JUSTICE FOR AFRICA! DON'T CUT OUR FUTURE!

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GLOBAL STUDENT FORUM

TRANSFERRING OUR COMMON WEALTH

ENDING EDUCATION INEQUALITY TO CHANGE OUR UNEQUAL FUTURE

COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
MELBOURNE 1981
(43 Years Ago)

"This announcement clarifies and extends the commonwealth commitment to a ***fair international economic and financial system***, and support for struggling poor countries

"We assert that the gross inequality of wealth and opportunity currently existing in the world, and the unbroken circle of poverty in which the lives of millions in developing countries are confined, are fundamental sources of tension and instability in the world;

"As a consequence, assert our unanimous conviction that there ***must be determined and dedicated action at national and international levels to reduce that inequality*** and to break that circle

"It is imperative to revitalise the dialogue between developed and developing countries... must be conducted with a genuine willingness to accept ***real and significant changes commensurate with the urgency of the problems*** we now face"

INTRODUCTION

The last decade has seen a staggering increase in inequality in the Commonwealth. The gap between young people in the richest Commonwealth members and other Commonwealth members, particularly in Africa, is at breaking point. Unless we act urgently it will be catastrophic for our future.

The number of school-aged African children living in Commonwealth countries who are out of school has *increased* by 14 million since 2008[1]. That is more than all the school aged children in the UK today[2]. It has become so unequal that more is being spent on a child's education in a few weeks in the richest Commonwealth countries than is spent in the lifetime of the average child in the poorest[3].

Despite great declarations and initiatives by the Commonwealth Education Ministers over the last 65 years, and despite most lower income countries making education a big spending priority, the education financing gap between Commonwealth countries is getting worse. This has devastating consequences both for the lives and futures of millions of young people in the Commonwealth, and for the Commonwealth itself.

A series of deliberate and discriminatory decisions by the Commonwealth's richest countries in recent years has exacerbated long standing structural injustices and left many questioning whether the Commonwealth is not only failing to depart from its colonial history, but actively reproducing its power dynamics in the modern world.

Requests from poorer Commonwealth countries to share how to make the COVID-19 vaccine were blocked by richer Commonwealth countries[4]. ODA to recipient Commonwealth countries from donor Commonwealth countries has halved[5]. From trying to sabotage the plans for a new UN tax convention[6], to inaction on the debt crisis, breaking climate finance promises and the discriminatory allocation of Special Drawing Rights, it has been a decade of indifferent and immoral leadership by some of the richest countries in the Commonwealth at the expense of their poorest members.

This report attempts to demonstrate how, as a result of these injustices, government budgets in African Commonwealth countries have been suppressed, leaving them unable to deliver the basic rights of their citizens, including the right to education.

The main body of the report seeks to present the evidence as clearly as possible so you can make your own conclusions.

The final section offers recommendations for a fairer future and how the CCEM and CHOGOM meetings this year could mark a turning point in the Commonwealth, but only if the most powerful Commonwealth countries finally act to support the interests of all the people of the Commonwealth.

"We pledge the Commonwealth and our countries to work with renewed vigour .... provision of **universal access to education** for the population of our countries;"

COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
ZIMBABWE 1991

We affirm that education, whether formal or informal, is central to development in any society and is of the highest priority to the Commonwealth. **In an increasingly divided and insecure world, education must play a crucial role for people**, both young and old, for them to optimise their opportunities and to bridge divides."

COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
NIGERIA 2003

"**Education** is the most powerful weapon which you can use to change the world"

NELSON MANDELA

CONTENTS:

ACKNOWLEDGEMENTS:

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We would like to acknowledge the 100 Million staff and volunteers for their contributions, which was written by Owain James, Georgia Potton and Winnie Nyandiga, with contributions from Samuel Sasu Adonteng.

Cover image: Photo of young people in Malawi participating in the global Justice for Africa mobilisation in October 2023.

Schaapsteeg 12, 4033 AJ Lienden, The Netherlands
www.100million.org

COMMONWEALTH EDUCATION INEQUALITY

There has been a dramatic increase in education inequality within the Commonwealth in the last 15 years

As you can see in *Fig. 1*, there has been 43.8% *increase* in the number of African Commonwealth children out of school since 2008. In contrast, the number of children out of school in Commonwealth countries outside of Africa has fallen by 36.8%.

The *increase* in African Commonwealth children out of school today (14.2 million children[7]), is more than the *total* number of school aged children in the United Kingdom (10.7 million children[8]).

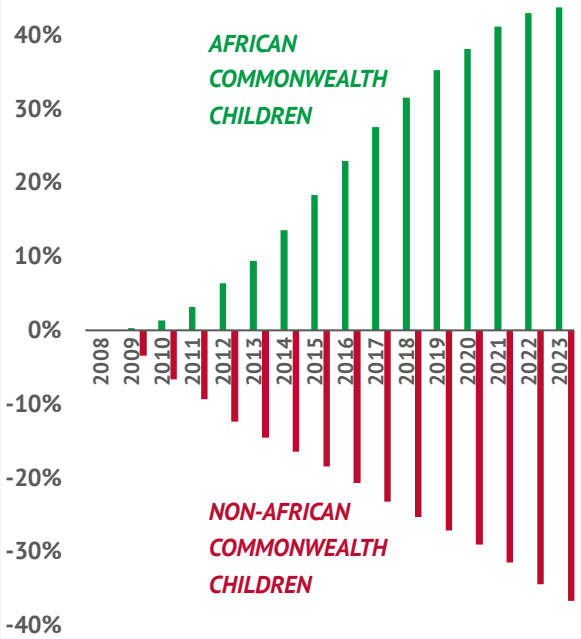
This is a new trend reversing previous progress. Between 2000 and 2008 for example there was a *decrease* of 16% in the number of African Commonwealth children out of school[9].

There has also been an increase in inequality between children in school. If we compare the changes in education budget per child in constant USD since 2008, *Fig. 2*, you can see that in real terms the UK is spending over $1,300 USD more per child, over ten times the increase of the other eight countries.

The average increase in education spending in other large high income Commonwealth countries was even higher than the UK (Australia and Canada increased by $2,990 and $2,005 respectively). In contrast in Lesotho and Uganda spending per child has actually fallen in real terms, and the largest increase in a Commonwealth African country is South Africa with $463.

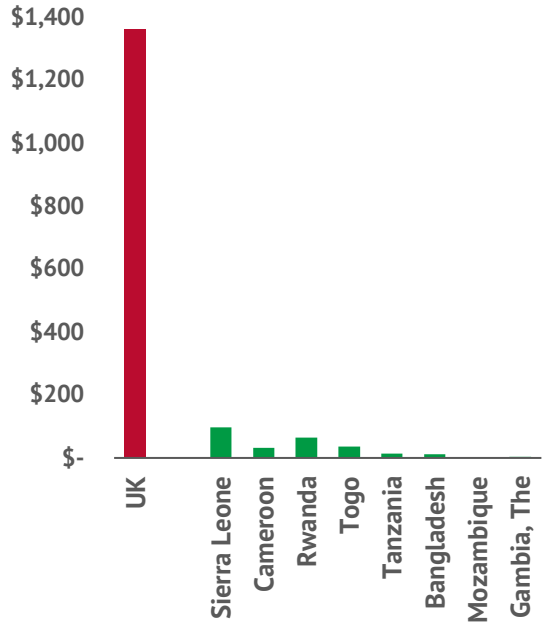
What is worse is that education across the Commonwealth was *already* incredibly unequal *Fig. 2* is just the *increase* in inequality since 2008.

FIGURE 1: % INCREASE IN CHILDREN OUT OF SCHOOL IN THE COMMONWEALTH SINCE 2008



Source: **UNESCO** *Education Estimates.org*

FIGURE 2: INCREASE IN GOVT EDUCATION EXP/ SCHOOL AGED CHILD 2008-23, CONSTANT USD



Source: **UNESCO** *Government Exp on Education Constant* **&** **World Bank** *SP.POP.0014.TO*

The *total* inequality in education expenditure is so large it can be hard to see the smaller amounts on a graph. *Fig. 3* compares total education expenditure per student. If we imagine the UK expenditure per student as the height of Nelson's Column in London (52 metres) then the other countries are not even a metre off the ground. That is how unequal education expenditure has become in the Commonwealth today.

What does it mean for our future equality when the average child in the UK now has more spent on their education in a few weeks than the average African child has in their lifetime?

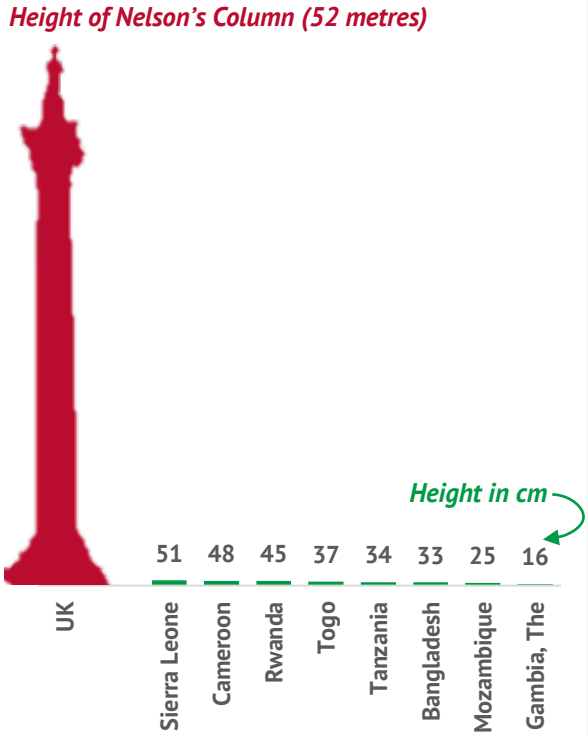
If we compare education expenditure in other countries, we see the education ministry on the island of Malta has twice as much money to spend than the education ministry in Malawi[10]. Yet there are 80,000 children in Malta and over 10 million children in Malawi[11].

But what can be done if some Commonwealth governments won't prioritise education? This isn't the case; in fact Malawi spends a higher % of its government budget on education than Malta[12]. Indeed, *Fig. 4* shows that actually all of the countries in *Fig. 3* spend more of their government's budget on education than the UK, with Sierra Leone a world leading 33%.[13]

The biggest reason why so many Commonwealth children have no school to go to and no teacher to teach them, is the colossal difference in overall government budgets themselves.

