

FINANCING ADULT LEARNING AND EDUCATION

*The way forward:
what works, how and why?*



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FINANCING ADULT LEARNING AND EDUCATION – ISSUES, CHALLENGES, TENDENCIES¹

Financing adult learning and education (ALE) is a highly discussed and, at times, even controversial topic. There are various studies, publications, and projects dealing with it, and the financing challenges of the modern world make it even more complex and demanding. With global interest and relevant experience in international work, DVV International and the International Council for Adult Education (ICAE) are committed to finding efficient ways to support adult education and the best financing mechanisms to meet the challenges of the contemporary development. As a part of a global project, they undertook a study on financing adult learning in education, to be used in the DVV International's work worldwide, but also in the lobby and advocacy work for adult learning and education in different contexts and by various actors. The study addressed the following questions:

- Which funding sources and schemes have proven successful and in which contexts?
- What are the factors of success and the determinants of substantial progress in the implementation of various funding schemes? What should be done for the “smart” investment in adult education?
- What are the recommendations, the dos and don'ts in various funding models and schemes?

Financing ALE in global policy agendas

The UN Agenda 2030 includes adult learning and education in the Sustainable Development Goal 4 (SDG 4), which calls on Member States to promote lifelong learning opportunities for all. “Although lifelong learning is explicitly addressed, political focus and attention still concentrates on formal education, taking limited account of the potential of youth and adult education” (Schweighöfer, 2019). But it is not only the matter of the SDG 4 – many other goals (no poverty, zero hunger, good health and well-being, gender equality, responsible consumption and production, environmental issues) are closely connected to lifelong learning and education of youth and adults, and many other sectors of society benefit from it.

¹ Throughout the text of the publication, periods are used as thousands separators, and commas as decimal separators.

Several quantitative and qualitative studies have shown wider benefits of adult learning and education. They include: the European projects FinALE and BELL, longitudinal studies in the UK, studies of the USA National Coalition for Literacy, researches of the German FIBS Institute, World Bank studies in Africa, as well as the reports: Global Education Monitoring Report (GEMR), Global Report on Adult Learning and Education (GRALE), and ASPBAE – they all provide data regarding these benefits.

While the empirical evidence about the data clearly shows the needs for ALE, the available figures indicate the disappointing reality of ALE investments, regardless of the sources. GRALE 4 reports on the global tendency: “41% (61 countries) reported no progress on ALE spending as a proportion of public education spending since 2015, despite 57% of countries in GRALE 3 mentioning a planned increase in funding. This was followed by 28% (42 countries) where ALE spending as a proportion of public education spending increased and 17% (25 countries) where spending has decreased since 2015. Importantly, 14% of countries (21) indicated not knowing whether there has been a change in ALE spending over the past three years. Nineteen per cent reported spending less than 0,5% of their education budget on ALE and a further 14% reported spending less than 1%. Nineteen per cent of 107 countries reported spending more than 4% of the education budget on ALE.” (UIL, 2019).

The education sector was already facing financing problems in the Millennium Development Goals period (MDG), and the Agenda 2030 made the gap between ambitions and reality even bigger: The Education 2030 Framework endorses two key benchmarks for public financing of education: allocating at least 4% to 6% of GDP, and/or at least 15% to 20% of public expenditure to education, but 1 in 4 countries does not meet both of these targets (GEMR, 2019).

The GEMR estimated that low- and lower-middle-income countries would face an annual financing gap of US\$39 billion in 2015–2030 (EFA GMR, 2015) in order to achieve inclusive, equitable, and quality education for all. The World Economic Forum estimates that there is a US\$40 billion annual funding gap for primary and secondary education alone (Wilson, 2016). At the same time, investment in education is decreasing worldwide, both in the form of domestic spending and development cooperation. GEMR and UNESCO put the issue of lacking funds into the broader context and remind: “While the overall financing gap in education may appear large, it is equal to just 8 days of annual global military expenditure, which totalled US\$1,75 trillion in 2013” (EFA GMR, 2015) – and 1,9 trillion in 2019 (SIPRI, 2020).

