

# The Netherlands

## Executive summary

The Netherlands has been one of the few countries to meet and exceed the 0.7% aid target, but in 2013 aid fell below this – the first time since the 1970s. The Netherlands has also been a consistent champion of education, especially basic education, since the beginning of the MDGs. Historically it has been one of the most instrumental donors in supporting the target of ensuring all children can complete a primary education, both in terms of financial and policy contributions, as well as political will. However, since 2010, overall severe budget cuts, combined with a change of policy and of priorities in development cooperation, have almost wiped out support to basic education. After massive cuts to education aid budgets, the Netherlands plummeted from being the second highest donor of bilateral aid to basic education in 2007 to 22<sup>nd</sup> of the 28 DAC donors in 2013. Budgets decreased by 70% from 2010 to 2013 alone, while huge cuts have taken place in support to low-income countries such as Burkina Faso, Yemen, Bangladesh and Zambia.

By 2015 bilateral aid has been more or less totally phased-out. Only the international scholarship programme has been spared, with limited budgets mainly spent on vocational and higher education. The final commitments made to the Global Partnership to Education are now completed – and there are no new commitments on the horizon.

## Overall aid trends

The Netherlands had achieved – and often exceeded – 0.7% every year since the mid-1970s, but officially dropped off that list for the first time in 2013. As part of overall government budget cuts, the development budget was gradually decreased between 2011 and 2015. This brought aid as a percentage of GNI below 0.7% for the first time since 1975. At the end of 2010, the new government announced a major shift in development policy; this resulted in significant decreases to the aid budget, as well as a change of priorities for the Dutch government. Overall reductions in aid took the Netherlands from spending 0.8% of GNI on aid in 2010 down to 0.64% in 2013.

While this is still well ahead of many other bilateral donors – Netherlands was still the fourth biggest aid donor as percentage of GNI in 2013 – total ODA is expected to further decrease in absolute amounts as well as in percentage of GNI, from €4.3 billion in 2013 to Euro €3.5 billion or 0.53% of GNI by 2017.<sup>83</sup> The first reduction in aid in 2011 was also accompanied by a decrease in the number of ‘partner countries’ benefiting from bilateral aid, from 33 to 16.

83. Projections from *Homogeneous Group on International Cooperation 2015* (forms part of the general State budget 2015).

**FIGURE NE1: The Netherlands Total ODA as % GNI, 2000–2014**



## Aid to education trends

These overall reductions in ODA have had a major impact on the level of aid that is available for different Dutch development priorities. However, since 2010, education has taken a double hit: as well as falling victim to the overall aid reductions, education has gone from being one of the top priorities of the Dutch government to being completely phased out in policy as well as financial terms, with only small pockets of projects and support to higher education remaining. Most significantly, Dutch bilateral aid to basic education has now been effectively eliminated, as has the previously substantial education sector support and the Dutch commitment to the Global Partnership for Education (GPE).

This has led to dramatic reductions in the amount of Dutch aid available to education. After an all-time peak in 2007, the Netherlands went from being the third largest bilateral donor, to being 16th in 2013. Reductions were even more dramatic in basic education: in 2007 the Netherlands was the largest donor to basic education.<sup>84</sup>

**FIGURE NE2: The Netherlands Total aid to education as % total ODA 2002–2013**

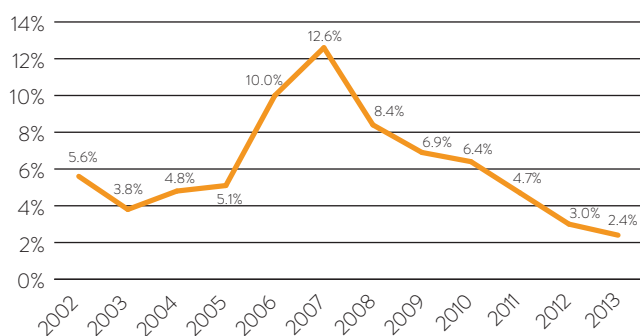


The previous very high commitments from the Netherlands were driven by the ground-breaking commitment made in 2001, when the Dutch parliament passed a motion to increase aid expenditure for basic education to 15% of aid overall. Although this percentage was never actually realised, this decision implied a phenomenal level of support

84. This is using the ‘UNESCO calculation’ as outlined in Annex 1. This pulls up the overall Dutch aid commitment to education, as the Dutch give such high levels of budget support. So while the USA was the largest basic education contributor of ‘direct aid to education’, Netherlands was the largest for ‘total’ aid to education, which is a credit to their contributions to general budget support.

for basic education in the developing world. Investments in basic education increased from US\$276 million in 2002 to US\$626 million in 2007, accounting for an increase from 5.6% of total ODA in 2002 to 12.6% in 2007. The aim to invest 15% of aid in basic education was abandoned after 2007. Despite the downward trend, still US\$325 million, 6.4% of the total, was invested in basic education aid in 2010. By 2012 the de-prioritisation of education had decreased this aid by almost two-thirds to US\$123 million, leaving just 2.4% of total ODA. Finally it should also be noted that the Netherlands, in 2011, was also the largest donor in volume terms to early childhood care and education (ECCE).<sup>85</sup> The huge cuts which have taken place since 2010 have seen the Netherlands plummet to 22nd place in 2013, in terms of the quantity of their aid to basic education commitments.