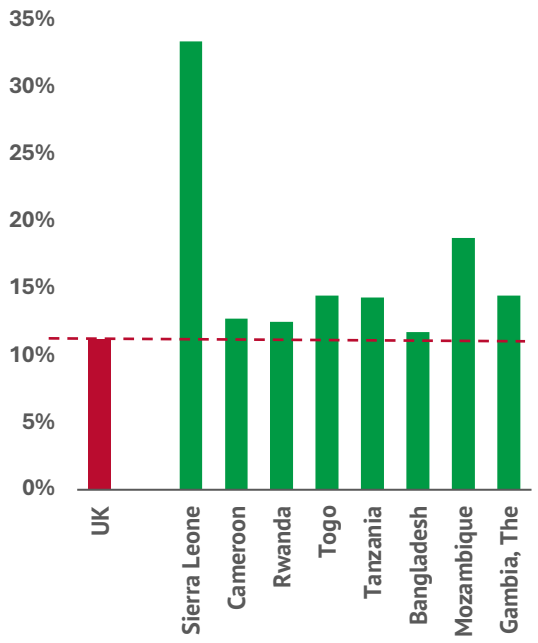
Greater prioritisation for education is vital in several countries, especially Pakistan and Nigeria, and budget negotiations with the finance ministry will always be critical for education ministries. But if we want to do something about the colossal increase in education inequality in the Commonwealth, educationalists will have to work with their finance ministries and others to address why their government's budgets are so low in the first place.

FIGURE 3: COMPARING EDUCATION USD EXPENDITURE/CHILD IN EQUIVALENT HEIGHT



Source: **UNESCO** *Government Expenditure on Education Constant Retrieved14Jul23* **& World Bank** *SP.POP.0014.TO*

FIGURE 4: COMPARING THE % OF GOVERNMENT EXPENDITURE ON EDUCATION



Source: **UNESCO & World Bank**, *SE.XPD.TOTL.GB.ZS*

GROWING INEQUALITY IN GOVERNMENT BUDGETS

The amount a government has to spend per citizen is closely linked to the size of a country's GDP/capita.

The injustices of slavery and colonial misgovernance ensured the Commonwealth was tremendously unequal by the time of the first CCEM meeting. In 1959 the average GDP per person in Australia, Canada and the UK $14,103 larger and 11 times higher than in Commonwealth African countries[14]. The historical injustices, never addressed, require urgent attention with reparations paid in full.

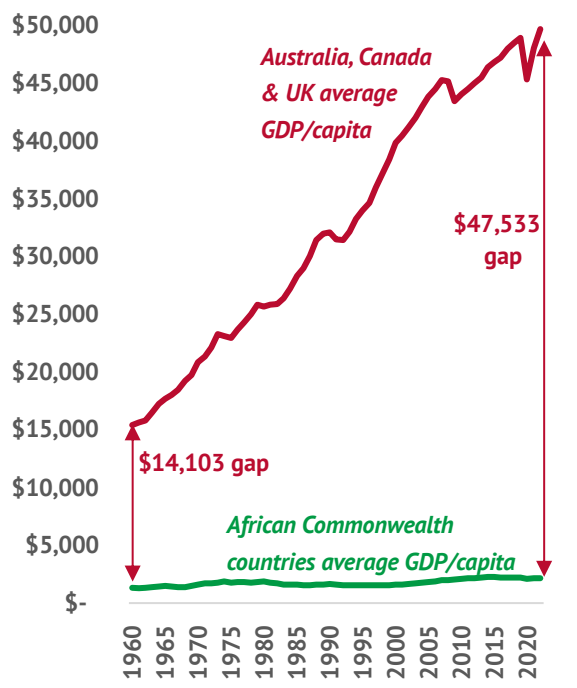
This report focuses on the post-colonial period, and *Fig. 5* looks at how the inequality between countries has changed since the Commonwealth Education Ministers first met.

You can see that even the original massive inequality has grown dramatically and the average GDP for Australia, Canada and the UK is $47,533 larger and over 22 times higher than in Commonwealth African countries[15]. The Commonwealth is getting more unequal not less.

It can be hard to see the trend in African Commonwealth Countries because it is so small. However, when focusing in on the % change in the last ten years, *Fig. 6*, you can see that the already low GDP/capita in African Commonwealth countries has actually been falling since 2014. This is in stark contrast to the change in Australia, Canada and the UK.

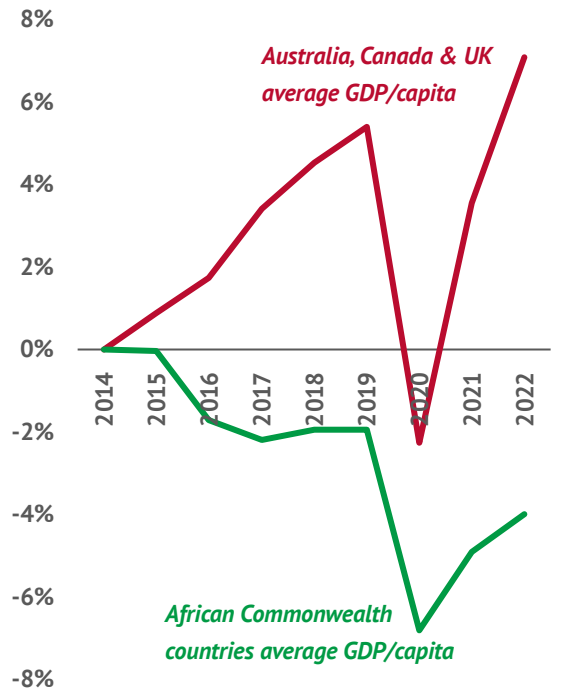
But if African resources aren't being used in the global economy what can other countries do? Well far more African resources are being utilised in the global economy than ever before, *Fig. 7* shows the sharp rates of growth. Nigeria and South Africa, not included in the graph, have the largest natural resources among African Commonwealth countries and have also increased by a further $42 billion between them since 1999. This means $67 billion more African resources are utilised now than in 1999[16].

FIGURE 5: GDP / CAPITA SINCE THE FIRST CCEM MTG, CONSTANT USD (1960-2022)



Source: **World Bank**, *(NY.GDP.MKTP.KD & SP.POP.TOTL)*

FIGURE 6: CHANGE IN GDP/CAPITA SINCE 2014, CONSTANT USD



Source: **World Bank**, *(NY.GDP.MKTP.KD & SP.POP.TOTL)*

This should have led to an increase in GDP/capita (and education budgets). However, much of the profit was moved offshore, the billionaires were created elsewhere, and the children of African Commonwealth countries have not benefited from their own country's resources.

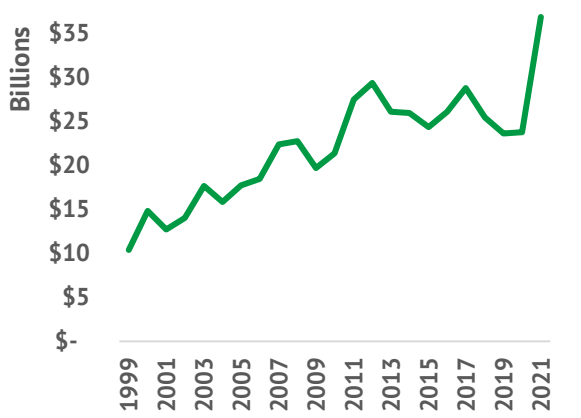
Instead, a lot of the best land and resources are owned by foreign companies. In 2016, a *War on Want* report estimated that companies listed on the FTSE 100 in London control over $1 trillion of resources in Africa[17], (*Fig. 8)*. Just 36 companies on the London Stock Exchange hold concession areas in Africa totalling 371,132 km, larger than the area of the United Kingdom itself[18].

Africa needs investment, and profitable partnerships with corporate partners can be mutually beneficial, especially those who make and declare a profit in Africa. But all too often at the moment this is simply not the case. Invoice mispricing and the fake locating of debt and IP is rife.

All Commonwealth countries are affected but tax injustice is particularly hard for countries with a low GDP/capita. If you compare tax revenue per citizen, *Fig. 9*, the inequality across the Commonwealth is shocking.

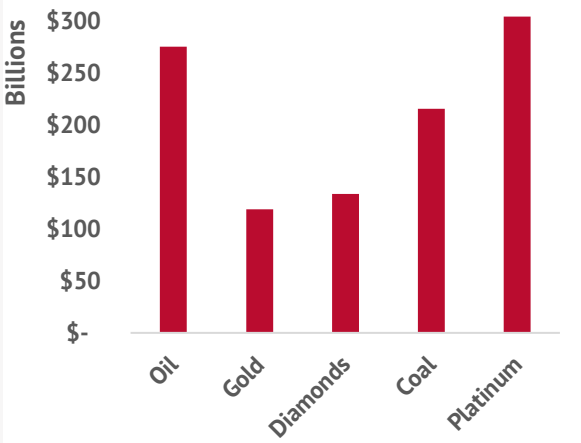
How can Malawi provide basic health and education services to its citizens if its tax revenue only leaves it with $64 per person to spend? Injustices on tax, aid and debt are key reasons why government budgets, and therefore education budgets, are so low, and this report looks at each in turn.

