Germany's education ODA

Germany is the world's top donor country to education, but high costs for students in Germany distort the picture

Germany is the largest donor country to global education, spending US$2.3 billion of its official development assistance (ODA) on education in 2016 (latest year for which full data is available). This is equivalent to 8% of Germany’s total ODA, making it the thirteenth-largest donor to education in relative terms (on par with Organisation for Economic Co-Operation and Development (OECD) Development Assistance Committee (DAC) average).

To get a full picture of Germany’s education assistance, however, it is important to exclude scholarships and other costs of students from developing countries studying in Germany. These costs are reported as ODA by Germany but do not constitute cross-border financial flows. In 2016, these costs amounted to US$1.1 billion, or 47% of Germany’s total education ODA. If this financing is excluded, Germany was the third-largest donor country to.

In terms of ODA spent on education as a share of total ODA (4% of total ODA), Germany would rank 20th. Civil society organizations (CSOs) have criticized the high amount of student costs reported as ODA, raising concerns that these ODA-accountable costs are not linked to the overall development cooperation strategies set by the Federal Ministry for Economic Cooperation and Development (BMZ).

Education has received increased political attention and funding in recent years as part of Germany’s initiatives to tackle the ‘root causes’ of migration, particularly in sub-Saharan Africa and the Middle East and North Africa (MENA) region. The government’s focus is on strengthening vocational training systems as part of a wider effort to foster labor markets and job creation in these regions. Promoting education throughout its different levels is highlighted as a priority of Germany’s overarching development policy in the 2017-2021 coalition treaty (with a stronger focus on digitalization and e-education).

Germany spends most bilateral education ODA on post-secondary education

Germany provides the majority of its education ODA as bilateral funding (89% in 2016, latest year for which full data is available). In 2017 (latest year for which bilateral data is available), Germany channeled US$2.1 billion of its education ODA bilaterally. The largest share of bilateral education ODA in 2017 was directed towards ‘post-secondary education’ (65%, or US$1.4 billion). However, this high share is driven by scholarships and other costs for students from partner countries studying in Germany (see above). The second largest share of bilateral education ODA was allocated to strengthening general education systems (14% or US$296 million), with a focus on education facilities and training. 13% (US$267 million) was allocated to vocational training. Basic education’ received 7% in 2017, or US$143 million (down from US$212 million in 2016), with a focus on primary education.

This funding pattern largely aligns with the priorities for Germany’s global education policy detailed in BMZ’s education strategy, published in 2015.
It defines three priority sectors:

1. basic education,
2. vocational training, and
3. post-secondary education.

Geographically, it places a focus on Africa and increasingly on countries affected by fragility and conflict. It further aims at providing equal opportunities for access to education for all children, improving the quality of education (e.g., through teacher training), inclusiveness, and gender equality. Vocational training is a focus for Germany. The government stresses the added value of Germany’s support in this area given its long-standing expertise and the success of the German dual vocational training system, in which training is partly school-based and partly company-based.

Germany channels only 10% of its education funding multilaterally, below the OECD DAC average of 30%

Germany provided US$238 million in multilateral education funding in 2016 (10% of Germany’s total education ODA). Most of this funding was channelled through the EU institutions in the form of mandatory contributions (65% or US$154 million in 2016), followed by the International Development Association (IDA; 25%). Other recipients were the African Development Fund (AfDF; 3%), the Asian Development Fund (AsDF; 2%), and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA; 2%).

Germany is a founding member of the Global Partnership for Education (GPE) and has contributed US$97 million to the GPE Fund since 2005 (as of April 2019). This makes it the 12th-largest GPE donor. For the period 2018 to 2022, Germany pledged €75 million (US$92 million using GPE’s official conversion). The Global Campaign for Education (GCE) in Germany, a coalition of CSOs advocating for more and better funding to education, has called on the German government to provide at least €100 million (US$113 million) per year to the GPE. In addition to contributions to the GPE Fund, Germany committed €21 million (US$24 million) to the GPE for 2011 to 2020 through the German BACKUP Initiative – Education in Africa. BACKUP is a program led by the German Corporation for International Cooperation GmbH (GIZ) which provides technical and financial assistance to African countries and CSOs to access and use GPE funding.

BMZ’s department ‘Global Issues – Sector Policies’ guides policy development within education

The department for ‘Global Issues’, and within it the ‘Education’ division (division 402), develops BMZ’s overall education policy, provides operational guidance for the implementation of projects, and represents Germany on the GPE Board. However, programming of bilateral development assistance for education is driven by regional divisions. Based on overarching priorities and regional quotas, the regional divisions develop projects in cooperation with partner countries and are responsible for the allocation of Germany’s bilateral development assistance.
GERMANY’S ODA TO EDUCATION

US$ millions

GERMANY’S BILATERAL ODA TO EDUCATION ACROSS SUB-SECTORS, 2017

Total: US$2066 million

- General education: 14.3% (US$296.4m.)
- Vocational training: 12.9% (US$297.4m.)
- Basic education: 6.9% (US$140.5m.)
- Secondary education: 0.4% (US$8.7m.)
- Post-secondary education: 65.4% (US$1300.4m.)

OECD CRS. In 2017 prices.
TOP 10 DAC DONORS TO EDUCATION, 2016
Total education ODA; US$ millions; in 2017 prices; incl. bilateral and multilateral funding

Germany: 2,294
United States: 1,900
United Kingdom: 1,571
France: 1,357
Japan: 737
Norway: 435
Korea: 278
Canada: 274
Australia: 273
Italy: 254

OECD CRS and imputed multilateral contributions to the education sector (DAC Secretariat estimates)

TOP 15 DAC DONORS TO EDUCATION, 2016
Education ODA as % of total ODA

New Zealand: 15.7
Portugal: 14.8
Luxembourg: 14.3
Hungary: 12.9
Slovenia: 12
Korea: 11.4
France: 11.2
Austria: 11
Poland: 9.3
Norway: 9.3
United Kingdom: 8.9
Slovak Republic: 8.4
Germany (shaded): 8.3
Australia: 7.8
Ireland: 7

OECD CRS and imputed multilateral contributions to the education sector (DAC Secretariat estimates)