When it comes to ALE, the funding from the private sector might have different tendencies than decreasing public funding, but the overall public investment in education is still the main reference for the investment in ALE, and the figures indicate that ALE is the least supported link in the overall lifelong learning chain. The lack of methodological procedures to track investments in ALE sometimes requires some ‘hunting’ of the data on ALE from the overall figures on education. Also, the UIL shows that ALE receives a very small share of the total funding for education (UIL, 2013, 2016); Schuller and Watson (2009) confirm that fact, adding that the “investment is heavily skewed towards young people (18–25), and those who succeed initially”.

In many countries in the Global South, development cooperation is an important source of investments in education and in ALE, but the decline of investments from this source is also evident: According to the OECD, funding for all education among country donors in the OECD’s DAC was US\$7,6 billion, or 6% of the total ODA. Among the OECD donor countries, the amount allocated to basic life skills for youth and adults was around USD 247 million in 2016 (OECD, 2020), but no further data disaggregation is available. The 2015 Addis Ababa Action Agenda calls for DAC donors to allocate 0,7% of the gross national income to aid (United Nations, 2015). But in 2015, only 6 out of 29 DAC donors met this target (GEMR, 2017) and there are no indications that this will change. Reports from the World Economic Forum include both bilateral and multilateral sources and WEF reports that “total education aid [...] now accounts for just 7% of the world’s total aid budget” (Brown, 2019).

The findings of GRALE 3 and GRALE 4 confirm: ALE remains globally underfunded in many countries. One of the consequences might also be a search for new resources and new financial mechanisms in many countries.

National realities and models of financing ALE

In the background of the global policy and the financial architecture – funds and costs – it is possible to explore the directions that countries may take, the funds they could use, and the mechanisms they can apply in order to fulfil their goals in ALE and sectors that require the use of ALE. The diversity of these goals, the complexity of their interconnectedness, and the number of actors indicate the need for different approaches to funding. For the purpose of this study, several models, defined by the main source of funding, will be considered.

Public funding

The concept of education as ‘public good’ is the basis and the rationale of the request for public financing of adult learning and education, at least for the minimal (basic or elementary) education for all members of the society, especially for vulnerable groups whose members cannot afford it. But the figures show a decline, as “even in Europe, evidence suggests that around 0,1 percent to 0,2 percent of GDP are public expenditure on adult education. The total expenditure on adult education, including other financial sources such as funding through employers, learners’ fees, etc., varies between 1.1 percent and less than 0,6 percent of GDP” (FinALE, 2018). With the economic crisis of the past years, the funding for adult education has been further reduced, which has resulted in the discontinuity of some funding streams. The crisis has led to ‘prioritisation’ and the redirection of the funds to other education sectors, adding weight to the recommendation to diversify the sources of funding and to find new models.

The impact of neoliberal approach to ALE and the global financial crises jointly caused numerous countries to decrease public funding and find new funding schemes for ALE: in GRALE 4, “135 countries reported on the introduction of new mechanisms for financing ALE. [...] Of these, 47% (63 countries) have introduced new financing mechanisms since 2015. These range from cross-collaborations such as inter-ministerial, public-private, council, agency, programme and campaign initiatives, to special types of funds, unemployment insurance, scholarships, bilateral, multilateral, national and local mechanisms, and international and regional funding.” (UIL, 2019). It is interesting that low-income and lower-middle-income countries reported the highest rates of introducing new mechanisms for ALE funding. Although public funding is still the most important and most sustainable way of funding ALE for some social groups, the question remains: what mechanisms could be used for the diversification of funding sources, but with the preservation of the coordination and regulation role of public authorities.

Private sector, business and funding ALE

The business, industry, and private sectors (enterprises, SMEs, national and multinational companies) are the biggest investors in ALE, predominantly (and naturally) in vocational education and training. Still, their role is not sufficiently recognised due to at least two reasons:

- Vocational education of adults is usually not seen as an integral part of ALE;

- The usual ways of data collection also ‘suffer’ from this distinction and seldom include cross-sectoral investments or combine data from various resources.

For the investments in ALE, currently, “an average across the OECD countries participating in PIAAC, 77% of participants received funding from their employer for at least one learning activity, with low shares in Greece (36%) and Turkey (49%) and high shares in countries like Denmark (87,7%), France (88%), and the Netherlands (88,6%)” (OECD, 2019). Recent data from England show that the greatest investors are employers, followed by the government, European funds, and learners (Gloster et al, 2016).