FIGURE 7: COMMONWEALTH AFRICA'S NATURAL RESOURCES UTILISED IN THE GLOBAL ECONOMY (EXC. NIGERIA&SOUTH AFRICA), USD



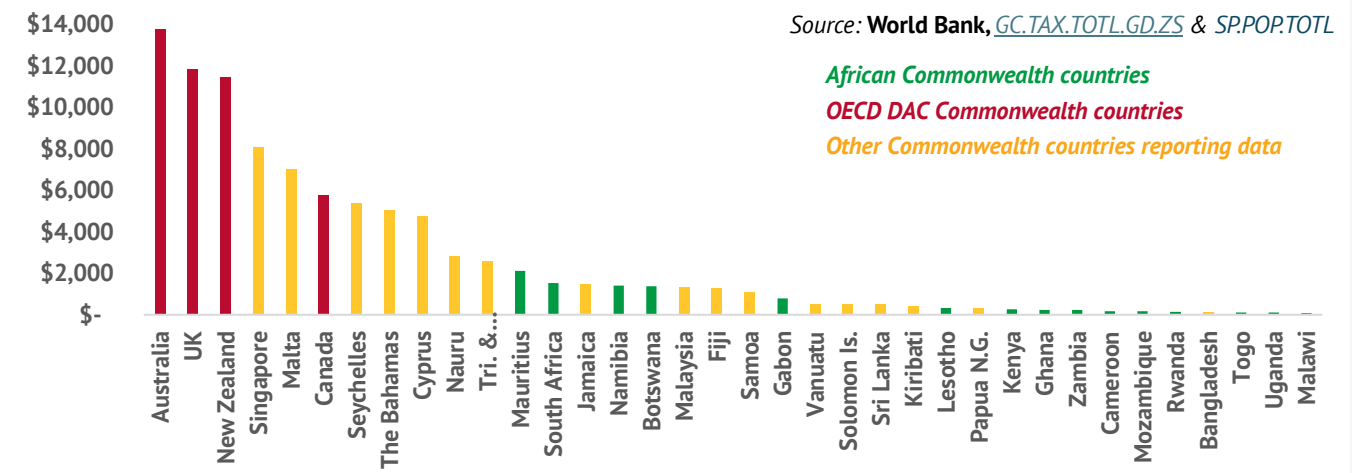
Source: **World Bank**, *(NY.GDP.TOTL.RT.ZS)*

FIGURE 8: AFRICAN RESOURCES LISTED BY FTSE 100 COMPANIES IN LONDON, 2016



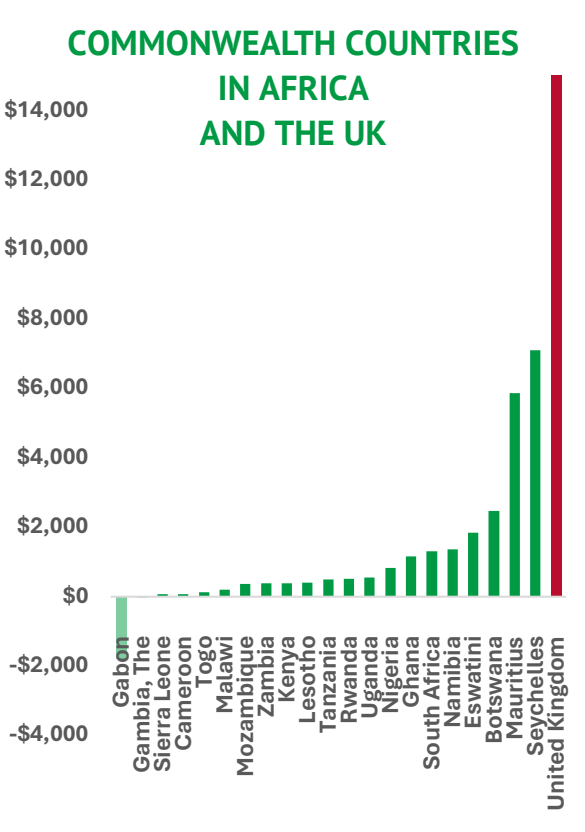
Source: **War on Want** *The New Colonialism Report,*

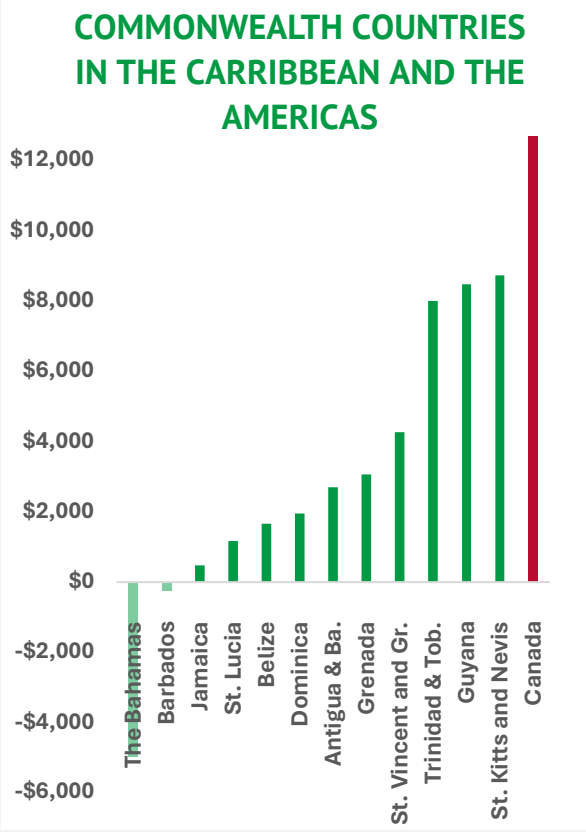
FIGURE 9: TAX REVENUE PER CAPITA, COMMONWEALTH COUNTRIES WITH DATA, LATEST YEAR, USD

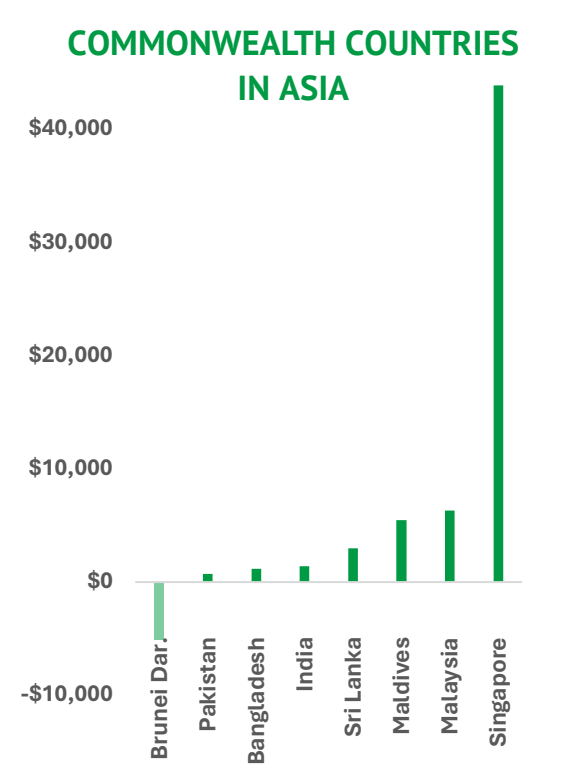


The inequality in growth of GDP/capita is an issue in every Commonwealth region. *Fig.10* shows the change in GDP/capita in four Commonwealth regions, plus the UK, since 1994 with DAC donors highlighted in red.

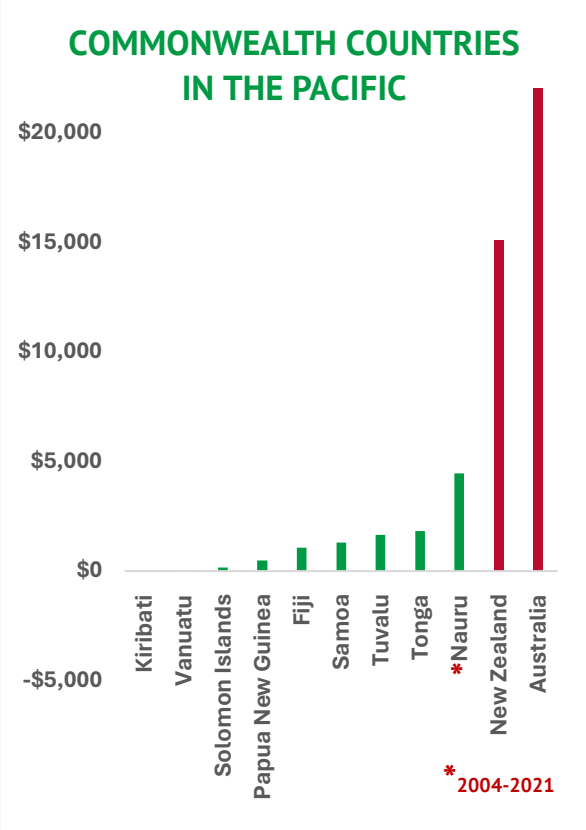
FIGURE 10: COMMONWEALTH GDP PER CAPITA, CHANGE 1994-2021







Source for all: **World Bank,** *NY.GDP.PCAP.KD*



TAX POLICY

The growing inequality in tax revenue per capita is at the heart of the inequality in the Commonwealth.

As *Fig. 11* demonstrates, tax is a problem that has been getting worse for decades. There are only five Commonwealth countries with data for every year, but the trend is clear. If more countries were plotted it would be even harder to distinguish those at the bottom.

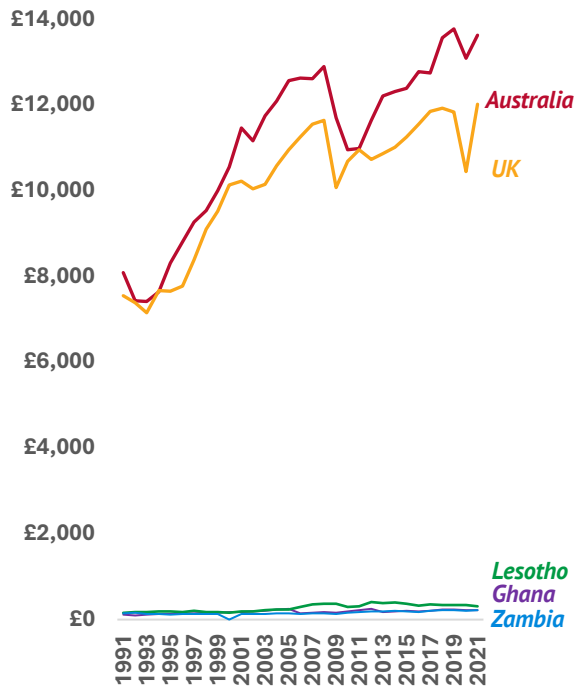
In the last five years, several efforts have been made to secure tax justice and we consider two in this section; the Africa group's proposal to the UN General Assembly for a *UN Tax Convention* and the US proposal that led to the OECD negotiated *Global Minimum Tax* (GMT).

One of the most important and understated global trends in recent years has been the huge increase in profit shifting by multinational companies. *Fig. 12* shows how dramatically it has increased for US multinationals. Profit shifting has been tolerated for decades when it was mainly lower-income countries losing out. Now that many of the largest companies have decided they don't want to pay tax anywhere, it has affected even the very richest countries.

