

Pre-Budget 2018 Consultation

Standing Committee on Finance (FINA)



About the ONE Campaign

ONE is a policy and advocacy organization of 8 million people taking action to end extreme poverty and preventable disease, particularly in Africa. Not politically partisan, ONE was co-founded by U2 lead singer Bono to raise public awareness and press political leaders to combat AIDS and other preventable diseases, increase investments in agriculture and nutrition, and demand greater transparency in poverty-fighting programs.

Making education work for every girl

Executive Summary

With just two cents per Canadian, we have the opportunity to close the education gap. 130 million girls around the world don't have access to school. Not because they don't want to, but because they are denied the right to do so. The ONE Campaign is working with its 8 million members around the world to send a clear message to world leaders: every girl should have the right to a quality education.

In the 2018 budget, Canada should increase its share of investments to global education. Providing education for every girl is not only the right thing to do, it is a smart contribution that provides economic benefits for entire communities. 130 million is a massive loss of economic and social potential. Through this contribution, we will explain to this honourable committee why Canada should expand its contributions to bilateral and multilateral assistance for education.

The education commission estimates that by 2030 half of the world jobs –about 2 billion –are expected to disappear due to computerisation, connectivity and automation. The World Bank estimates that for developing economies the gap is going to be even greater. If we fail to put resources and political capital into the unfolding learning and skill development crisis, it would have a devastating effect on economies that are already struggling.

To meet the scale of the financing needed, ONE estimates that about USD\$40 billion will be needed in 2020, which accounts to more than double of 2015 financing levels. To meet this target 62% must come from ODA and the remaining 38% from innovative financing mechanisms.

Canada cannot do it all. But we should do our share investing an additional USD\$632 million over three years. This represents about two cents per Canadian, per day. Two additional cents can help us move the Agenda 2030 forward and provide every girl with the opportunity to achieve her full potential.

Making education work for every girl

Canada has been undertaking significant efforts to prepare its economy for the future by investing in skill development, innovation and infrastructure. This innovative and forward looking strategy has not yet reached our international development programming, and has not yet tapped into the opportunity of Canada's investment in the next generation of leaders and market opportunities around the world.

Canada has rightly focused its attention on gender equality, with the release of the new international assistance policy and by ensuring that our programs have women and girls at the centre. ONE agrees that this is the right approach –the fight against extreme poverty is directly linked with the fight for gender equality and empowerment. Now we must take the next step forward.

Prime Minister Trudeau agreed that “poverty is sexist”¹, and nowhere is this more evident than in access to education –130 million girls worldwide cannot attend school. Not because they don't want to, but because they are being denied the right to do so. Education is one of the most powerful interventions and it is fundamental to lift millions people out of the cycle of extreme poverty. In the new 'Feminist International Assistance Policy', Minister Bibeau clearly outlined that access to a quality education should be respected as part of Canada's feminist vision. Providing education for every girl is not only the right thing to do, it is a smart contribution that provides economic benefits for entire communities.

The case for investing in education: Why now?

The African continent is on the cusp of a demographic transition. By 2050 the continent will be home to nearly two out of five of the world's youth, Sub-Saharan Africa's working-age population is set to triple to 1.25 billion and its population is projected to rise over 2 billion². The potential of a '*demographic dividend*' can be an immense economic opportunity for Africa and for the world. But this opportunity can only be harnessed if we take action now. Ensuring that every girl has access to a quality education is one of the steps that we need to take to ensure Africa lives up to its economic potential.

According to the Education Commission, in the coming decades economies will depend more and more on their intellectual resources to develop new technologies and innovative solutions to global issues. The valuation of companies will rely more on human capital than physical capital³. We are seeing some of this trends developing with e-commerce and new technology, sharing services and self-driving cars, to provide a few examples. Canada has made a smart domestic bet on these trends by investing heavily on the development of new skills and innovation in connectivity and STEM to equip its economy for the future.

The education commission estimates that by 2030 half of the world jobs –about 2 billion –are expected to disappear due to computerisation, connectivity and automation. The World Bank estimates that for developing economies the gap is going to be even greater. The connectivity gap could cost developing countries 80% of today's jobs⁴. If we fail to put resources and political capital into the unfolding learning and skill development crisis, it would have a devastating effect on economies that are already struggling.

¹ <http://globalnews.ca/news/2902602/justin-trudeau-joins-gender-inequality-campaign-says-poverty-is-sexist/>

² IMF, 2015, How can sub-Saharan Africa harness the demographic dividend? <https://www.imf.org/external/pubs/ft/reo/2015/afr/eng/pdf/chap2.pdf>

³ The Education Commission. 2016. Achieving the learning generation <http://report.educationcommission.org/report/>

⁴ World Bank Group. 2016. "[World Development Report 2016: Digital Dividends.](#)"

This devastating effect in Africa's economy can impact not only economic development and current progress on health outcomes. Combined with the lack of opportunities for youth, economic chaos also has the potential to increase instability in already fragile regions, such as the Sahel—a stronghold of Boko Haram, a group that fundamentally opposes education and gender equality.

