	29.1	6	E
USA	235.3	20.3	8.6	2	E
Portugal	3.1	0.2	7.1	1	E
Italy	31.2	2	6.4	1	E
Austria	5.4	0.1	2.5	1	E
New Zealand	1.6	0.03	2.1	0	E
Australia	10.6	0.008	0.1	0	E
Finland	3.4	0	0	0	F
Greece	3.7	0	0	0	F
Luxembourg	0.5	0	0	0	F

Data sources: EFA-FTI Status of Implementation Report November 2004; Catalytic Progress Report March 2005; DAC database, OECD, Table 1, 2003 and Creditor Reporting System, OECD, Table 2, Commitments, Aggregated by Sectors, 2003 and 2002.

Indicator 4: Focusing on the poorest countries where girls most lack access to education

Measured by the percentage of aid to education going to the poorest countries, and to those countries where girls most lack access to primary school

The poorest countries in the world are those most dependent on aid financing for investments in education, and those least able to meet international education targets. A certain amount of aid may still be appropriate for middle-income countries with large pockets of poverty, and this is reflected in the grading. However, too many rich countries still allocate aid according to their own political, security, cultural, and military links, which diverts aid from those who need it most.

While the poorest countries also tend to be those with the weakest records on girls' education, in 2005 an indicator was added which measures with greater precision how much aid goes to countries with the biggest problems in getting girls into primary education — those with a girls' primary school enrolment rate of less than 75 per cent. Just six donor countries really focus their aid on the poorest, while only seven give more than half of their aid to the countries with the lowest primary school enrolment rates for girls.

Grading:

A: 18–20 total marks

B: 15–17

C: 10–14

D: 6–9

E: 3–5

F: 0–2

Table 4: Focusing on the poorest countries where girls most lack access to education

Country	% of aid to education in Low Income Countries	Marks out of 10	% of aid to education spent in countries where girls' primary school enrolment is under 75%	Marks out of 10	Total marks out of 20	Grade (A–F)
Denmark	98.9	10	84.9	10	20	A
Ireland	87.8	10	54.3	10	20	A
Norway	90.9	10	49.8	10	20	A
Sweden	85.7	10	66.6	10	20	A
Netherlands	72.1	8	48.5	10	18	A
Finland	66.9	7	63.1	10	17	B
United Kingdom	83.0	10	37.6	7	17	B
Belgium	67.5	7	45.7	9	16	B
Italy	62.1	6	55.4	10	16	B
Portugal	99.4	10	32.2	6	16	B
Switzerland	60.0	5	55.6	10	15	B
Canada	70.5	8	31.1	5	13	C
Luxembourg	67.9	7	24.3	4	11	C
Australia	22.7	0	62.1	10	10	C
Japan	75.2	9	13.1	1	10	C
USA	57.0	4	34.9	6	10	C
Germany	57.1	4	21.4	3	7	D
France	42.3	1	26.0	4	5	E
New Zealand	55.0	4	15.0	1	5	E
Spain	36.4	0	21.8	3	3	E
Austria	19.8	0	6.0	0	0	F
Greece	0.7	0	0.2	0	0	F

Data sources: Creditor Reporting System, OECD, Table 2, Commitments, Aggregated by Sectors, 2003 and 2002; UNICEF.

Indicator 5: Providing high-quality aid to education

Measured by percentage of aid to education that is untied, combined with the percentage not spent on Technical Assistance

When aid is tied, the donor places restrictions on where the money it gives can be spent, often requiring it to be spent on goods and services in the donor country. Tying aid means it provides less value for money, and puts the interest of the donor country above that of the receiving country.

This year's School Report separates out another aspect of the way aid to education is poorly spent by donors — the concentration of aid on Technical Assistance, or consultancy and research, which is often provided by advisers from the donor country. While some Technical Assistance can be of use to developing countries, large amounts of aid channelled for this purpose crowd out funding for other educational investments. It is an expensive way to spend aid money, especially when it is provided by donor country personnel. Half of all the donors spend more than 80 per cent of their aid to education on Technical Assistance.