This combined with concerns on new digital services taxes, such as in Kenya, meant the US offered to act on profit shifting. Regardless of the motivation, this presented a major opportunity for citizens in lower income governments to finally receive a fair share from the extraction of their country's natural resources. In Africa, UNCTAD estimates that $88.6 billion in illicit financial flows leaves the continent every year[19].

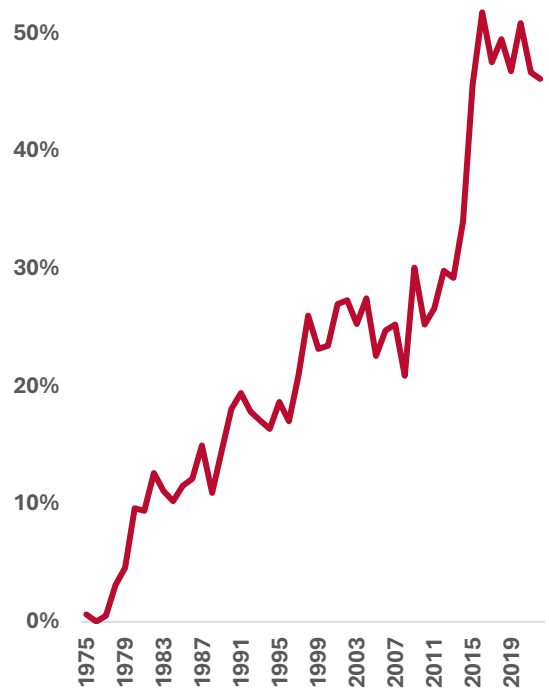
The OECD convened and led the negotiations, and a new global tax rate was agreed upon (in return for signatory countries scrapping plans for a digital services tax). However, as predicted[20] the discussions sidelined many of the African countries. The final agreement set a welcome Global Minium Tax rate (15%), but on its first page it state that all extractive industries would be excluded[21], *Fig.13*.

FIGURE 11: TAX REVENUE / CAPITA (1991-2021), CONSTANT USD, CMLTH COUNTRIES



Source: **World Bank,** *GC.TAX.TOTL.GD.ZS & NY.GDP.MKTP.KD & SP.POP.TOTL*

FIGURE 12: SHARE US MULTINATIONALS' FOREIGN PROFITS BOOKED IN TAX HAVENS, %



Source: **EU Tax Observatory**, *Global Tax Evasion Report 2024*

Many Commonwealth countries were deeply unhappy with the final text and 40% have not signed it, including countries representing 79% of African Commonwealth citizens[22], but it goes ahead anyway. The OECD has 38 members.[23] Four are in the Commonwealth: Australia, Canada, New Zealand and the UK. *None are African.*

In contrast, the progress of the African Group's proposal for a UN tax convention has been slower. Proposed two years earlier in 2019, after many delays the meeting to decide whether to set it up was held in November 2023.

It was a historic opportunity to establish a new Convention (a legally binding multilateral instrument) to develop a fairer global tax policy. However, after years of waiting it was put in jeopardy when a wrecking amendment tried to remove the word 'Convention' from the motion proposing the UN Tax Convention[24].

Which country proposed this amendment? The UK, see *Fig. 14.* Thankfully their efforts failed, and the vote on the Convention went ahead. See *Fig. 15* for the voting of Commonwealth countries on the whole motion.

The Convention negotiations will be held over the next few years. Perhaps a greater degree of Commonwealth solidarity can be developed for those critical decisions. A more equal future for the Commonwealth depends on it.

FIGURE 13: P.1 OECD AGREEMENT ANNOUNCING THE NEW GLOBAL MINIMUM TAX, 8th OCT 2021 P. 1

A detailed implementation plan is provided in the Annex.

Pillar One

Scope

In-scope companies are the multinational enterprises (MNEs) with global
and profitability above 10% (i.e. profit before tax/revenue) calculated using
the turnover threshold to be reduced to 10 billion euros, contingent on succ
of tax certainty on Amount A, with the relevant review beginning 7 years
force, and the review being completed in no more than one year.

Extractives and Regulated Financial Services are excluded.

Source: ***OECD*** *OECD Statement Oct 2021*

FIGURE 14: UK AMMENDMENT EXTRACT

United Kingdom of Great Britain and Northern Ireland: amendment to draft resolution A/C.2/78/L.18/Rev.1

Promotion of inclusive and effective international tax cooperation at the United Nations

Replace operative paragraph 1 with the following text:

1. *Emphasizes* that developing a United Nations framework on international ta
cooperation is needed in order to strengthen international tax cooperation and make i
fully inclusive and more effective;

Replace operative paragraph 2 with the following text:

2. *Recognizes* that developing a framework will also help in accelerating th
implementation of the Addis Ababa Action Agenda on Financing for Development an
the 2030 Agenda for Sustainable Development;

Replace operative paragraph 3 with the following text:

3. *Decides* to establish a Member State-led, open-ended ad hoc intergovernmental
committee for the purpose of drafting terms of reference for a United Nations framework
on international tax cooperation;

Identical apart from removing the word 'Convention'

Source: **UN.org** *A/C.2/78/L.18/Rev.1 & Amendment*

FIGURE 15: RECORD OF COMMONWEALTH COUNTRY VOTING, A/C.2/78/L.18/Rev.1 (AS A WHOLE), PROMOTION OF INCLUSIVE AND EFFECTIVE INTERNATIONAL TAX COPERATION AT THE UNITED NATIONS) 25TH MEETING

IN FAVOUR			AGAINST
Antigua and Barbuda	India	Samoa	Australia
The Bahamas	Jamaica	Seychelles	Canada
Bangladesh	Kenya	Sierra Leone	Cyprus
Barbados	Eswatini	Singapore	Malta
Belize	Lesotho	Solomon Islands	New Zealand
`Botswana	Malawi	South Africa	United Kingdom
Brunei Darussalam	Malaysia	Sri Lanka	
Cameroon	Maldives	St. Kitts and Nevis	
Dominica	Mozambique	St. Vincent and the Grenadines	
Fiji	Namibia	Togo	
Gabon	Nigeria	Tonga	
The Gambia	Pakistan	Trinidad and Tobago	
Ghana	Papua New Guinea	Uganda	
Grenada	Rwanda		
Guyana	St. Lucia		

"We have therefore agreed to ...seek to reverse the decline in Official Development Assistance (ODA) flows, **recognising the role of ODA as an essential instrument of partnership for development** and poverty reduction in developing countries.",

COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
UNITED KINGDOM, 1997

"We affirm our **enthusiasm and resolve to increase aid levels**.",
COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
NIGERIA 2003

"We call on the international community as a whole, and in particular the **donor community, to honour pledges** and make concrete efforts to meet commitments made with regard to financing for development.",
COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
UGANDA 2007

"We also call on donor countries to **honour their bilateral commitments with respect to the promised aid levels**.",

COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
TRINIDAD AND TOBAGO 2009

(UK) CUTS TO COMMONWEALTH ODA

There have been several other changes that have exacerbated the low tax revenue for many Commonwealth governments. Since the start of the UN SDGs, ODA received by Commonwealth countries from the DAC donors in the Commonwealth has fallen by half, a huge decline of almost $1.9 billion[25].

This section focuses on the UK because as *Fig. 16* shows, the drop in funding is entirely due to the even larger decrease of $2.3 billion in UK ODA to Commonwealth countries[26].

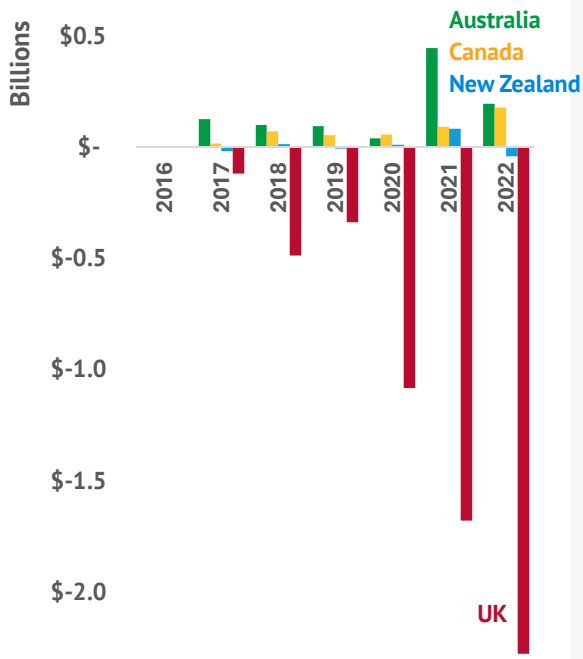
It is important to note this is not because the UK has had economic decline. Since 2016 the *increase* in UK GDP /capita (over $2,000) is four times the *entire* GDP/capita in the 13 largest African Commonwealth countries, where average GDP/capita has fallen by $50[27].

It is because of the choices made by the UK Government to deprioritise ODA and to also spend a higher proportion of ODA in the UK. ODA to African Commonwealth countries has been cut even more sharply than to African non-Commonwealth countries, *Fig. 17.*

The result is that UK ODA to Commonwealth Countries is by some way the lowest share of UK government expenditure it has ever been[28].

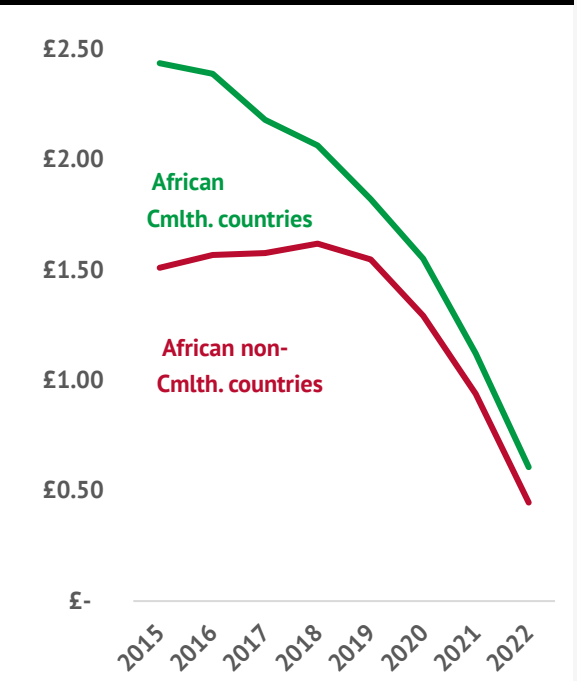
The two UK leaders most responsible, Prime Minister Sunak and Prime Minister Johnson both claimed that economic pressures forced the situation. But the UK government's non-debt expenditure has been stable (in fact growing slightly not falling) and the proportion of UK government income spent on debt is less than 80% of Commonwealth countries[29]. The issue was a smokescreen for the cuts they wanted to make.