**FIGURE NE3: The Netherlands Total aid to basic education as % ODA 2002–2013**



## Major shifts in development policies see education support phased out

The phasing out of aid to education was the result of it being de-prioritised during a significant shift in the overall strategy and focus for aid away from supporting social sectors, and towards sectors which are seen as promoting economic development and trade.<sup>86</sup> As part of this the Dutch government in 2010 announced its commitments to cut all bilateral aid to basic education. Four new priorities were adopted: security and the rule of law; food security; water management and improved access to safe drinking water and sanitation; and sexual and reproductive health and rights (SRHR) and women's rights. As part of this approach, a major role was foreseen for the private sector and for aid to also advance Dutch economic and trade concerns.

Since 2012, the Minister for Foreign Trade and Development Cooperation has been situated within the Foreign Ministry, combining what had previously been two Ministries – symbolic of a general shift in development policy. The Dutch government claims that this encourages a strong emphasis on policy coherence, with the newly appointed Minister Ploumen claiming in 2012 that cuts would be 'offset' by creating "more policy coherence for development", and that the

85. OECD-DAC, 2014.

86. Sectors are: agriculture; climate change; energy; environment; gender equality; governance and anti-corruption; health, nutrition and population; information communication and technology; private sector development; science, technology and innovation; social development; social protection and labour; transport business; urban and local government; water resources; and post-crisis direction. Ministry of Foreign Affairs of the Netherlands, 2011.

Netherlands will continue its role in promoting and implementing the aid effectiveness agenda.<sup>87</sup>

In 2013, Minister Ploumen published her policy paper 'A World to Gain: A New Agenda for Aid, Trade and Investment'. Observing that the education MDGs were 'within reach' she announced that education aid in low- and middle-income countries would be phased out more quickly than had previously been envisaged. Only the scholarship programme would be spared. The minister expected other donors, and especially the EU, to step in: "In most cases where the Netherlands' programmes in social sectors (such as education and health care) are being phased out, the EU will remain the main donor."<sup>88</sup> This has resulted in all bilateral aid to basic education being phased out, leaving only a last contribution to GPE (€30 million) in 2014 and the expenditures on the UNICEF Peacebuilding, Education and Advocacy Programmes (€30 million a year). The effects of this policy can be seen in the specified budgets for education aid, as outlined above, and the further reduction in budgets in 2015 to €119 million in 2015.<sup>89</sup> In 2015, using latest budget data from the Netherlands, this has dropped down to as low as €30 million in 2015, and continues to decrease.

In the current development cooperation policy, the remaining bilateral education aid is intended to be instrumental in achieving results in other priority areas, and is focused on technical and vocational education and training (TVET) and higher education – for instance, supporting agricultural training or achieving results in the priority areas Security and Rule of Law, Food-security, Water and Sexual and Reproductive Health. More emphasis is given to TVET and higher education. In countries like Mali, Bangladesh, Uganda, Afghanistan and Ethiopia, vocational education and training (in agriculture) is supported as part of food security policies. In the context of the priority on security and rule of law, substantial support is given to a UNICEF programme on Peacebuilding, Education and Advocacy in 14 countries (PBEA, total commitment of €120 million for 2012–2015). Although SRHR and enhancing women's rights are priorities in Dutch development policy, and combating violence against women and child marriages are spearheads, no attention whatsoever is given to girls' education.

The shift in policy towards tertiary education was also described in the 2014–2015 general State budget: "Increasing the number of well-educated professionals, strengthening of institutions for higher and vocational education, promotion of policy relevant research." As such, the larger share of the budget, about €76 million, is spent on international higher education programmes and vocational training. A substantial part of this budget is invested in scholarships for students from developing countries.

It should be noted that this massive shift away from education does not reflect public opinion in the Netherlands, where 55% consider that education should be a main priority for Dutch development cooperation.<sup>90</sup> Moreover, a 2011 publication *Education matters: Policy*

87. Concord, *AidWatch 2014 - Aid beyond 2015: Europe's role in financing and implementing sustainable development goals post 2015*, Jefferson, 2015 [www.concord-europe.org/publications/item/374-aidwatch-2014](http://www.concord-europe.org/publications/item/374-aidwatch-2014)

88. This is taken from *What the world deserves: A new agenda for aid, trade and investment* by the Minister for Foreign Trade and Development Cooperation, Lilianne Ploumen, and is thus taken from national documents, is displayed in Euro, and using categorisation by the Dutch government. The previous figures are taken from the OECD DAC database and thus use the DAC methodologies – as well as being expressed in US\$. Hence, it should be noted these figures are not directly correlated.