Grading:

- A: 18–20 total marks
- B: 15–17
- C: 10–14
- D: 6–9
- E: 3–5
- F: 0–2

Table 5: Providing high-quality aid to education

Country	% of aid to education untied	Marks out of 10	% of aid to education not spent on Technical Assistance	Marks out of 10	Total marks out of 20	Grade (A–F)
Ireland	100	10	93	10	20	A
Norway	100	10	76	10	20	A
Denmark	93.7	9	98	10	19	A
Sweden	86.7	9	95	10	19	A
United Kingdom	100	10	55	8	18	A
Netherlands	99.9	10	52	7	17	B
Switzerland	100	10	39	6	16	B
Greece	99.8	10	33	5	15	B
Finland	99.1	10	37	5	15	B
Portugal	98.5	10	11	2	12	C
France	97.0	10	11	2	12	C
Belgium	100	10	0	0	10	C
Canada	60.1	6	27	4	10	C
Japan	39.4	4	43	6	10	C
Luxembourg	No data	0	100	10	10	C
Germany	76.3	8	9	1	9	D
Australia	66.3	7	10	1	8	D
New Zealand	37.8	4	10	1	5	E
Spain	8.1	1	18	3	4	E
Austria	8.6	1	16	2	3	E
Italy	0	0	6	1	1	F
USA	No data	0	0	0	0	F

Data sources: Creditor Reporting System, OECD, Table 2, Commitments, Aggregated by Sectors, 2003, 2002, and 2001; EFA-FTI Status Report November 2004.

Notes and calculations

The 22 donor countries are all members of the official body of donors, the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). Between them, they possess more than half the world's wealth and provide most of the world's aid. Reliable information on composition of aid to education is difficult to obtain, although the OECD database upon which we relied has improved as a basis for analysis. Any assumptions are set out in this section.

The final scores of this School Report are not directly comparable with those of the 2003 School Report. This year's report has been refined, so that two of the indicators incorporate new components and some of the underlying assumptions have changed. The final grades are also scaled differently.

Indicator 1: Meeting the internationally-recognised aid target

Measured by Net Official Development Assistance (ODA) as a percentage of Gross National Income (GNI).

Marking: 28.6X where X = ODA as % of GNI. Maximum mark is 20, achieved by contributing 0.7% or above.

Indicator 2: Providing a fair share of the funding needed to achieve universal access to primary education

Measured by the amount each donor gives to basic education relative to the amount each donor should contribute to the \$5.6bn funding gap, according to its national income.

Marking: 0.2X where X = % of fair share of funding provided. Maximum mark is achieved by providing 100% or above.

Data analysis:

- The grades are determined from the total finance required to achieve universal primary education — an estimated funding gap of \$5.6bn — in addition to current contributions to basic education.
- It is not possible to obtain figures for aid to primary education. Instead, basic education is a broader category defined by the DAC as 'primary, basic life skills for youth and adults and early childhood education'.
- Aid to education also includes unspecified commitments, which may include general sector (i.e. non-project) support. It is assumed that one third of aid to unspecified education budgets goes to basic education. Hence total basic education is calculated as [aid to basic education + (aid to unspecified education)/3].
- Some countries report their sectoral aid data by commitments and others by gross disbursements. However, the nine donors that reported by commitments in 2003 disbursed 75 per cent or more of their total aid commitments, so in contrast with the 2003 School Report, we did not feel it was necessary to adjust the data.
- A question arises as to how the funding gap can remain the same as in the 2003 School Report, when bilateral aid to basic education has risen. The funding gap remains constant as multilateral aid has decreased, and therefore overall aid to basic education has remained the same. In terms of this analysis of bilateral aid, using the same funding gap is still valid when calculating fair shares for the 2004 Report, but it means that the data are not exactly comparable with those in the 2003 Report, as it does not account for trends in bilateral aid.
- Data gaps: data on ODA to education for Ireland are only available for 2002. Luxembourg has provided no data since 2000, so it receives a mark of 0 for non-reporting.