FIGURE 16: CHANGE IN COMMONWEALTH COUNTRIES ODA SINCE 2016, CONSTANT USD



Source: **OECD** *OECD.Stat DAC 2A, Constant USD*

FIGURE 17: UK ODA / CAPITA OF RECIPIENT COUNTRIES IN AFRICA



Source: **UK government FCDO,** *Additional Tables: Statistics on International Development, Table 4a*

Fig. 18, compares the change in UK Government total expenditure in blue (increased), expenditure minus debt repayments in red (increased at a slightly slower rate), UK ODA in yellow (cut by nearly 30%), and UK ODA to Commonwealth countries in green (cut by over 70%).

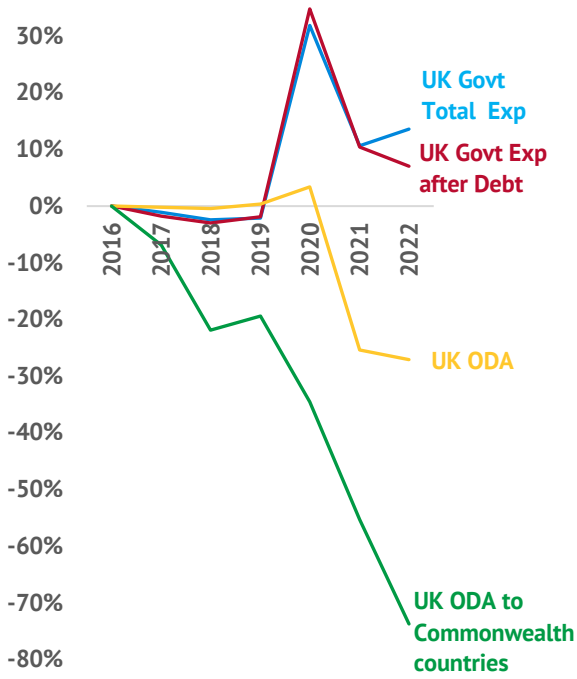
The reason for the huge fall is not that the UK budget has declined, but the drastic reduction in the share of the UK Government budget allocated to Commonwealth country ODA which has fallen from 0.2% to 0.04% since 2015, the lowest level since records began in 1960[30].

Commonwealth countries should be getting a majority of the UK ODA budget, not a fraction. Apart from historical ties and responsibilities, over half of the children out of school[31] and nearly 60% of people living on less than $2.15 a day in the world live in the Commonwealth[32], but the current UK Government has other priorities.

In 2020, the Department for International Development was abolished, and Prime Minister Johnson in the UK Parliament raised whether Zambia and Tanzania should get less aid in favour of nearer European countries[33] (*Fig. 19*). Prime Minister Johnson and Sunak also dramatically increased the share of UK aid spent in the UK to over a third[34] and slashed ODA to education.

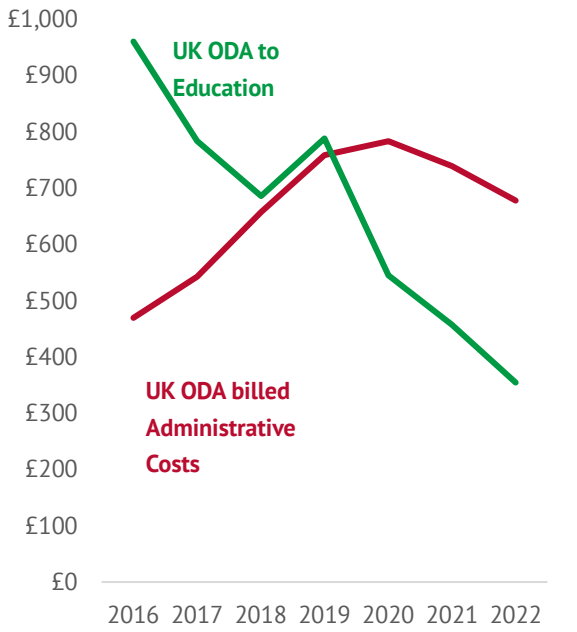
Despite warm words when hosting international summits including "*education is the single best investment we can make in the future of humanity*"[35], UK Education ODA is now much lower than ODA administration costs, *Fig. 20*.

FIGURE 18: THE CHANGE IN UK GOVERNMENT EXPENDITURE V'S UK ODA SINCE 2016, % GNI



Source: **UK Office for Budget Responsibility**, *Historical Public Finances Database,(Total Public Sector Spending & Debt Interest)* & **UK government** *Statistics on International Development: final UK aid spend 2022, 2021, 2020*

FIGURE 19: UK ODA TO EDUCATION AND ADMINISTRATION COSTS (2016-2022)



Source: **UK government FCDO,** *Additional Tables: Statistics on International Development, Table 4a*

FIGURE 20: MEDIA COVERAGE, JUNE 2020

Boris questions relevance of giving huge aid to Zambia

By Mirriam Chabala, 18th June 2020

LOCAL

British Prime Minister Boris Johnson says his country needs to strengthen its position in an "intensely competitive world by making sensible changes" to it's international relations.

Johnson said this when he announced the merger of the Department of International Development (DFID) and the Foreign and Commonwealth

Boris Johnson

Source: *NewsDiggers.org* & *Hansard June 2020*

Will the situation change?

The detailed data is not yet released for 2023 but the provisional figures show bilateral aid is even lower than 2022[36] so the numbers may worsen.

Prime Minister Sunak has created two conditions that must be met before the UK ODA will return to the 0.7% level enshrined in law; the Public Sector Net Debt must be falling and the current account must be in surplus[37].

This is a very high bar. A look at the historical data in *Fig. 21* shows that only once in the last 20 years have both tests been met[38]. It risks making a mockery of the legislation passed by the UK parliament in only 2015[39].

Balancing the books on the backs of the poorest children in the Commonwealth and elsewhere was a shameful thing for the UK Government to do. But when the books required a balancing by only a percent or two and they use it as an excuse to cut ODA to the Commonwealth by over 70%[40], many feel it is morally reprehensible[41].

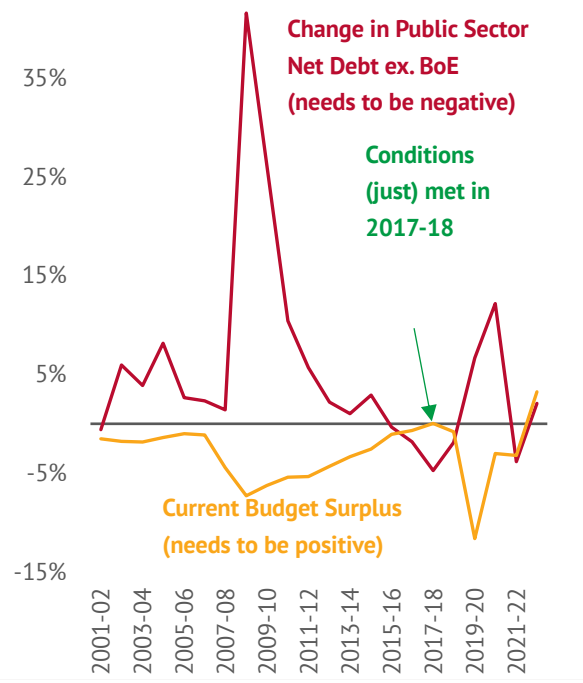
Fig. 22 shows the long-term Commonwealth ODA per capita from the UK and their political party of government. Prime Minister Sunak's and Johnson's decisions will cost many Commonwealth children their lives and millions more their chance to go to school.

It also risks fundamentally weakening the unity of the Commonwealth, especially when the cuts were made in the middle of the biggest pandemic in a century.

> *"I told the House that when we met our fiscal tests, we would return to spending 0.7 per cent of our national income on overseas aid. Some people said this was a trick or a device. I told this House – it was no such thing. And based on the tests I set out, today's forecasts show that we are, in fact scheduled to return to 0.7 in 2024-25, before the end of the Parliament."*
>
> ***Rishi Sunak, speaking to UK Parliament, October 2021***

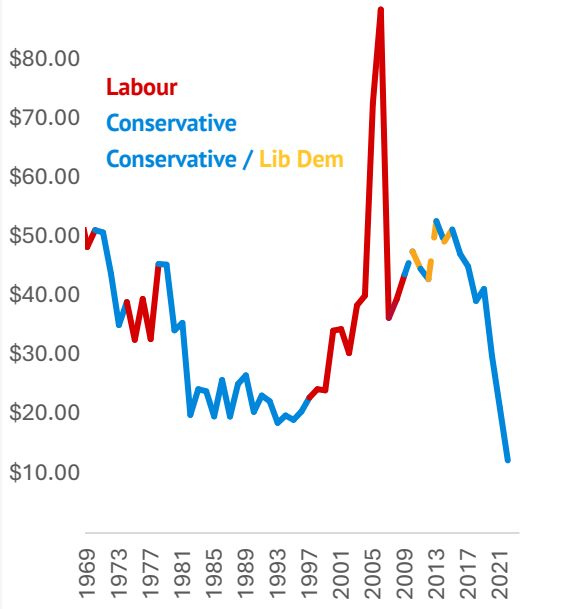
> *"We are very committed to do that when it is possible to do so.... I don't believe it is possible to budget for that".*
>
> ***Jeremy Hunt, UK Chancellor, November 2023 Treasury Select Committee on a return to 0.7% in the next five years***

FIGURE 21: UK CURRENT BUDGET SURPLUS & PUBLIC SECTOR NET DEBT (EX. BOE)



Source: **UK office for budget responsibility,** *Economic and fiscal outlook – March 2024* Chap5. Chart 5.2a & *Public Finances Databank Statistics Aggregates (£bn)*

FIGURE 22: UK COMMONWEALTH COUNTRY ODA/CAPITA (CONSTANT), UK GOVT PARTY



Source: **OECD** *OECD.Stat DAC 2A, Constant USD*

(UN)SPECIAL DRAWING RIGHTS

Larger rich countries undertook over $10trillion in quantitative easing during the pandemic to ease their liquidity crises (inc. over £450bn UK[42], A$337bn Australia[43], C$400 Canada[44])

As this wasn't a option open to lower-income countries to solve their liqudity crises, the IMF decided to issue $650 billion in SDRs[45]. The UK called it '*milestone support*'. and described SDRs as "*an asset issued by the IMF to boost members' reserves and provide liquidity for vulnerable countries*"[46].