The investments from the private sector may have cross-sectoral benefits and may boost development in other areas. As the UNDP states: “Private funding and private capital hold another great potential for growth... The question is: how do we combine social good with profit?” (Niculescu, 2017).

Funding coming from the private sector is usually related to the economy and the world of work, so it is traditionally seen as responsible for vocational education and training of employees or potential employees. The open question remains: Could they be engaged in other subsectors of ALE? There are already some good experiences in combining vocational training and literacy or basic skills, and some researches show the benefits for both employers and employees.

A special case of private investment is **philanthropy**. Private philanthropic initiatives, as well as private sector management initiative, are praised for their involvement in some of the important global education initiatives and significant amounts invested in education sector. Still, there is a lot of scepticism about this type of funding. The main concerns are related to equity, accountability, neutrality, effectiveness and efficiency, and there are serious questions about their mandate and their democratic accountability. Philanthropy now actively engages in policy-making, which often creates imbalances in the political arena and can disrupt the democratic structures and put important decision-making and planning into the hands of a small group of people without the mandate.

Another special case is **corporate social responsibility (CSR)**, which enables companies and organizations to benefit society in a number of ways, to invest in different areas, such as education and ALE, and to empower their social impact on communities. Private companies and their foundations play an important role in several sectors of ALE. Although there is the criticism that companies are per-

forming CSR mostly for marketing and branding purposes, it is more important to be aware of the following risks: CSR is highly dependent on companies' dynamics and changes; therefore it is not predictable and cannot play a significant role in education policy of a country or region. Planning of CSR is seldom related to the systemic educational planning and does not emerge from policy making but from the companies' strategies, benefits, and preferences.

Privatisation and public-private partnership

The last two decades, marked by overall financial crises and numerous financial challenges for education, have inspired a range of initiatives and new suggestions for overcoming the funding and structural challenges in the field. **Privatisation** of the education sector is often seen as a good way to compensate for missing resources, to increase the offer, enrolment, and participation in education. Particularly in adult education, which is perceived as an area where less state involvement is needed and more personal investment is expected, privatisation might expand the overall ALE supply and provide it in a more efficient or optimal way than by the state.

But making public education increasingly dependent on private funds bears many risks, leading to commercialisation and commodification of education, as well as to the increased inequalities and social-economic gaps. Pring (2006) warns: "as a consequence of privatization, the public sector of education becomes an impoverished substitute for what cannot be bought."

The 2030 Agenda has brought new financing mechanisms to the stage, encouraging and recommending multi-stakeholder partnerships and promoting effective public, public-private, and civil society partnerships (United Nations, 2015a), encompassed in the umbrella name **blended finance**.

Especially the **public-private-partnership (PPP)** seemed promising and was even promoted as an almost magical solution that would bridge the public needs, including education, with a resourceful private sector. There is some potential, but also a broad range of risks and failures. Lack of proportional accountability and transparency of the financial schemes is noticed as a big problem, involving complex contractual arrangements and the fact that financial risks are usually fully taken by the state. There is a continuous problem of aligning the interest of public and private sector, whereby the latter tends to, directly or indirectly, dominate and impose the main discourse. "PPPs in education have also been criticised on

the grounds that they represent a first step toward full privatisation” (LaRocque, 2008).

There are many attempts to develop innovative approaches to funding ALE, but most of them are simply an ‘extension’ or a version of the existing models. This is the case with **Public-Private-People Partnership (PPPP)** – a new concept that combines PPP with society (people). The PPPP concept involves the current PPP financing scheme and societal participation, whether in terms of legal aspects and policies or institutional matters.

Official Development Assistance (ODA)

Cross-country support and support by supra-national bodies might have very different forms in different parts of the world. For example, since 2009, education has been defined as a right of every citizen of Europe, and although education and training policies remained in the hands of the Member States, the EU committed itself to the strong supporting role by securing the budget and establishing numerous mechanisms to invest in ALE.

However, development aid, later known as official development assistance, is substantially different. In this case, the international education policy is not created by a group of countries, for the same countries (as in the EU), but by ‘outside’ actors, sometimes far away from the regions where the support, based on that policy, will be used. This is one of the reasons for certain scepticism against ODA, including ODA in ALE – it has to do with the mandate, dependency, and power relations.