Indicator 3: Committing to co-ordinate for better results

Measured by the 'fair share' that countries have contributed to the Education for All Fast Track Initiative (EFA-FTI).

Marking: 0.2X where X = % of fair share of funding given to the Fast Track Initiative. Maximum mark is achieved by providing 100 per cent or above.

Data analysis:

- The FTI is a 'global education partnership' and the most ambitious attempt to date to establish an international funding mechanism for education. Therefore it was felt that this indicator would also embody a measure of a donor's commitment to working with others.
- The amount of money that is needed is derived from estimates of the total cost of primary education minus total available government financing, for the 12 countries endorsed by the FTI in 2004.

- The proportion of this total that is each donor's 'fair share' of the FTI bill was calculated on the basis of donor GNI as a percentage of total DAC 22 GNI.
- The amount committed by each donor to the FTI in 2004 is the sum of donor pledges to the Catalytic Fund in 2004 (recorded in the FTI Status Report) and donors' aid to basic education in the 12 endorsed countries (data from the DAC). The DAC data is only available for 2003, but this was taken as a proxy for 2004. Some donors may have been over-rewarded using this method, as it is unknown how much of this aid to basic education is provided through FTI mechanisms. Donors should make such data publicly available in FTI Status Reports, but this is currently not being done.
- Donor commitments exclude those made to the Education Program Development Fund, which advises on the development of country plans beyond the 12 endorsed countries. So far, only Norway has deposited \$5m in the Fund account for 2005, while the UK has pledged \$1m for the same year.

Indicator 4: Focusing on the poorest countries where girls most lack access to education

Measured by a) the percentage of aid to education going to LICs (Low Income Countries), and b) the percentage going to those countries where girls' primary enrolment is less than 75 per cent.

Marking:

- (a) $0.25(X-40)$ where $X =$ % of aid to education going to LICs. Maximum is 10 marks, achieved by providing 80% or more. Minimum is 0, achieved by providing only 40% or less.
- (b) $0.25(X-10)$ where $X =$ % of aid to education going to countries where girls' primary enrolment is 75% or less. Maximum is 10 marks, achieved by providing 50% or more. Minimum is 0, achieved by providing only 10% or less.

Data analysis:

- Data were available only for commitments, which can differ from the more standard measure of gross disbursements. However, commitments still represent a statement of intent about the direction of aid flows.
- This analysis leaves out 'unallocated' aid (which goes to regional or multilateral projects and programmes), unlike the 2003 indicator, which attempted to apportion unallocated aid on guesstimates of the LDC/LIC share for each region.
- The data on net primary enrolment rates for girls come from UNICEF. Thirty-seven countries have net primary enrolment rates of under 75 per cent. It is not expected that all donors should be operating in all of these 37 countries, nor that all aid to education should be concentrated in them. For this reason, an A grade is awarded to donors who give 50 per cent or more of their aid to education to these countries.
- Data gaps: data for Luxembourg are only available for 2002.

Indicator 5: Providing high-quality aid to education

Measured by a) the percentage of aid to education that is untied, and b) the percentage that is not spent on Technical Assistance.

Marking:

- (a) $0.1X$ where $X =$ % of aid that is untied.
- (b) $0.143X$ where $X =$ % of aid not spent on Technical Assistance. Maximum is 10 marks, achieved by allocating 70% or more of aid to expenditures other than Technical Assistance.