Investing in education is a small investment that can help us prepare these economies for the demographic dividend and provide opportunities for success. Every dollar invested in an additional year of schooling generates earnings and health benefits of approximately 10 dollars in low-income countries. The education commission also estimates that about one-third of the decrease in adult mortality since 1970 can be attributed to gains in education of women and girls⁵. An additional year of schooling for girls generates an almost 12% increase in wages⁶, and for less than the cost of a loaf of bread each day, we can ensure that every girl reaches her full potential.

Why does education require additional funding?

The education share of Official Development Assistance has fallen to 10% from 13% since 2002⁷ globally as other sectors' shares have increased. Investments in health, agriculture and food security are all part of the comprehensive approach needed to reach the Sustainable Development Goals by 2030, and now is not the time to take the foot off the pedal on these pressing issues. To breach the education financing gap, donors and domestic governments need to work together to increase resources directed to more and a better quality education for every child.

To meet the scale of the financing needed, ONE estimates that about USD\$40 billion will be needed in 2020, which accounts to more than double of 2015 financing levels⁸. To meet this target 62% must come from ODA and the remaining 8% from innovative financing mechanisms—such as the International Financing Facility for Education that was discussed during the G20 meetings in Hamburg, and is now being studied for implementation.

The world has counted on Canada's support in the context of global health. Our support for the Global Fund to fight AIDS, Tuberculosis and Malaria, maternal and child health and Gavi the vaccine alliance is making a significant impact and it is benefiting Canadians. These investments are saving lives, controlling the spread of preventable disease, and they are also generating innovative opportunities such as the Canadian research and development of the Ebola Vaccine,^{9,10} and the in-Canada production of more than 8 billion Vitamin A capsules that are distributed around the world¹¹.

At current funding levels, Canada is not able to lead and contribute with adequate resources to ensure that every girl has access to a quality education. Canada as a leader in gender equality needs to step up

⁵ The Education Commission. 2016. Achieving the learning generation

<http://report.educationcommission.org/report/>

⁶ World Bank, 2014, <http://documents.worldbank.org/curated/en/830831468147839247/pdf/WPS7020.pdf>

⁷ Poverty is Sexist: why educating every girl is good for everyone

https://s3.amazonaws.com/one.org/pdfs/ONE_Poverty_is_Sexist_Report_2017_EN.pdf

⁸ *Ibid*

⁹ <http://www.who.int/mediacentre/news/releases/2016/ebola-vaccine-results/en/>

¹⁰ <https://www.theglobeandmail.com/technology/science/canadian-vaccine-for-ebola-virus-proves-extremely-effective-in-clinical-trial/article33416753/>

¹¹ Nutrition International: Vitamin A timeline <http://www.littleredcapsule.ca/>

to the challenge –Canada went from 6th to 11th ODA donor in just 3 years, and our current share of ODA 0.26% ODA/GNI is far from the 0.7% standard. The UK, Germany, Denmark, among other donors, have already reached and in some cases exceeded the 0.7% benchmark.

We are not suggesting this is a blanket solution. Civil society, development partners and African governments also need to work together in-country to ensure that domestic resources are mobilised to fund health care and education, build local capacity, tackle corruption, improve infrastructure, increase private sector investments, and prioritise job creation.

Canada's role in advancing girls' education

We are asking Canada to make girls' education a financial, policy and programmatic priority in the 2018 budget. This contribution to education can also help Canada get back to taking steps to consistently increase Official Development Assistance.

Canada cannot do it all. But we can contribute our financial fair-share, expand our programming, and provide technical assistance to partner countries. These are our two cents:

- I. **Canada should take steps to increase ODA**, with the aim of contributing to an overall doubling of international financing for education by 2020, targeting those most in need. An increase in Education resources should be part of an increase to Canada's International Assistance Envelope, starting in 2018. Canada's ambitious development agenda can only be achieved by contributing its fair share of ODA. **We propose a path to achieve this goal in three fiscal years with an additional investment of USD\$632 million above 2015 levels of ODA to education. The proposed disbursement per fiscal year is of USD\$442 million in 2018, USD\$513 million in 2019, USD\$592 million in 2020. The target is to reach a total USD\$1.547 billion of ODA to education. This investment will position Canada for continued leadership toward ensuring every girl is in school and learning by 2030.**
- II. **One-third of Canada's bilateral funding should be channeled through multilateral mechanisms** such as the Global Partnership for Education (GPE) and Education Cannot Wait (ECW). Canada currently contributes 18% of its ODA to education to multilaterals. This percentage should increase to one-third (33.33%) by 2020 to ensure that the poorest and most vulnerable in lower income countries and fragile contexts can be provided with a quality education.
- III. **Country and civil society partners should work with low and lower-middle income countries** to take steps to increase domestic public expenditure overall. Governments in low- and middle-income countries should increase domestic budgets for education to reach 5.8% of GDP.

The additional investment of USD\$632 million dollars equates to about 2 cents per Canadian per day. With just two cents we can make a significant impact in the lives of millions of girls around the world. The ONE Campaign is working with Canadians from coast-coast-to-coast to spread this message and ask them to give their two cents.

If there is additional literature required to inform the members of the committee, our reports "[Poverty is Sexist: Why educating every girl is good for everyone](#)" and "[The African Century](#)" are both available in English and French. We at ONE look forward to the opportunity to present this bold proposal to the honourable members of the Standing Committee on Finance.