Still, for many countries around the globe, development cooperation and ODA are an important resource for implementing educational reforms, measures, and initiatives. The overall amount spent on ODA might seem high, but there has been a continuous decline since its peak in 2016.

The data about ODA investment in ALE are scarce and unclear, but researches show that the pattern is usually the following: ALE receives a small share of the total ODA investments in education and remains a low priority in the global development cooperation. The scepticism towards the ODA’s role in further development of ALE is based on:

- A general decrease of the ODA amount and a decreased role given to ODA in the new global agenda;
- The inadequate use of ODA on both sides (the sender and the receiver);

- A huge percentage of the ODA amount goes back to the countries/regions it came from and it is not spent in an efficient and targeted way;
- Lack of prioritization, coordination and partnership, as well as failings in aid architecture.

ODA has to be seen in the global context as well – it cannot be adequately used without addressing debt crises of developing countries, global tax-dodging, illicit financial flows, unfair trade and corruption at all levels, as the main causes of existing global inequalities and the position of countries receiving ODA in the global economic and political architecture.

Personal investment

It is an obvious fact that there is a significant growth in adult education in the private sector through personal, learners' investments. While financing adult education is still considered primarily the responsibility of the state (especially when it comes to marginalised groups or to the field of literacy and basic education), there is a growing tendency to consider adult education as a personal responsibility that should be financed by adult learners themselves (if not covered by companies and the private sector). The level of personal investments depends highly on the position of ALE in countries' priorities.

Domestic resource mobilisation – a remake of a classic

The urge to find new approaches for securing the implementation of the 2030 Agenda and the existence of a huge financial gap identified for achieving the 2030 Agenda and SDG4 inspired the search for new solutions and new recommendations on the manner of bridging the gap in financing education and caused a 'come-back' of the traditional approaches. This was the case with the shift of the financial responsibility for education from international actors back to the governments – domestic resource mobilisation (DRM), which became 'commonplace'. Compared to the usual concept of public funding, DRM offers more – it 'promises' to mobilise further resources in the country and this multiplayers-effect of the mobilisation of domestic tax revenues and better tax administration is perceived as a way to increase the amount of which the education could get a bigger share.

The invitation to do more DRM adds to the already big challenges developing countries are facing, without efficient solutions for the problems that heavily influence their economy and finances, such as tax evasion, tax dodging, and debts crises. These systemic problems play an important role in their budgetary situ-

ations and directly influence the investments in education on the national level. One example is Oxfam's estimation that "corporate tax dodging costs poor countries at least US\$100 billion every year" (Oxfam International, n.d.). Could DMR compensate for what developing countries are losing? And what is the possibility of ALE getting a relevant share of the budget? Isn't the size of the cake itself more important than the size of the piece of the cake ALE gets?

GOOD PRACTICE EXAMPLES FROM THE REGIONS²

This study explores some examples of various models of financing ALE in different regions, addressing the challenges and questions posed in the previous chapter, offering some valuable experiences and recommendations. The six examples are chosen from the ICAE and DVV International regional members and partners in five regions: Asia and the Pacific, Europe, Africa, the Arab region, and Latin America.

Ethiopia's integrated functional adult education³

The Integrated Functional Adult Education (IFAE) programme is a two-year-long course targeting out-of-school adults and young people aged 15 and above. During the ESDP IV period, the IFAE enrolled 10,2 million adult learners (42% of which were female) of the revised target of 19,4 million. The IFAE is actually a tag name for all ALE-related activities for non-literate and neo-literate Ethiopians. Anchored in a poverty eradication paradigm, the IFAE aims at supporting disadvantaged population groups to improve their livelihoods.

National finances for the IFAE are distributed by the Ministry of Finance and utilized through the framework of education bureaus at the federal ministry and regions as well as at education offices at zonal and woreda levels. The IFAE expenditure, the clearest ALE-related financing arrangement, is captured under the general education vote with 43% share of the total ESDP V budget of 453,822 million birr (ca US\$11,6 million), which is remarkable. Line ministries, particularly those which are signatories to the Memorandum of Understanding with the Ministry of Education, make occasional human and technical contributions to the IFAE. While sectoral offices and staff at regional, zonal, and woreda levels are reported to be supportive in some regions, their performance in others is rather conditional and dependent on financial incentives such as per diems.