Data analysis:

- Donors were penalised equally for partially tying aid (tied to the purchase of goods from the donor and/or developing countries) as well as tying aid (to purchase from the donor country).
- All the data were calculated as commitments.
- The Technical Co-operation data is from 2002, based on calculations for the EFA-FTI November 2004 Status Report. Although there is no proven relationship between numerical amounts spent on Technical Assistance and its effectiveness (reflecting the fact that so little aid is well assessed), we have chosen the indicator to highlight the high proportion of aid to education that is channelled into Technical Assistance, at the expense of other investments.
- Data on tying to the education sector have improved. However, not all aid to education is reported by tying status, so the proportion was taken for data reported as such. For the Netherlands and Japan we used 2002

data, and for Italy 2001 data. The USA and Luxembourg were penalised in the final scores for not reporting any recent data.

Final grade

The final grade was awarded for the following marks out of 100. All of the five indicators were considered equally important:

A = 90–100, B = 70–89, C = 50–69, D = 30–49, E = 20–29, F = 0–19

Outstanding issues

The DAC data upon which the School Report relies under-reports aid to education, as aid channelled through national budgets is not classified in sectoral breakdowns. This penalises donors such as DFID in the UK, which has its own classification system and estimates that around 20 per cent of its budget support goes to education. Unfortunately, the paucity of globally comparable data hinders accurate calculations for Indicators 2–5.

Notes & References

¹ Abu-Ghaida, D. and S. Klasen (2004) 'The Economic and Human Development Costs of Missing the Millennium Development Goal on Gender Equity', World Bank Discussion Paper 29710 (Washington: World Bank). Smith, L. and L. Haddad (2001) 'Explaining Child Malnutrition in Developing Countries,' International Food Policy Research Institute Research Report No. 111 (Washington DC: International Food Policy Research Institute). Global Campaign for Education (2004) *Learning to Survive: How Education for All Would Save Millions of Young People from HIV/AIDS* (London: GCE). Psacharopoulos, G. and H. Patrinos (2002) 'Returns to Investment in Education: A Further Update', World Bank Policy Research Working Paper 2881 (Washington: World Bank)

² Global Movement for Children (2005) 'But the Children Cannot Wait: What Governments Must Do *This Year* to Fulfill the Promises Made to Children in the Millennium Declaration and Goals', March 2005 (processed).

³ The Dakar Framework for Action, adopted by the World Education Forum, Dakar, Senegal, 26–28 April 2000 (Paris: UNESCO, 2000)

⁴ Based on trends in primary completion 1990–2001, as reported in the FTI Status Report, December 2004.

⁵ According to the three-year targets and budgets approved by donors, the first 12 FTI partner countries needed a total of \$1.7bn in aid to finance the first three years of their UPE strategies (2003-2005), on top of \$5bn of their own money. As of the end of 2004, only 1.05bn had been committed. These figures exclude Ethiopia, the most recently endorsed country, which faces a financing gap of some \$200m per year. FTI Secretariat (2004), 'EFA-FTI Status Report', prepared for the EFA-FTI Annual Meeting, Nov 10-12, 2004 (revised December 2004). As noted above, more recent donor pledges may improve the situation slightly for some countries, but unfortunately no comprehensive information was available on 2005 pledges. See Box 2 for more information on the most recent pledges.

⁶ Federal Democratic Republic of Ethiopia, Proposal for EFA by 2015 Fast Track Financing, Ministry of Education, 2002

⁷ This is the absolute minimum required, in two respects. First, the underlying estimates are based on very optimistic projections of how much poor countries themselves will be able to increase spending on education. The Millennium Project argues that since education already consumes a large share of developing country budgets relative to other crucial sectors such as health, a greater proportion of the total costs of universal primary education may need to be financed by donors. Second, the aid estimate is based on the MDG target of six years of primary education, which many see as an absolute minimum starting point towards Education for All. There is growing support for an extension of universal basic education to nine years of schooling, and the Africa Commission estimates that Africa alone needs an extra \$7bn–8bn a year from donors to achieve this. Early childhood education and adult literacy are other important investments for poverty reduction, that are not included in the \$7.05bn estimate.