Then UK finance minister, Rishi Sunak, who chaired the G20 pre-meeting in March 2021 claimed it "*paves the way for crucial and concerted action to support the world's low income countries*"[47] . IMF Managing Director Kristalina Georgieva later highlighted "*it will particularly help our most vulnerable countries struggling to cope with the impact of COVID-19*"[48].

It should have finally been some rare good news for lower income countries during the pandemic. However, having enjoyed the complimentary headlines (*Fig. 23*), in August the UK and other rich countries that control the IMF decided to keep most of the money for themselves[49]. *Fig. 24* shows how much the SDR allocation was worth per citizen. The average Bangladeshi, Tanzanian and Malawian benefited less than 3% of the average Britain, Canadian or Australian[50].

FIGURE 23: UK GOVT RELEASE, 19TH MAR 2021

GOV.UK

Home > International

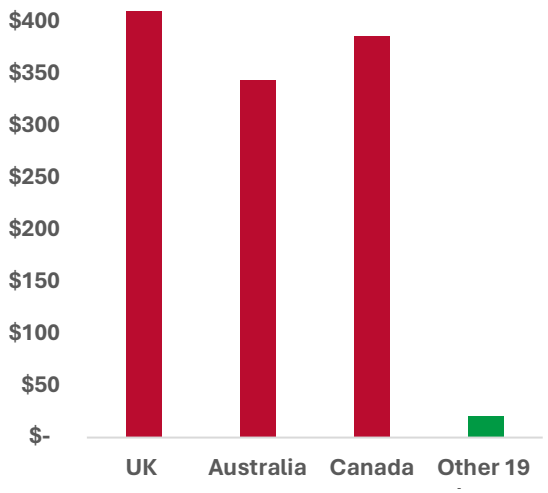
News story

Chancellor and G7 Finance Ministers agree milestone support for vulnerable countries

Chancellor Rishi Sunak and his G7 counterparts today agreed to back proposals for vulnerable countries to receive further financial support during the global pandemic (19 March).

Source: **UK GOVERNMENT** *gov.uk*

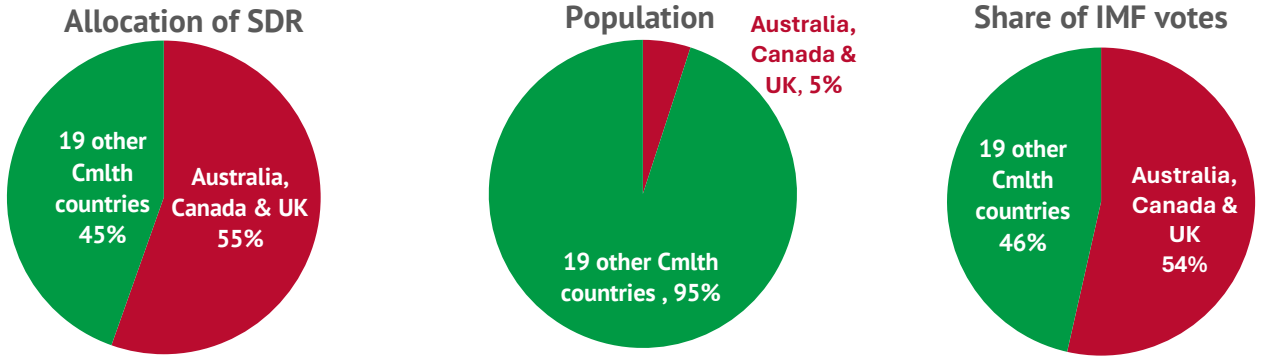
FIGURE 24: ALLOCATED SDR PER CAPITA, TO THE 22 LARGEST COMMONWEALTH COUNTRIES



Other 19 are the other Commonwealth countries with a population above 6 Million: ***Bangladesh, Cameroon, Ghana, India, Kenya, Malawi, Malaysia, Mozambique, Nigeria, Pakistan, PNG, Rwanda, Sierra Leone, South***

Source: **IMF** *IMF.org* **& WORLD BANK** *SP.POP.TOTL*

FIGURE 25: COMPARING UK, CANADA AND AUSTRALIA WITH THE OTHER 19 LARGE COMMONWEALTH COUNTRIES



Source: **IMF** SDR share *IMF.org* **& WORLD BANK** *SP.POP.TOTL* **& IMF** Vote share *IMF.org*

How did this happen? *Fig. 25* shows how out of the 22 countries in the Commonwealth with a population above six million – Australia, Canada and the UK have more votes than the other 19 combined[51].

30 Indian citizens have fewer IMF votes than a single British citizen[52], as they have done since the IMF and World Bank founding in colonial times (when India's wealth counted as British). The UK eventually reallocated 20% of its SDRs but distributed it via more IMF loans rather than directly to countries[53]. Even with this reallocation, the UK still has 16 times the allocation per capita of the 'Other 19' countries[54].

The IMF's discriminatory allocation of SDRs, boosting some of its 190 members reserves far more than others, shows the time for major reform has come.

Wider IMF reform will impact other issues, such as debt, and is critical to change the increasing inequality in per capita GDP. Action Aid recently revealed[55] how the IMF are still imposing targets on countries like Sierra Leone and Malawi to cut the fiscal deficit which threaten the already incredibly low education spending in *Fig. 3*.

If the IMF had the best interests of poorer countries at heart, it would cancel debt when it is unsustainable, ensure creditors are accountable for bad loans, and focus on proper advice to countries on how to ensure multinational companies pay their tax. Instead, their priorities are to bail out the international creditors, spreading the debt over more decades and cutting the already incredibly low government budgets to pay for it.

Yet the Executive Board continue to focus only on 'protecting'[56] the incredibly low vote share[57] held by the poorest members rather than increasing them, *Fig. 26*.

The Commonwealth has been calling for reform for decades, but there will only be change when *all* Commonwealth countries push for genuine reform. The UK, Canada and Australia should work to ensure their fellow Commonwealth countries receive a fair allocation of both SDRs and IMF voting power.

FIGURE 26: IMF PRESS RELEASE EXTRACT NO.23 ON IMF BOARD OF GOVERNORS DEC 23

complete this step by the deadline of November 15, 2024. In many cases this involves legislative approval.

The Executive Board also recognized and informed the Board of Governors of the urgency and importance of quota share realignment to better reflect members' relative positions in the world economy, while protecting the quota shares of the poorest members. In this context, the Board of Governors asked for work to develop, by June 2025, possible approaches as a guide for further quota realignment, including through a new quota formula, under the 17th General Review of Quotas.

Source: **IMF** *IMF.org PRESS RELEASE NO. 23/459 18th Dec*

"In any national political system, we would reject the notion that rich people should have more voting power than poor people, and more influence over economic policy decisions. We would see this as corrupt and morally repulsive. And yet such plutocracy is normalised in the World Bank and the IMF."

Dr Jason Hinkel

"For every $1 the IMF encouraged a set of poor countries to spend on public goods, it has told them to cut four times more through austerity measures."

Oxfam

We need to reform a morally bankrupt global financial system. The system was created by rich countries to benefit rich countries. Practically no African country was sitting at the table of Bretton Woods Agreement; and in many other parts of the world, decolonization had not taken place. It perpetuates poverty and inequalities."

UN Secretary General, Antonio Guterres

COVID COMMONWEALTH INEQUALITY

Alongside SDRs, there were two other major international issues during the COVID-19 pandemic that demonstrate inequality across the Commonwealth.

The vaccine patents issue is infamous. By May 2021, vaccines had been discovered and mass produced, but whilst richer countries stockpiled them, many Commonwealth countries did not even have enough for frontline doctors or nurses.

South Africa had made an appeal supported by India that if the richer countries wouldn't share their stockpiles, could they at least share the technology so that they could manufacture vaccines themselves[58]? President Biden agreed[59], and hopes were high. However, it was blocked by the UK, Germany and Switzerland at the WHO[60].

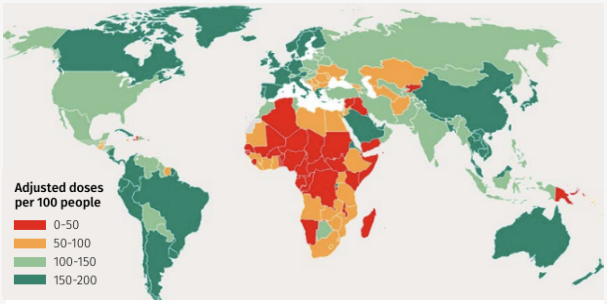
In London, Parliamentary Under Secretary of State Lord Callanan claimed "the best way forward is voluntary licensing"[61]. Best for whom is the question? *Fig. 27* shows the state of global vaccinations a year later. The pattern is hard to miss.

In addition, there was a $12 trillion 'agenda for global action' proudly announced at the G7 summit in the UK[62]. Its aim was to protect people and business through the pandemic. But analysis shows that just 0.2% of this funding went in additional G7 and multilateral ODA to sub-Saharan Africa Fig. 28, and as we have seen for many Commonwealth countries funding actually fell.

In contrast, there were record profits, *Fig. 29,* for the major pharmaceutical companies based in richer countries, who together made over $1,000 profit every second in 2021[63].

