CONCEPT NOTE
(February 2017)

ESTABLISHMENT OF AN AFRICAN EDUCATION FUND (AEF)

1. Introduction and Background
The United Nations 2030 Agenda for Sustainable Development is a framework for transforming the world, including Africa, by 2030. Its Sustainable Development Goal (SDG) No. 4 focuses on education and stresses the criticality of ensuring inclusive and equitable quality education and promotion of lifelong learning opportunities for all. Africa’s Agenda 2063 is based on the aspirations of the continent, which include, among others, a prosperous Africa focusing on inclusive growth and sustainable development. It aims at repositioning and revitalizing education for sustainable development and structural transformation of Africa. Closely linked to Africa’s Agenda 2063 is the Continental Education Strategy for Africa 2016 – 2025 (CESA 16-25). Like the ADEA Strategic Policy Framework of 2013, it seeks to achieve a paradigm shift which will guarantee the establishment of a qualitative system of education and training that can “provide the African continent with efficient human resources adapted to African core values and therefore capable of achieving the vision and ambitions of the African Union.” Explicit in the global and continental frameworks is the recognition that education is associated with many development outcomes and there is a direct link between improving human capital and achieving sustainable development of countries.

With adequate and strategic investment in education and skills development, African countries can change the status quo, accelerate the pace of catching up with the developed countries and be able to compete in an increasingly technology and knowledge-based world where skills have become the “global currency of the 21st century”. The challenge is how they can finance the enormous yet necessary change in education and training systems given the competing needs of other development sectors and dwindling support from development cooperation partners. This concept note proposes an African Education Fund.

2. Rationale for African Education Fund
The post-2015 education agenda would require “innovative, increased and well-targeted financing and efficient implementation arrangements. There must be a clear, renewed commitment by governments to provide adequate and equitable financing to educational priorities, and by all donors, established and new, to provide additional support” (source: UNESCO). There are several reasons why setting up an African Education Fund should be a priority of African Ministers.

2.1 Dwindling Financial Support: Emerging priorities in other development sectors are competing with education and also compelling countries to give it less attention than it actually deserves. Unfortunately, education aid has been on the decline. Development cooperation partners are shifting their emphasis from education to other emerging development priorities. According to Global Partnership for Education (GPE), financial constraints continue to hamper education progress in many developing countries because they do not have sufficient budget resources to provide a full cycle of quality education.
2.2 Population Growth: In projections to 2030, the African population is expected to peak at 1.6 billion from 1.2 billion in 2015 which would represent 19% of the world’s population of 8.5 billion (United Nations: 2015). Of the current population, 41.5 percent is under the age of 15. This huge youthful population can be a “demographic dividend” only if it is provided with quality education and skills.

2.3 Limited absorptive capacity: The expansion of access to primary education has resulted in growing demand for secondary and tertiary education which has been difficult to meet. In spite of the growth in tertiary institutions only 6 percent of young people in sub-Saharan Africa are enrolled in higher education institutions compared to the global average of 26 percent (AAI: 2015). The consequence is that they are unable to acquire critical skills and knowledge to seize economic opportunities and find decent jobs.

2.4 Economic Growth and Capacity: Economic growth has been impressive in Africa in the past decade. Its sustainability and structural transformation from primary producers requires capacity. Capacity comes from quality education and training, particularly in science and technology. The 2016 ICT Ministerial Forum recommended that: African governments should integrate digital technology in all vocational and technical skills development programmes; and accelerate the use of ICT to offer each student an equal opportunity to access quality education. The implementation of such programs costs money.

2.5 The Unfinished Business: Although efforts made by African countries to achieve the Millennium Development Goals (MDGs) and Education for All (EFA) goals (especially on access) have produced commendable outcomes it is still an unfinished business which has been rolled over into the post-2015 education agenda. Despite progress in access, fundamental challenges remain and they include lack of teachers (number and quality) and poor infrastructure; inequality in access and career paths; low quality of educational/learning outcomes; outmoded teaching practices; and lack of teaching aids including ICT.