89. Figures derived from the general State budget for 2015.

90. Kaleidos Research/NCDO, *Financing for Development, now and in the future*, May 2015.

*review of the Dutch contribution to basic education 1999–2009* provided convincing evidence that Dutch support for basic education had been, in general, highly relevant, well-aligned with other donors and particularly supportive of the priorities of its partner countries. For the future, the report recommended that aid efforts should focus on the poorest countries and regions, where most is to be gained from providing basic education aid.<sup>91</sup> Yet, in spite of this evidence and public support, the government has continued the cut-back, and especially in low-income countries.

## Humanitarian aid

The Netherlands was the primary supporter of UNICEF's Education and Emergencies and Post-crisis Transition (EEPCT) programme and the follow-on Peacebuilding, Education and Advocacy (PBEA) initiative. EEPCT was a US\$201 million programme that ran from 2006 to 2011 and covered 42 countries (with all US\$201 million provided by the Dutch government, although an additional US\$5.76 million was contributed by the EU). The PBEA programme, 2012–2015, is funded at US\$150 million (€120 million) by the Netherlands and operates in 14 countries. These expenditures are registered as aid to education, but are coded as peace-building, rather than humanitarian aid.

The Netherlands has been and is supporting education in emergencies, largely through un-earmarked support to UN agencies, NGOs and consolidated appeals. Humanitarian policy was revised in September 2014 in the course of the establishment of a Relief Fund, aimed at raising Dutch humanitarian assistance. There are no references to education – or any other sector – which is a deliberate policy to make Dutch humanitarian aid flexible, predictable and to enhance response capacity of the main recipients. In 2014 a total amount of €329 million was spent on humanitarian aid, of which 54% consisted of un-earmarked contributions to mainly UN agencies; 46% was earmarked for humanitarian aid by UN agencies and NGOs in acute and chronic crises in specific countries or regions. The budget, for humanitarian aid for 2015 is €375 million, but given the policy it is unclear how much money is invested in education.

## Support to the Global Partnership for Education

As one of the initiators of the Global Partnership for Education (GPE), in its previous form as the 'EFA Fast Track Initiative' (EFA-FTI), the Netherlands was a strong supporter and major contributor to GPE. In fact, in 2008, the Netherlands was its largest contributor (about US\$400 million).

The Netherlands was a critical but loyal partner in the reform process of the FTI, helping shape the current GPE, and lent its full support to GPE policy and priorities. However, with the change of politics above the government also cut support to the GPE. In 2011, the former government made a commitment to contribute €30 million a year over four years (2011 through 2014) to GPE. To Parliament, the financial contribution to GPE was presented as an important alternative

form of funding while terminating Dutch bilateral education aid, and in so doing it was safeguarded from the drastic cuts happening in other parts of bilateral spending. However, in line with the new development policy, no new commitments for contributions to GPE were made at the 2014 replenishment conference, and in 2015 the Dutch government is giving no support to GPE.

## Post-2015 education agenda

In a first letter to Parliament on the Dutch position on the post-2015 development agenda, the Minister for Foreign Trade and Development expressed strong support for poverty reduction (*"getting to zero in one generation"* was the precise phrase used) as a major goal of the post-2015 agenda. It was stated that implementation of a 'Social Protection Floor' should become a guarantee of access for all to social services (including education), equity and better income distribution. However, the government has given no indication of how the Netherlands would contribute to this part of the post-2015 agenda, given the fact that in the national development policy most support for social sectors no longer exists.

As a member of the EU, the Netherlands subscribes to the EU policy on the SDGs. In the negotiations leading to the UN Summit on the SDGs, the Netherlands – not surprisingly – especially lobbies for goals on gender and SRHR, and emphasises the contributions of trade and private investments to sustainable development.

## Conclusions and recommendations

GCE Netherlands sees four priority areas for action by the Dutch government:

- Secure substantial budgets for technical and vocational training to achieve results in priority areas in national development policy: peace and security; food security; water; and especially in SRHR and women's rights. Given the well-documented socioeconomic impact of female education, educating girls is a crucial success factor in achieving equal rights and opportunities for women and combating child marriage and should therefore be part of the strategy for these priority areas.
- Demonstrate a strong Netherlands stance for education as a priority in EU aid and the post-2015 agenda, as a prerequisite for gender equality and enhancing SRHR. Reconsider support for GPE as the main Dutch contribution to financing post-2015 education goals, especially in low-income countries.
- Promote measures to increase domestic budgets for education and health in developing countries. The Netherlands' policy on Foreign Trade and Development Cooperation should include strong measures to increase domestic tax revenues in developing countries (for instance by addressing tax evasion by multinationals) and supporting alternative sources of financing for development (for instance by a financial transaction tax).
- Given the fact that the amount of time refugees are forced to stay outside of their own country is, on average, 19 years, work to prevent the lost generations of children that miss their chance of an education, and make humanitarian aid sustainable by earmarking 4% of this aid for education.

91. Policy and Operations Evaluation Department (IOB), *Education matters: Policy review of the Dutch contribution to basic education 1999–2009*, Ministry of Foreign Affairs of the Netherlands, 2011.