There are variations regarding financial commitments to the programme by different regional states and woredas. Woreda education offices (WEOs) are in charge

2 For the list of resources about each of the regional examples, see the full study Financing ALE ("Financing Adult Learning and Education")

3 Prepared by Robert Jjukko, Educationist, Researcher and Development Consultant, Uganda

of utilizing the disbursed funds for the IFAE. They access the resources from the Woreda finance and economic development offices. Recurrent expenditure in the form of personnel costs at woreda levels take the lion's share of capital development. Recruitment and remuneration of critical technical staff such as Experts in Adult and Non-Formal Education is mainstreamed in the regional education bureaus (REBs) and WEOs. There are progressive woredas that pay salaries to adult education tutors (facilitators). The great attempt to mainstream and integrate the IFAE into wider education and related development needs to be augmented by appropriate enabling environment within the country's federal system of political and fiscal governance.

The Nation Rebuilding Program of Canadian government⁴

The Nation Rebuilding Program stems from the federal government's agenda "to renew relationships with Indigenous Peoples" as well as its stated "commitment to working with First Nations, Inuit, and Métis people through a respectful and co-operative dialogue to advance reconciliation and renew their nation-to-nation and government-to-government relationship for the benefit of all Canadians. The Nation Rebuilding Program was introduced in the 2018 budget as a five-year-long commitment with a funding envelope of 101.500,000 (CAD \$). The financing mechanism aims at Indigenous peoples in the spirit of reconciliation and will in part support adult education within the framework of nation building. Funds will be transferred from the federal state to Indigenous nations.

The Nation Rebuilding Program falls under the responsibility of Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC). Maximum funding is 1.500.000 (CAD \$) per year for each project, however, funds may be allocated on a multi-year basis. Funding will flow through fixed or flexible contribution agreements, which are governed by a Government policy on transfer payments and a directive. Specific provisions have been developed for transfers to aboriginal recipients.

Fixed contribution funding will be considered when the amount of the contribution can be based on a reliable estimate of the funding required to achieve the objectives. Any unexpended funding remaining after meeting the programme obligations and objectives can be spent on purposes consistent with the programme objectives or any other purpose agreed to by the department. **Flexible contribu-**

4 Prepared by Daniel Baril, Institut de coopération pour l'éducation des adultes (ICÉA), Canada

tion funding will be considered when the programme is expected to require a two or more-year-long relationship as captured in a multi-year funding agreement. The recipient will have flexibility to redirect funding among the cost categories established in the agreement.

Currently, contribution agreements are the preferred mechanism for transferring funds under the Nation Rebuilding Program. However, the entire system of government transfers to Indigenous peoples is under upheaval. The goal is a new fiscal relationship between Canada and Indigenous groups, one that “enhances sufficiency, predictability, flexibility, and autonomy of funding.”

Blended learning for Ibero-American Literacy and Lifelong Education Plan – PIALV⁵

The Ibero-American Literacy and Basic Education Plan for Young People and Adults, or the PIA as it became known, was inspired initially by the UN Literacy Decade (UNLD) 2003–2012. The PIA is a regional plan which seeks to integrate different national literacy strategies whilst respecting the sovereignty of each nation to identify and develop its own literacy and basic education strategies. The financing structure of the programme is characterized by a multi-funding model based on three broad sources: (1) national budgets (2) international organisations, like AECID, and (3) private donors, especially companies. However, the most important donor which disbursed 62,1 percent of the total amount of US\$42.330.247 from 2013 until 2017 is ECOPETROL. In order to understand the financing mechanism, it is important to note that the PIA (LV) is a kind of an umbrella programme covering national as well as regional programmes of different scopes. The responsibility for financing national programmes is basically that of national governments. Other national and international donors complete the budget in case of financial gaps.

The programme was calculated to last for three years on average at a cost of US\$40 per student annually – US\$120 over the three-year-long period. In addition to the resources needed to cover the educational programmes, resources are also employed to finance the joint lines of action of the Plan – workshops, exchanges, studies, research, etc., and to cover the costs of coordination and management of the plan. It is notable that the second phase of the programme started in 2013 with a disbursement of US\$21 million, which was reduced to US\$4 million by 2017 in spite of the inclusion of a lifelong learning component in the pro-

5 Prepared by Timothy D. Ireland (Brazil) and Dietmar Pfeiffer (Germany)

gramme. The financial model which apparently depends on a majority investment by one partner would not appear to be the most effective especially when the home country becomes the principal recipient. Of the total budget, the OEI's contribution at 6,8% is relatively low. In the plan of this scope, perhaps the principal contributions could be in the field of pedagogical material, teaching methodology, evaluation, and the training/formation of teachers and managers.