⁸ Using the DAC database, we found that bilateral aid to basic education in all developing countries, including middle income countries, increased from about \$1.1bn in 2000 to \$1.4bn in 2003 in constant prices (or \$1.6bn in nominal prices). We used the DAC-CRS database to track bilateral aid to basic education in low-income countries because the DAC database, although more inclusive, is less detailed, and does not give sectoral breakdowns to low-income countries. Since DAC figures tend to be higher than DAC-CRS figures, an alternative (but less precise) estimate prepared with DAC data would also give a slightly higher total for bilateral aid to basic education in low-income countries. Estimating multilateral flows to basic education is even more difficult as DAC and CRS data on multilateral flows by sector and subsector is quite unsatisfactory. The World Bank is working with OECD DAC to improve multilateral reporting but in the meantime all estimates of multilateral aid to basic education, including ours, should be taken as preliminary. Following advice from OECD experts, we used the more detailed DAC-CRS database to track commitments by most multilaterals but relied on the DAC database to track others whose aid is poorly captured by the CRS reporting framework. For this second group, we assumed that the percentage of their basic education aid directed to low-income countries is the same as the percentage of their overall aid that they allocate to low-income countries. In all cases (bilateral and multilateral), we attributed 1/3 of "education level unspecified" aid to basic education. Changing either of these assumptions would result in a higher or lower estimate. Although our School Report scores in Part II of this report are based on current prices, which provide a more reliable basis for comparing individual country aid performance in a given year, we use constant prices for tracking year-on-year trends. Special thanks to Laura Gregory of the World Bank for her assistance with these calculations, even though our conclusions differ slightly from hers.

⁹ FTI Secretariat (2004), 'EFA-FTI Status Report', prepared for the EFA-FTI Annual Meeting, Nov 10-12, 2004 (revised December 2004). This estimate includes an additional \$0.3-\$0.5bn in general budget support attributed to basic education, but excludes technical cooperation.

¹⁰ By 'universal primary education' we mean universal completion of a full primary cycle, which is the target set in the Millennium Development Goals and Dakar Framework for Action.

¹¹ The share of total bilateral aid devoted to basic education has actually fallen slightly since our last School Report, from 3.4 per cent in 2001 to 3.2 per cent in 2003.

¹² Figures for total aid per head in Norway and the USA from Just1World (2005), 'Development Aid', January 2005. Available at: <http://www.just1world.org/development-aid.htm>. Percentages of total Norwegian and US aid going to education based on data from OECD DAC and CRS.

¹³ All future calculations of debt sustainability must be linked to a country's ability to fight poverty and reach the MDGs including universal primary education. Any assessment of debt sustainability must be carried out by fair and transparent means. In practice, this will mean 100% debt cancellation for the majority of the world's poorest countries.

¹⁴ No financing figures are available for the 13th and most recently endorsed country, Ethiopia. Although the most recent official information suggests that the first 12 FTI countries can count on a combined aid increase of only \$25m in 2005, these figures were last updated by the FTI secretariat in December 2004. Once more recent pledges (e.g. to Niger and Nicaragua) are taken into consideration, the total increment for 2005 may approach \$50m. However, the aggregate figure disguises the fact that some countries (e.g. Mozambique and Guinea) have actually seen aid to basic education *fall* significantly since receiving FTI endorsement.

¹⁵ The Netherlands is the major contributor to the FTI Catalytic Fund, a multi-donor pooled fund managed by the World Bank, which is providing short-term bridging funds to six endorsed countries whose plans have not attracted sufficient bilateral financing. Ironically, although the Catalytic Fund is intended as a 'donor of last resort', to date it is the *only* channel through which most FTI countries have been able to access additional funds.

¹⁶ Median costs for new schools in the US, 2003, as reported in American School & Universities 30th Annual Official Education Construction Report. Available at: <http://66.102.9.104/search?q=cache:dpWMSqt8oqwJ:www.asumag.com/mag/405asu21.pdf+Annual+American+School+%26+University+Education+Construction+Report+&hl=en>

¹⁷ However, some donors, such as Norway and the UK, also make substantial contributions to UNICEF to help finance UNICEF's girls' education programmes in these countries. These contributions are not captured in the CRS dataset used for this report.