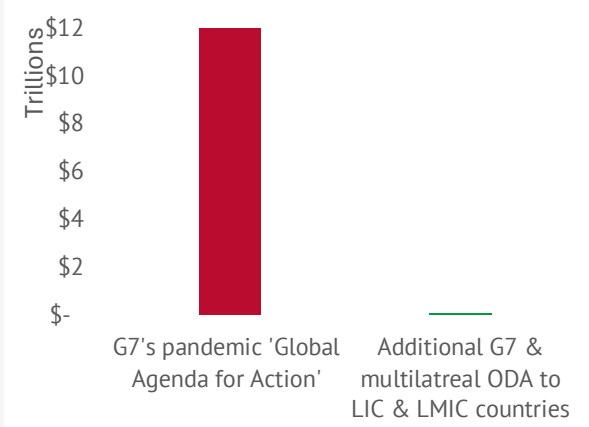
The world and the Commonwealth faced a common enemy like never before with COVID 19, and those with the least capacity were left to fend for themselves. They are still dealing with the financial consequences.

FIGURE 27: PRIMARY DOSES COVID-19 VACINE ADMINISTERED PER 100 PEOPLE, SEP 2022



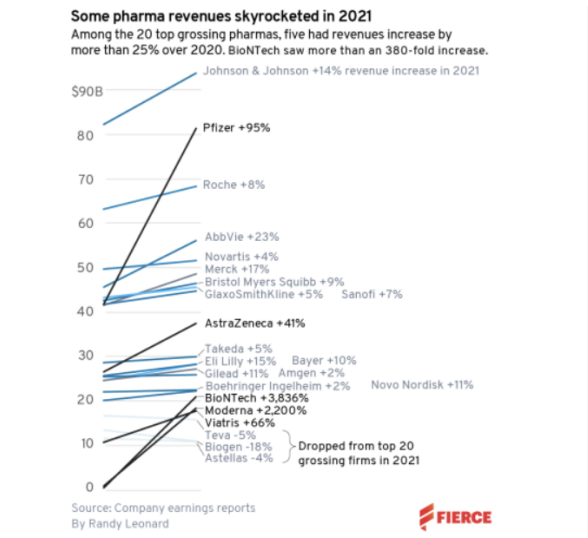
Source: **OWID,WPP** *pandem-ic.com Accessed 14th Sep 2022*

FIGURE 28: G7 GLOBAL AGENDA FOR ACTION V'S LOW/LOWER-MIDDLE INCOME EXTRA ODA 21+22



Source: **White House** *'21 G7 Com.***& OECD/DAC** *T2A-12/11/22 & World Bank SP.POP.0014.TO*

FIGURE 29: PHARMA REVENUE CHANGES 2021



Source: **FiercePharma.com** *Top 20 Pharma Companies2021*

"We also call on the global community to urgently initiate reform of the international financial architecture to minimise financial instability and its impact on the poor."

COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
SOUTH AFRICA 1999

""We also give our full support to the process of **reform of international financial institutions** and call for **the urgent and comprehensive implementatio**n of reform that responds to the needs of **all countries**."

COMMONWEALTH HEADS OF GOVERNMENT DECLARATION,
TRINIDAD AND TOBAGO 2009

We affirm the importance of **reforms of the international trade, monetary and financial institutions** in order to ensure **fair representation for developing countries**".

COMMONWEALTH HEADS OF GOVERNMENT DECLARATION
SRI LANKA, 2013

COMMONWEALTH DEBT CRISIS

Alongside increasing funds lost to tax evasion and the huge ODA cuts in the middle of the pandemic, the major debt crisis is a triple whammy.

Fig. 30 show how much 15 Commonwealth countries paid in debt servicing in 2023 as a % of the government's expenditure. Anything over 30% is unsustainable on a regular basis. Mozambique is above the IMF debt burden thresholds for all three levels of LIC country strength, yet it looks small compared with some of the other countries where debt servicing is even higher.

Debt servicing for lower income countries is now at the highest level ever recorded[64] and the crisis is particularly affecting Commonwealth countries

Fig. 31 compares the average annual interest paid on public debt for all the 52 low- and lower-middle income countries with IMF data. You can see how much higher the average debt payments are for Commonwealth countries compared to non-Commonwealth countries. You can also see that annual interest payments are rising in Commonwealth countries and falling outside.

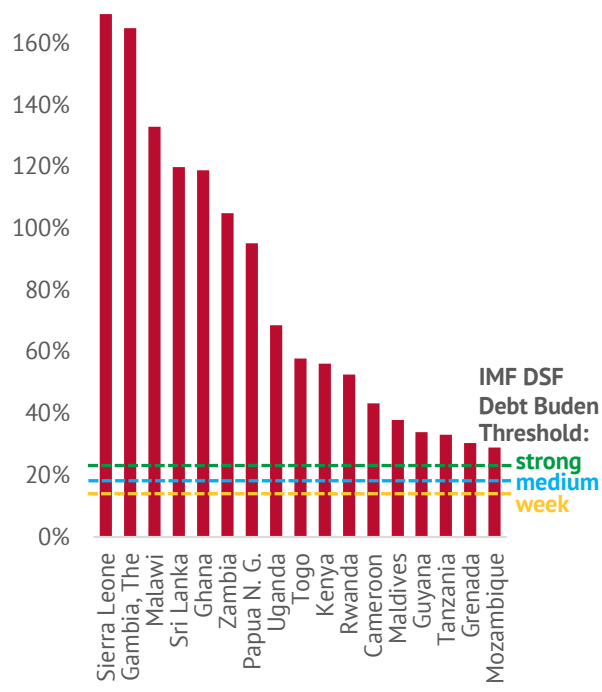
Half of debt distress countries are in the Commonwealth[65]. Nearly a third of all Commonwealth countries are IMF assessed as at high risk of or already in debt distress[66].

The global debt crisis is a Commonwealth debt crisis.

Over 44 million Commonwealth children live in a debt distress country, 60% of the global total.[67] Those paying the heaviest price are the children who no longer have a school to go to or a doctor to see.

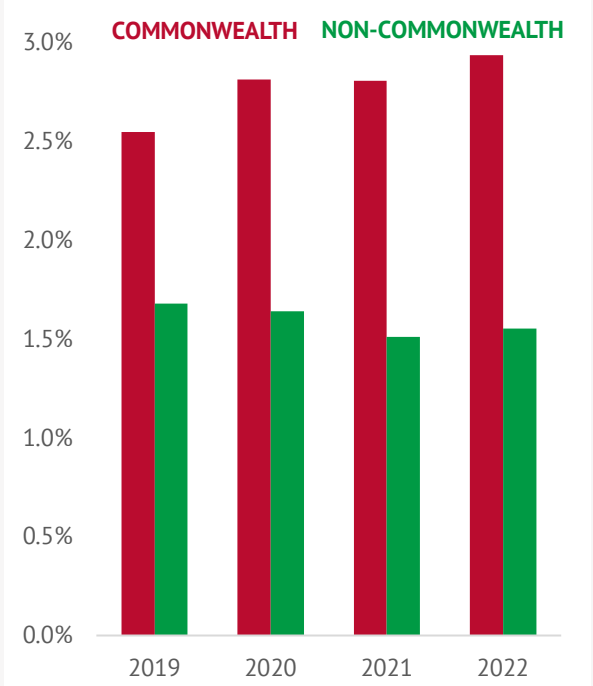
Fig. 32 shows five of the countries at high risk of debt distress or already in debt distress with data available on education and debt service spending. The trend is easy to see, and all of this shows how already low education budgets are being outstripped by debt crisis payments. The whole system is unjust.

FIGURE 30: CMLTH COUNTRIES IN DEBT DISTRESS OR AT HIGH AND MEDIUM RISK, % OF DEBT SERVICING TO REVENUE



Source: **Development Finance International** Debt Service Watch Database **& IMF** *IMF.org*

FIGURE 31: LIC & LMIC , AVERAGE ANNUAL INTEREST PAID ON PUBLIC DEBT % GDP



Source: **IMF** *IMF Datamapper Interest Paid on public debt*

Lower income countries have to pay much higher interest rates, but when something goes wrong such as crops or an investment failing, the creditors don't lose out. Instead, the IMF comes in and bails the creditors out (it is called a bail out of a country, but the truth is the overseas creditors are the ones paid by the IMF). The country refunds the IMF often over a longer time period so another generation of children suffer. Looking at how total debt has increased (*Fig. 33*), you can see how overall debt has risen sharply for both low- and lower-middle income Commonwealth countries, with low-income country debt more than doubling since 2011. Given the multiple crises in recent years, including the COVID-19 pandemic, this level of debt cannot be repaid.

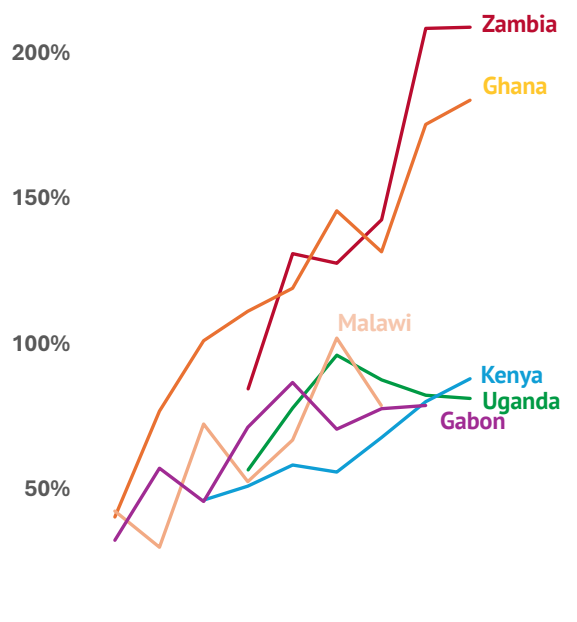
If the 2021 Special Drawing Rights had been ringfenced for low- and lower-middle income countries who were unable to do quantitative easing, it would have cancelled all low-income country debt[68]. Alternatively, for just three days of the G7 COVID emergency funding, all low-income country debt could have been cancelled[69].

But this didn't happen, and lower income countries are paying the price. Only a handful of countries have been helped by the slow G20 Common Framework on debt[70] and even then, much of the debt principal is being left in place.

This is the worst debt crisis there has ever been[71], and it is unsustainable. It has already decimated education budgets in many Commonwealth countries and if it continues will have catastrophic effects in the future, damaging the climate change response increasing the risk of coups.