Further training supported by metal and electrical industry in Germany⁶

The central financing instrument within the framework of collective part-time education is the so-called education account: for an employee, an education account is set up in the company which can pay him/her, for example, the wage earned through overtime or special annual payments (e.g. Christmas bonus, holiday pay). The education account is not managed as a time account, but as a financial account. Up to 152 hours of working time can be charged per year. It is also possible to overdraw the education account to a limited extent and process the minus upon the return to work. Although the amount saved on the education account can be used directly to finance further training, the main function of the education account is to enable continued payment of wages during time off. For this purpose, the amount can be converted into paid leave. In this way, the part-time salary can be increased in case of in-service training or the missing income can (partly) be replaced in case of full-time training. The aim is to continue to receive at least 70% of the regular monthly wage.

With the education account, the model of part-time education has a financing concept that cannot, however, be clearly integrated into the distribution of costs between companies, private individuals, and public funds. First of all, as already mentioned, it is a concept that is primarily aimed at financing one's livelihood. In this respect, only a small part of the education account is directed towards continuing training expenditure. If these continuing training expenditures are financed from saved benefits in the form of wages, holiday pay, Christmas bonus, etc., they are to be assigned to the area of private education expenditures. In the public sector, costs are only incurred if their instruments are used as a supplement. Companies participate when additional financial support is offered.

⁶ Prepared by Dr. Michael Cordes, Research Institute for the Economics of Education and Social Affairs (FiBS), Germany

In order to actually achieve the educational goals geared to economic, social, and individual needs, further assistance is required. The example of collective part-time education shows a sector-specific approach, but it would be desirable to have a cross-sector concept that is closely interlinked with other measures to promote education (e.g. public funding). The initiative of political actors is called for here. It remains to be seen what effects the National Adult Education Strategy of the current Federal Government will have in this context in the future.

Smart investment in adult education of Māori and Pacific peoples in New Zealand⁷

As an example of a “smart” investment in adult education with successful outcomes in the funding arrangement is that which the TEC has with ACE Aotearoa. ACE Aotearoa is the national lead body for adult and community educators and a voice for adult learners. ACE Aotearoa receives funding from a broad mix of individual and philanthropic supports, but the TEC is its main funder contributing US\$1.500.000 annually. Although ACE Aotearoa works within the limitations of the Government’s set of priorities and focuses on learners with previous low or no success in their educational experience, it goes well beyond its specific contractual obligations. ACE Aotearoa has made targeted funding available as well as targeted activity which has had considerable success in increasing numbers of Māori and Pacific peoples in the ACE sector. There are some benefits to having ACE Aotearoa as a national leadership body receive investment from the government funding. Those are:

- An acknowledgement from the Government that the work being undertaken by ACE Aotearoa is important
- ACE Aotearoa can rely on a base fund towards certain activities, even if they are contracted (if not limited) to meeting government priorities, thus reducing pressure on membership fees
- The certainty of funding allows for some space to find other funders
- Working in collaboration with the Government enables ACE Aotearoa to have a preferential place to contributing to policy and strategic advice, especially in regard to the financing of adult education

While the Government now insists on a market model to deliver adult education, it could be argued that the independence of ACE Aotearoa is compromised by

⁷ Prepared by Dr Timote M Vaoleti and Associate Professor Sandra Morrison, Indigenous Māori and Pacific Adult Education Charitable Trust, New Zealand

receiving funding. However, this needs to be measured against the activity that could not occur if base funding was not available. ACE Aotearoa has successfully managed to continue its work while enjoying the trust of the Government and its members being a strong responsive advocate for the ACE sector. The Government policy and funding is, however, subject to change depending on the Government in power, and historically the ACE sector has had a feast or famine financing arrangement.

