

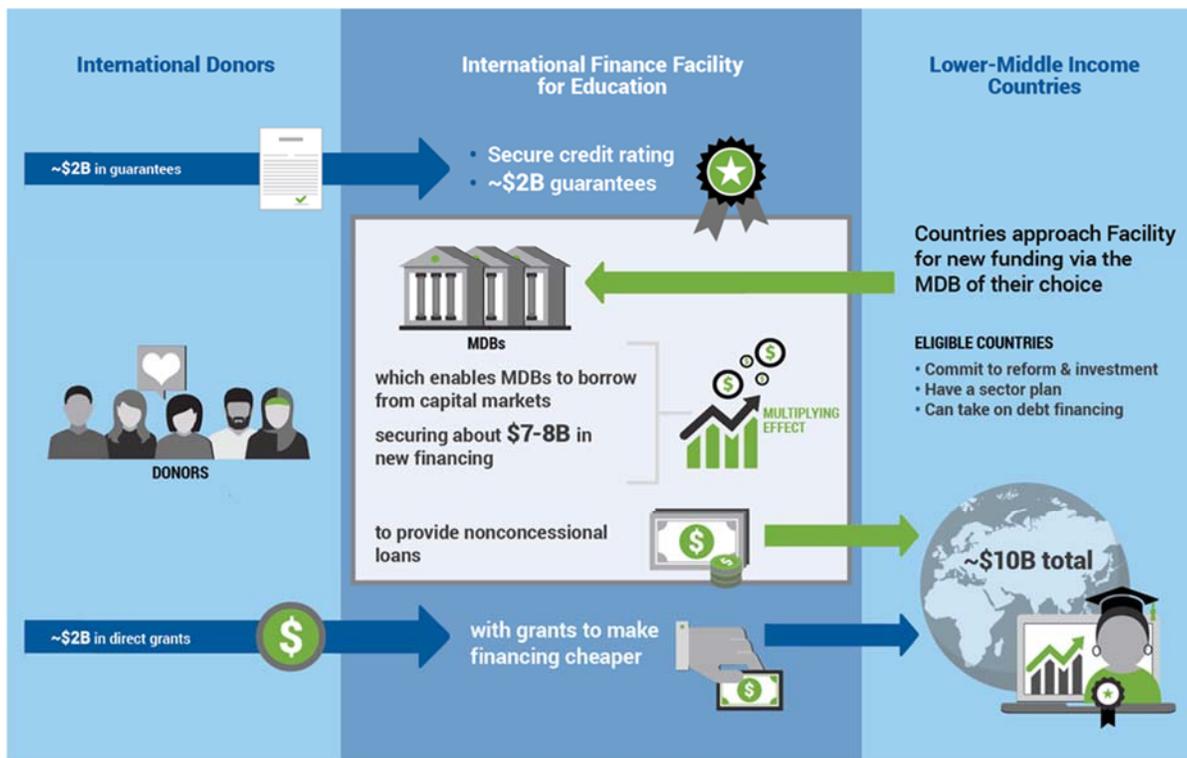
WHAT is IFFEd?

### What is a finance facility?

An International Finance Facility is a partnership between developing countries, international financial institutions and public and private donors to mobilize new financial resources for low- and middle-income countries. Building on the findings of the Learning Generation report released in September 2016, the Education Commission proposes an International Finance Facility for Education (IFFEd) that could mobilize an additional \$10 billion annually for education by 2020.

### How would it work?

The Facility would bring together public and private donors, alongside international financial institutions such as the World Bank and regional development banks, to raise additional financing for education and ensure it is used more effectively so that children are learning. The Facility would create attractive financing packages for lower-middle-income countries that would be low-interest. These desirable financing streams would be linked to developing countries increasing their own education investments and making education reforms.



### Why do we need an International Finance Facility for Education?

An International Finance Facility is a partnership between developing countries, international financial institutions and public and private donors to mobilize new financial resources for low- and middle-income countries. Building on the findings of the Learning Generation report released in September 2016, the Education Commission proposes an International Finance Facility for Education (IFFEd) that could mobilize an additional \$10 billion annually for education by 2020.

## **What is a finance facility?**

We are facing a global education crisis. By 2030, if current education investment trends hold, more than 800 million of the world's 1.6 billion young people will lack the skills necessary for employment. This includes 200 million out-of-school children, and an additional 400 million who will not be on track to achieve the most basic primary level skills. Education is a fundamental right that enables a person to fulfill her potential and contribute to the development and growth of her country. If we deprive half a generation of their chance to a quality education, our future is in jeopardy.

Right now, we are falling short on our promise to achieve, by the 2030 deadline, the United Nations Sustainable Development Goal of ensuring an inclusive and quality education for all. To do so, we urgently need more and better financing for education.

The Education Commission's Learning Generation report calls on low- and middle-income countries—where the need is greatest—to increase domestic investment in education while also urging the international community to allocate more funding to education. Yet even if all parties fulfill these commitments, there will still not be enough resources to ensure that all young people are in school and learning by 2030. The proposed Finance Facility would fill that funding gap by unlocking nearly \$10 billion of additional investments on an annual basis.

## **Is there a prior experience similar to this facility?**

Similar funding innovations in global health demonstrate what is possible. For example, the International Finance Facility for Immunisation (IFFIm) has been able to raise \$5.2 billion by selling vaccine bonds to investors while, in parallel, donor countries have pledged more than \$6.5 billion over 23 years to repay those bondholders. Through this funding mechanism, IFFIm has been credited for saving millions of lives through immunizations. Inspired by what has been achieved, an International Finance Facility for Education could mobilize new funding to achieve major breakthroughs.

## **Ongoing work**

World leaders at the 2017 G20 Hamburg summit committed themselves to advancing the International Finance Facility for Education (IFFEd), an initiative proposed by the Commission which could make it possible to fund universal education. The 2017 G20 Leaders' Declaration text reads: "We note the UN Secretary-General's proposal to establish an International Finance Facility for education taking into account other existing initiatives, such as the Global Partnership for Education and Education Cannot Wait, and look forward to examining it in further detail under Argentina's Presidency with a view to making recommendations on it."

Further, the Commission has identified Pioneer Countries – many of which are already making their own strides on education – that are committed to raising education outcomes to the level of the world's top 25 percent fastest education improvers and increase investment of national income in education from the current 4% average to 5.8%. This pledge would be the foundation for Financing Compacts with the international community, including potential IFFEd funding for eligible countries.