¹⁸ The FTI secretariat is keenly aware of the need for better financing data and is working closely with participating countries and with donors to improve information flows.

¹⁹ Omitting the needs of Ethiopia, the most recently endorsed FTI country, which faces a financing gap of about \$200m per year.

²⁰ According to the three-year targets and budgets approved by donors, the first FTI partner countries, excluding Ethiopia, needed a total of \$1.7bn in aid to finance the first three years of their universal primary education strategies, on top of \$5bn of their own money. As of the end of 2004, only \$1.05bn had been committed. As noted above, more recent donor pledges may improve the situation slightly for some countries, but unfortunately no comprehensive information was available on 2005 pledges.

²¹ Republic of Yemen Ministry of Education, 'EFA Fast Track Initiative: Country Credible Plan' (Republic of Yemen, 2002).

²² World Bank, Ethiopia Public Expenditure Review, vol I, June 2004; Federal Democratic Republic of Ethiopia, Proposal for EFA by 2015 Fast Track Financing, Ministry of Education, 2002

²³ Clarke, D. and D. Bundy (2004) 'The EFA-FTI Fast Track Initiative: Responding to the Challenge of HIV and AIDS to the Education Sector,' October 2004 (processed).

²⁴ Republic of Mozambique Ministry of Education, 'EFA Fast Track Initiative: Final Proposal Revised', November 2003

²⁵ Republic of Mozambique Ministry of Education, 'Mozambique Education Sector Action Plan [for] Prevention and Mitigation of HIV/AIDS,' Draft 2, 28 February 2003

²⁶ Republic of Yemen Ministry of Education, 'EFA Fast Track Initiative: Country Credible Plan' (Republic of Yemen, 2002).

²⁷ Republic of Niger, Cabinet of the Prime Minister, Ministry of Education, "EFA Fast Track Initiative: Request submitted by Niger," September 2002.

²⁸ "EFA Fast Track Initiative: Assessment of the Proposal from Niger", report of the meeting of technical and financial partners, Niamey, Nov. 15 2002.

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- ²⁹ Republic of Niger, Cabinet of the Prime Minister, Ministry of Education, "EFA Fast Track Initiative: Request submitted by Niger," September 2002.
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- ³¹ UNESCO (2002), *Dakar Framework for Action*.
- ³² UNAIDS/WHO, *Report on the Global AIDS Epidemic*, Geneva: UNAIDS, 2004
- ³³ GCE, *Learning to Survive*, op. cit.
- ³⁴ GCE E-News, February 2005. http://www.campaignforeducation.org/news/news_full.html#henna
- ³⁵ Government of Tanzania (2002), 'Tanzania Education Sector Plan'.
- ³⁶ We regret that we were not able to obtain information from all donors about their policies on education user fees.
- ³⁷ 'EFA-FTI Status Report', November 2004.
- ³⁸ Freeman, T. and S. Faure, 'Local Solutions to Global Challenges: Joint Evaluation of External Support to Basic Education', Netherlands Ministry of Foreign Affairs, September 2003
- ³⁹ UNESCO (2004), EFA Global Monitoring Report 2005, p. 208.
- ⁴⁰ B. Bruns et al (2003), *A Chance for Every Child: Achieving Universal Primary Education by 2015* (Washington: World Bank), p. 121.
- ⁴¹ Foster, M., 'Accounting for Donor Contributions to Education for All: How Should Finance Be Provided? How Should It Be Monitored?', Report to the World Bank, February 2004
- ⁴² B. Bruns et al (2003), *A Chance for Every Child: Achieving Universal Primary Education by 2015* (Washington: World Bank); 'EFA-FTI Status Report', November 2004.

Acknowledgements

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Regional and international members

ActionAid International
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ASPBAE
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El Salvador: CIAZO
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Gambia: GEFA
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