ODA: Second chance in Serbia through the EU pre-accession funds⁸

Second chance: functional basic education of adults was a three-year-long project in Serbia, supported mostly by the European Union (EU) and the Serbian Ministry of Education, Science, and Technological Development. The aim of the project was a systemic development of elementary, practice-based adult education in Serbia that is accessible and adaptable to the needs of adult learners, focused on life skills and competencies, and based upon lifelong learning. *The project was led by a consortium, consisting of GOPA, DVV International, and the European Association for the Education of Adults (EAEA), implemented during the 2010–2012 period, including 80 schools in Serbia. The total project value was 7,5 million EUR – the European Union granted 4,5 million EUR and the Ministry 3 million EUR as the national co-financing.*

Most costs were covered from the project budget, especially technical support, capacity building, expert works, curriculum development, etc. In that sense, this is one of the usual forms of ODA funding. But, typically for this kind of EU funded initiatives, it is required that the recipient country contributes to it, since this is seen as a guarantee of the systemic impact, sustainable results, sense of ownership, and continuous commitment. This is both an advantage and a risk, depending on how the costs are shared, what management and control mechanisms are, and if there is a true partnership among the actors. In the project, the Ministry of Education, in cooperation with the Ministry of Labour, provided financial support for the vocational training of the participants who enrolled in the general education programmes. The in-kind contribution included the work of teachers in the schools and the Ministry staff. Further institutions were also involved – the Ministry of Economy and Regional Development and the National Employment Service. Their contributions have not expanded the frame of their usual work but have

⁸ Prepared by Katarina Popović, University of Belgrade, Serbia

functionally connected it with the project. Projects with only ODA funding would probably have less success in terms of a systemic impact and sustainable results.

A very complex system of contracts and subcontracts was applied, with complicated legal and administrative procedures, involving several ministries and governmental bodies, as well as civil society organisations and local employers. The strict monitoring and reporting of financial arrangements contributed to the full accountability, but also to the transformation of the pilot-project into the integral part of the system. A targeted, well-structured partnership, both in the project implementation and in planning and budgeting, was one of the key success factors.

Recommendations for financing adult learning and education⁹

The lessons learned and the recommendations provided are taken from the examples chosen by DVV International and the ICAE and presented above, as well as from other described studies, projects and research, which allow drawing some conclusions, observing the tendencies (both positive and negative), and recognising possible developments, both beneficial and risky ones.

- The diversity of adult education types, forms, content, target groups as well as the specificity of the context, require a range of financial mechanisms, depending on who/what and where is supported and for what purpose. To put it simply: it is necessary to recognise and finance all forms of adult learning. Combining various policy dimensions (education, finance, employment, and migration) “can help contribute to developing a systematic and comprehensive policy response” (Dohmen & Yelubayeva, 2018).
- Including diverse providers or organisations of funded programmes and/or their combination. The actors outside the mainstream education institutional arrangement should be considered too. Although their financial and related contributions are often not captured by official statistics and reports, they might be great partners for the work ‘on the ground’ (national lead bodies for specific target groups, ALE professional associations, academia...). Usually, their contribution goes well beyond the specific contractual obligations.

⁹ For the list of recommendations for single financing models/sources see the full study Financing ALE (“Financing Adult Learning and Education”) at the DVV International web page