2.6 Existing Education Funds: Various education funds currently exist which finance education for specific groups. For instance, the African Child Trust works in a number of African countries to provide education to disadvantaged children and orphans so that they achieve their full potential. The Norwegian Education Trust Fund for Africa (NETF) finances education sector development and reform programs with a view to putting African education systems on a path towards good quality basic education for all. The Africa Educational Trust (AET) supports African students, especially exiles and refugees. The South African Educational Development Trust seeks to promote the importance of education and development of individual academic excellence among all South African youth. The Zawadi Africa Education Fund provides scholarships to academically gifted girls from disadvantaged backgrounds in Africa to enable them to pursue higher education in designated countries.

A common denominator of these trust funds is that they are not continental in orientation and do not focus on the whole spectrum of education transformation. They operate in a few countries, focus on one segment of the population (e.g. girls or marginalized women) or address one educational challenge (e.g. basic education). The proposed African Education Fund will be more comprehensive and inclusive in funding education development and transformation for the whole continent. It will however, be complementary to and supportive of existing funds. More importantly, it is a fund that is initiated, and will be designed, led and managed by Africans for African education and training systems. The objective of the African Education Fund is to provide a solid and sustainable financial resource base to support African governments in the implementation of the education component of the Global Agenda 2030 and Africa’s Agenda 2063. Education is not a sprint; it requires long-term efforts and finance to achieve the desired outcomes. Challenges in education in Africa are many, especially with growing youth population.
3. Operationalizing African Education Fund

Establishing the African Education Fund provokes a number of questions that call for hard thinking. How and who will mobilize financial resources for the Fund? Who is expected to contribute to the AEF? How much is required by 2030 or 2063 to meet the key needs of education in Africa? Who will manage the fund and allocate the resources? Will it be seen as competing with similar global funding mechanisms and initiatives? What is the rationale for setting up such a Fund and is it compelling enough? How do we ensure that the resources allocated are managed with transparency and accountability? How will the sustainability of the Fund be assured? How often will the Fund be replenished?

There is a need to (i) identify the top education priorities in African countries and what it would cost to meet them in the post-2015 agenda; (ii) examine budgetary allocation to education in relation to other development sectors by African governments; (iii) examine changing priorities of development cooperation partners and the role of the private sector; (iv) develop a strategy for ensuring accountability in managing financial resources allocated to education; and (v) develop strategies for engaging the business community, particularly multi-national corporations. Furthermore, periodic replenishment of the Fund (perhaps every three years) is imperative to ensure its sustainability. Each replenishment will be targeted at specific education development outcomes.

It is proposed that African Ministers of Education and Finance should support the establishment of an African Education Fund (AEF). The financiers will include African governments, private sector organizations, foreign governments, African Diaspora, philanthropists, non-governmental organizations, and foundations who are interested in the education of the African child and youth. The target amount for the Fund would be one billion US dollars. The AEF will be devoted to education and skills development, research and technical assistance. It would be used for education development in African countries: support to basic skills programs for girls and women, teacher development programs, higher education; promotion of youth training, entrepreneurship and employability; TVET, STEM, etc.

The AEF could be managed by the African Development Bank Group (AfDB), or a similar reputable entity with the oversight of a Board of Trustees made up of distinguished personalities with integrity and a track record of performance and effectiveness. Furthermore, pay for results, transparency and accountability are some of the criteria that could be used for releasing funds to beneficiaries.

4. Expected Outcomes

A pertinent question is: what outcomes will the Fund produce in education for the continent with the resources? The global and continental frameworks provide a road map for education within certain time frames. The Fund will finance programs and projects which have specific objectives and targets that are closely linked to the frameworks. Priority sub-sectors in education would be identified, targets would be set and they would be allocated necessary resources. The priorities must resonate with the realities of the African education. All programs and projects will be monitored and evaluated to determine their qualitative and quantitative outcomes.

5. Conclusion

There is no gainsaying the fact that implementing the education component of the 2030 Global Agenda and Africa’s Agenda 2063 would require enormous financial resources throughout the respective implementation periods. The implementation of the frameworks is designed to transform the world. Change, reform or
transformation involves costs. Maintaining the status quo is even more expensive and yet less productive of the desired outcomes in the long run. Appropriate education and training systems are critical to and typically intertwine with other development sectors. Any national development effort that ignores or relegates education to the background unwittingly jeopardizes the attainment of sustainable development. At the forthcoming Triennale, it is expected that African member countries would endorse the establishment of the African Education Fund as a major thrust in financing education on the continent.

References