



CCEM Policy Brief 4: Financing of education including innovative financing

Recommendations

Following a consultation of Commonwealth higher education stakeholders, the following recommendations are made to Commonwealth Education Ministers:

1. **Commit to meeting international benchmarks of spending on education** from primary through to tertiary, either 15% - 20% of national public expenditure or 4-6% of National Gross Domestic Product (GDP).
2. **Increase investment in quality higher education** in recognition of the role of higher education in realising a sustainable recovery and supporting progress on all 17 Sustainable Development Goals.
3. **Explore innovations in financing higher education** that maintain and encourage high quality and inclusive education. Such approaches should be underpinned by policy frameworks and regulatory safeguards.
4. **Commit to innovative funding for the full economic cost of research**, in recognition of the importance of university-led research for finding solutions to global challenges and realising sustainable development.

Summary

Alongside primary and secondary education, tertiary education is a critical component of the education ecosystem. Universities' role in strengthening and informing education policy and practice at every level – training teachers, creating pedagogical content, and leading educational research – is central to reimagining education to address the challenges of COVID-19. Universities have a vital role to play in realising the UN Sustainable Development Goals (see CCEM Policy Brief 5), however, without appropriate funding, this impact will be limited. It is therefore critical that Commonwealth governments prioritise funding for higher education, in recognition of its vital contribution to society and to post-COVID recovery worldwide.

At the system level, the Covid-19 pandemic has exposed a substantial digital divide both between countries, but also within countries (see policy brief 1). However, the emergence of new technologies bring with them significant potential for a digital dividend that Commonwealth nations can benefit from (see policy brief 1). There will be a need for targeted funding, including through public-private partnerships. Low-and-middle income countries will also need support in their digital transition. Donor funded projects such as PEBL (see policy brief 1 and 3) will be vital in building capacity and modernising higher education systems.

Through the production of research, universities across the Commonwealth also have a vital role to play both as knowledge producers, and knowledge implementers. Inequality is often reflected in international higher education partnerships with well-resourced funders and institutions in the global North possessing disproportionate power to shape the global research and development agenda. The wealthiest, best-equipped universities have a significant advantage in their competitiveness for research funding, and for control over the goals and terms of research partnerships. The result is unequal, unfair, and unshared outcomes between partners.

Donor funded collaborative research continues to be crucial in developing solutions for global challenges and building research capacity in less developed economies. The risk of funding cuts also jeopardises the contribution that universities make across all 17 SDGs.

Equitable partnerships

International partnerships should be about much more than extractive research collaborations and student recruitment. Focus should be on the equity of international partnerships and associated funding, to ensure that they respond to locally contextualised needs, and build the capacity of all partners. All universities have something to learn from each other – from indigenous ecological knowledge to cutting-edge technology. To move the world forward, we must acknowledge and share the wealth of expertise that exists right across the globe – not just in the global North – and the extensive and diverse ways of knowing and thinking.

The ACU is working with the African Research Universities Alliance (ARUA) and UK Research and Innovation (UKRI) to define a vision for the future on how UK-Africa partnerships can be strengthened through future investment, and how to maximise the impact of these activities. The three organisations share a vision for sustained, impactful Africa-UK partnerships based on training the next generation of researchers, strengthening research institutions and systems, and supporting collaborative research. [A joint communique](#) called for action to build individual and institutional capacity, create a supportive environment for researchers to thrive and grow, coordinate and align funding programmes, and maximise research impact by enhancing networks and partnerships beyond academia.

International higher education partnerships for sustainable development

ACU research published in 2021 (see policy brief 2 and 5) demonstrated that international higher education partnerships are highly effective in both devising and delivering solutions to global challenges and harnessing the potential of multisectoral and multidisciplinary partners. They also add unique value to donor investment that has the potential to deliver progress against all 17 SDGs.

However, donors will need to consider the most effective ways to channel funds to facilitate effective progress. A lack of focus on and investment for HE-led partnerships in donor strategies risks limiting the scope of universities to help drive progress towards the SDGs. It is now vital that international higher education partnerships are recognised for their ability to contribute towards all 17 of the goals and supported through coherent and long-term funding.

The added value that these partnerships offer compared with other forms of international aid provision is noteworthy and offers compelling evidence of the need for donor investment to be channelled through university partnerships.

Effective Management of Education Systems toolkit

Ministerial delegates at the 20th CCEM identified the areas of 'good governance' and 'effective educational management practices' as being central to realizing goals pertaining to equitable access to quality education. Developed by a working group comprising Ministerial representatives and partner organisations such as the ACU, the EMES toolkit (see supplementary annex) provides a 'Dashboard' against which Ministers, and Senior Officials, can reflect on attainment and progress regarding 'Measurable Targets' comprising metrics pertaining to a range of factors, with a key focus on Financial Considerations.

The Financial component of the EMES Toolkit provides a high-level overview of government spending on education and aligns this with international commitments. The Education 2030 Incheon Declaration and Framework for Action for the implementation of Sustainable Development Goal 4 set out clear targets for educational spending, i.e., 'at least 4 – 6% of Gross Domestic Product and/or at least 15 – 20% of total public expenditure to education'.

The EMES toolkit allows decision makers to gain rapid insight into relevant metrics, including Government Spend per Student; and Public Expenditure on Education / Public Expenditure on Education as a % of GDP. Tracking these alongside indicators of both 'Efficiency' and 'Learning Outcomes', ensures that innovative, and evidence-based, approaches can be taken to financing by policymakers.

The EMES toolkit, given the context of the COVID-19 pandemic, also provides guidance and resources on finance mechanisms to mitigate the costs arising from school closures, and other related challenges.