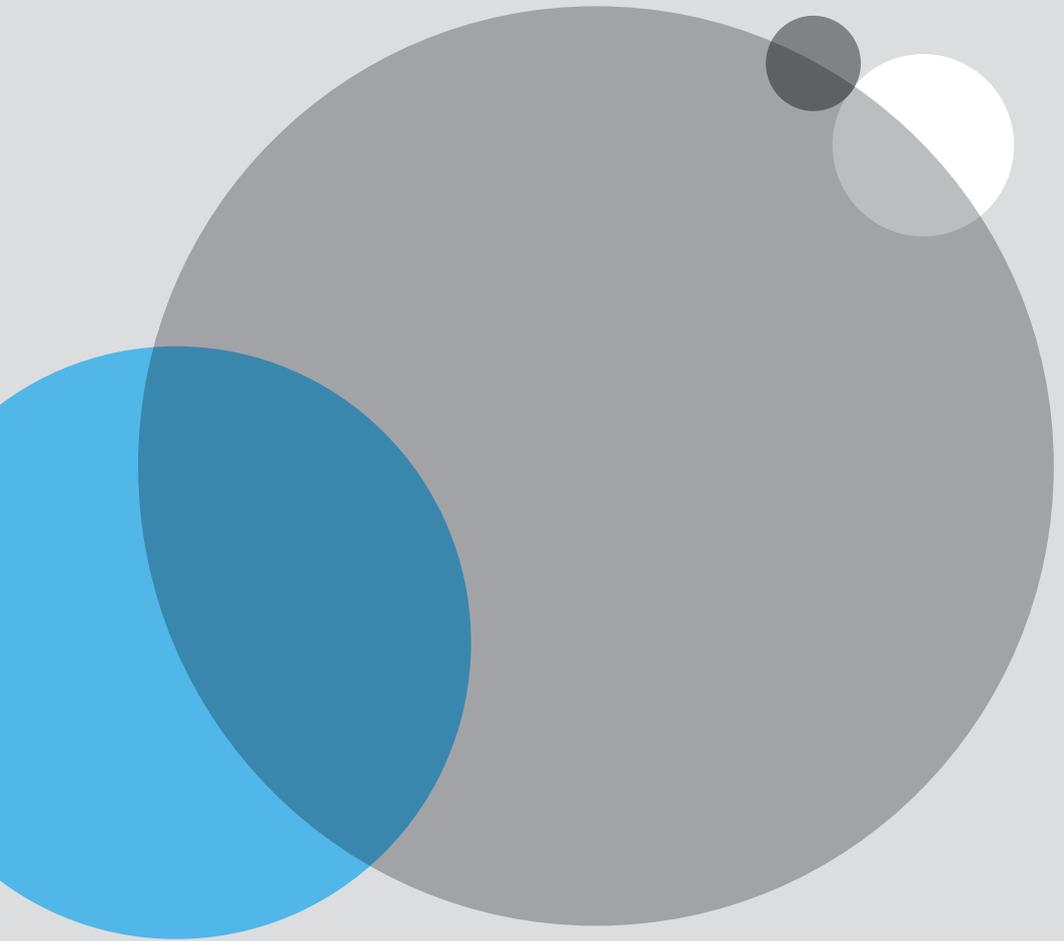
- Civil society was and still is one of the main providers of ALE. Therefore, they should be considered as one of the main partners. Including and supporting NGOs is crucial in the measures for vulnerable and marginalised groups – this is very often one of the success factors.
- Long-term measures require robust investment, but they also promise better, more sustainable, and comprehensive results. Measures that are temporary by nature (such as project-based funding) tend to undermine the financial sustainability of ALE systems; efforts for accessing external funds can 'devour' the work on the substantial problems and increase the focus on the short-term outcomes.
- Having one action/initiative targeting more goals proved to be efficient and sustainable, including several fields, or several subsectors of education and/or targeting several SDGs. Cross-sectoral cooperation can also save resources through joint funding; but it does not mean that focused measures are not needed: they could even be the best approach in certain contexts.
- It is important to carefully analyse what worked well in the past in the specific context, and what did not, and to build upon the lessons learned.
- In order to ensure any kind of support (government, private sector, ODA), funded programmes need to demonstrate their effectiveness and efficiency. Usually, accountability needs quality criteria and clear standards for evaluation, such as impact, outcomes, sustainability of the financing model, and cost-effectiveness. But evaluation and assessment should also include different approaches and methodologies, both quantitative and qualitative, internal and external. Considering a change of paradigm may be very beneficial: from the outcome-based to the needs-based approach.
- The comparative analysis of the efficiency of different models should carefully explore different aspects and avoid the assessment based on one discourse or paradigm. The discursive character of different evaluation instruments should be taken into account.
- Involvement of academia and more research are needed for evidence-based planning, focused monitoring, and the analysis of success factors. More research and cooperation among experts in the field of funding for adult learning is needed. This is a way to inspire and enhance learning process within the teams and projects.
- Regular data collection on financial aspects of ALE policy and provision should be established. Data on non-formal ALE is usually missing and difficult to obtain in a short time; long-term mechanisms should be established.

- No matter which source of funding and which mechanisms are used, it is necessary to ensure that planned projects, measures, activities etc. follow the principles of the human rights and civil rights approach and involve gender aspects and needs of minorities and vulnerable groups, taking the most sustainable, environmentally friendly approach. This should not be treated as a financial burden and superfluous cost, but as a necessary investment for obtaining comprehensive, sustainable results.

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