

Policy Paper Summary

Towards Shaping a New Generation of Contributions by the Arab Fund to the Education Sector

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The paper examines the Arab Fund's efforts to finance the education sector in Arab countries, noting that despite significant efforts, many countries have faced challenges in achieving their educational development goals. Between 2010 and 2021, there was a marked disparity in access to education at all levels. Enrolment rates in basic education remain below required levels in certain Arab countries, particularly Somalia, Djibouti, Syria, and Sudan. In contrast, Saudi Arabia, Kuwait, and Bahrain ranked highest in total enrolment rates, with 2021 rates of 70.6%, 61.1%, and 60.3%, respectively.

Reports from the United Nations Development Program (UNDP) indicate that human development indicators have stagnated in some Arab countries. Educational inequality is identified as a key factor contributing to the slowdown in human development. This can be attributed to the lack of effective plans and policies to improve educational attainment. The education inequality rate in Arab nations is approximately 33.1%, compared to 25.3% for income inequality.

Although significant progress has been made in providing equal educational opportunities for both females and males in many Arab nations, nations such as Djibouti, Sudan, Somalia, Lebanon, Libya, and Yemen still face challenges in this area. In 2021, female enrolment rates surpassed male enrolment rates in 13 Arab countries: Jordan, the UAE, Bahrain, Tunisia, Algeria, Djibouti, Sudan, Palestine, Qatar, Comoros, Kuwait, Libya, and Mauritania.

Quality of Education According to International Evaluation Indicators

While certain indicators have shown improvement, the quality of acquired skills remains low, especially in terms of educational enrolment. This is largely due to the prevalence of informal education outside traditional institutions, commonly known as shadow education. This phenomenon has significantly impacted the human capital indicators reported by the World Bank, with some Arab countries seeing as much as 50% of education taking place outside formal institutions.

Moreover, Arab countries have some of the highest illiteracy rates globally, with around 20.5% of adults aged 15 and above unable to read and write in 2021. Three countries —Sudan, Comoros, and Mauritania, recorded illiteracy rates exceeding 39%.

The education system in Arab countries directly influences the labor market. In 2022, approximately 15 million people were unemployed, representing about 10.7% of the population, though this percentage varied across the region. Youth

unemployment rates were particularly high, exceeding 33% among those aged 15 to 24.

Arab Fund's Efforts to Support the Education Sector

The Arab Fund has provided 15 loans totalling 156 million Kuwaiti dinars, representing approximately 1.6% of the total loans granted from 1974 to 2022, to support the infrastructure of the education sector at all levels. Additionally, around 65 million Kuwaiti dinars have been allocated to finance the university fellowship program since 1996.

Furthermore, the Fund has established long-term partnerships with international development institutions to enhance and modernize the education sector. It prioritizes funding projects aimed at educational reforms and offers technical assistance to improve the education system. The Fund's strategies focus on reforming the education system at every stage to improve its overall quality.

Towards a New Generation of Arab Fund Interventions in the Education Sector

The paper highlights the importance of not limiting the Fund's interventions to financing infrastructure projects alone, but rather prioritizing financing technical support programs to reform the education system based on the characteristics and priorities of each Arab country, as well as developing soft skills, and financing education reform programs using new mechanisms such as Results-Based Financing (RBF) and Development Policy Loans (DPLs). This is within the framework of a long-term strategy aimed at improving educational opportunities, enhancing its quality, and enhancing its social and economic impact.

Specifically, the main components of the education reform strategies include six important elements: improving traditional and digital infrastructure; training teachers, professors, and educators; developing vocational and technical education; advancing scientific research; supporting governance and institutional coordination; and revamping educational curricula.

Proposed Future Steps

These proposed new interventions in the education sector require the appropriate prerequisites and foundations to ensure optimal results. This includes developing the Arab Fund's evaluation methodology to measure the impact of its contributions, pursuing cooperation with international institutions, engaging in international initiatives addressing education reform programs in all their dimensions, and establishing valuable partnerships in the field of technical support and financing operations.