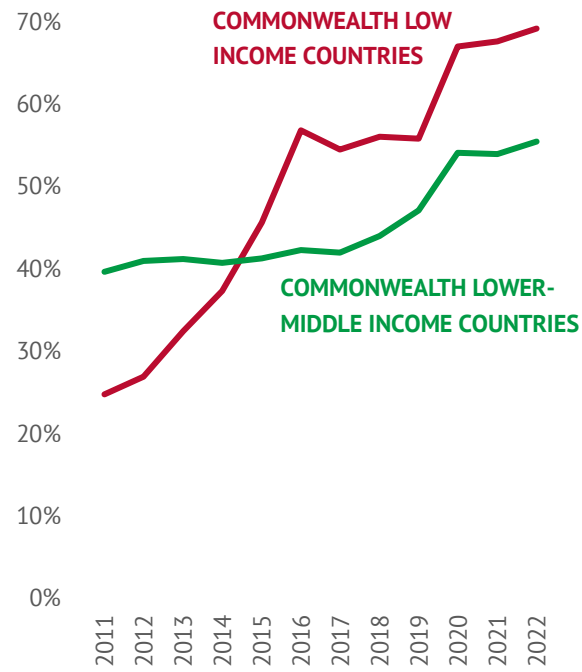
A special SDR allocation (ringfenced for low- and lower-middle income countries) could cancel this debt, as could coordinated action by richer country central banks. This would be a fraction of the $10trillion central bank quantitative easing programme rich countries undertook over the last five years[72]. The Commonwealth central banks should urgently meet to consider how to solve this crisis including the five Commonwealth G20 countries.

FIGURE 32: GOVT EXPENDITURE ON DEBT SERVICING AS A % OF EDUCATION



Source: **UNESCO & WORLD BANK,** *GC.XPN.INTP.ZS, GC.XPN.TOTL.GD.ZS, SE.XPD.TOTL.GD.ZS*

FIGURE 33: COMMONWEALTH LOW INCOME & LOWER-MIDDLE INCOME, TOTAL DEBT % GDP



Source: **IMF** *CG_DEBT_GD* **& WORLD BANK** *NY.GDP.MKTP.KD*

CLIMATE CRISIS

Whilst we have a global climate crisis, in that we have a crisis affecting the whole of the world, it was caused by a small number of countries.

Fig. 34 shows the cumulative CO2 emissions per capita for each Commonwealth country in red. This is based on CO2 released at the *production* stage, the chart would be even more uneven if it was based on consumption. For example, around half of Trinidad and Tobago's current CO2 emissions are making products consumed in other countries. Its CO2 *consumption* figure would actually be much lower[73]. In contrast the UK consumes even more CO2 than it produces so its would be higher[74].

Fig. 34 also includes rank of a country's vulnerability to Climate Change according to the Notre Dame Index in green. You can clearly see that the least polluting countries are the most vulnerable to climate change.

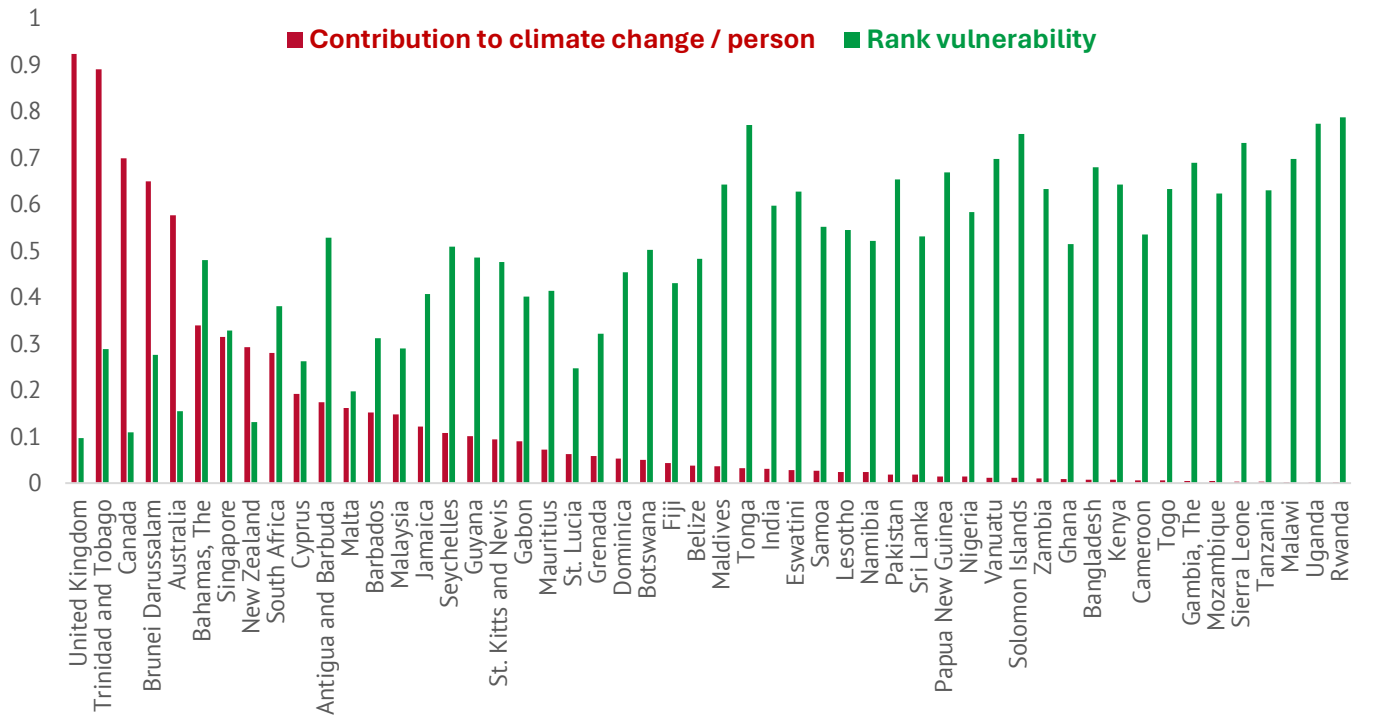
"At least so far, it's climate change policy that's doing harm; climate change itself is probably doing good; or at least, more good than harm.... The only rational choice is to put Australian jobs and Australia's standard of living first; to get emissions down but only as far as we can without putting prices up."
Former Australian Prime Minister Tony Abbott

"He voted down motions to declare a climate emergency, called net zero targets "extremist", "reckless" and "irresponsible", spoke in favour of the coal industry and against wind energy, and was criticised for telling young climate strikers to 'stick to school'. "

Guardian newspaper article on the 12th March 2021 about Tony Abbott's Finance Minister Mathew Cormann.

Mathew Cormann is now the Secretary General of the OECD

FIGURE 34: COMPARING CONTRIBUTION AND VULNERABILITY TO CLIMATE CHANGE IN COMMONWEALTH COUNTRIES



Source: **Our World in Data,** *Cumulative CO2 emissions* **& The Notre Dame-Global Adaptation Index (ND-GAIN)** *Country Index* **& World Bank** *SP.POP.TOTL (All accessed Sep 2022)*

Whilst there are lots of warm words about action on climate change and bold claims, the reality is stark. The CO^2 emissions for an average British person still more in 8 days than an average Malawian in a year[75].

Another critical issue is Climate Finance. It is difficult to present reliable data given that International Climate Change Finance Reporting is shockingly untransparent[76].

Even using the top line OECD figures produced at the request of high-income countries, the 15-year-old and modest climate finance target (less than three days of rich countries expenditure during the COVID pandemic in 2020) was missed by two years[77].

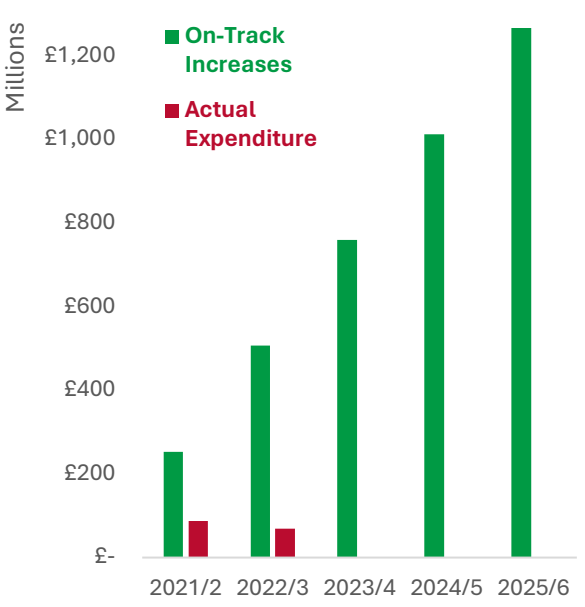
Furthermore, the OECD reports that over two thirds of the money provided is in loans rather than grants[78]. Only 38% of climate finance is in bilateral agreements (the rest is through multilateral or private finance)[79] and in many cases it has come from cuts to ODA elsewhere[80].

Climate is a critical issue for so many Commonwealth countries, vulnerable to rising sea waters and desertification. Yet those Commonwealth countries who have contributed most to the climate crisis have been slow to act. Even the UK, which has pledged bold action has been slow to deliver. The UK pledged £11.6 billion over 5 years (2021/2-2025/6)[81], which would require annual increases of approximately $250 million a year (from the £1.56 billion in 2020/1[82]). *Fig. 35, green bars.*

The UK has been providing most of its funding in grants (over 80% compared to the 30% OECD average) which is welcome. However, to try to meet the target, they changed the rules. For example, £690million of all its three-year IDA funding to the World Bank now counts as climate financing [83]and 30% of its funding to climate vulnerable countries is now automatically counted as climate finance, regardless of how it is spent[84].

It is always easier to change the definitions than provide promised new climate finance, but it doesn't help tackle climate change. Worse, even with the above accounting changes, UK funding has still fallen instead. *Fig. 35, red bars.*

FIGURE 35: UK £11.6BN COP CLIMATE FINANCE PLEDGE, ON TRACK INCREASE V'S ACTUAL



Source: **Expenditure data from UK Government Andrew Mitchell** *Written Statement to Parliament 17th Oct 2023*

"Two years ago I committed that the UK would provide £11.6bn to help the rest of the world to tackle climate change and in spite of all the pressures on finances caused by Covid, we have kept that promise to the letter."

Boris Johnson, September 2021

"Our grandchildren will know that we are the culprits and that we were warned and they will know that it was this generation that came centre stage to speak and act on behalf of posterity and that we missed our cue and they will ask what kind of people we were to be so selfish and so shortsighted."

Boris Johnson, September 2021

"We recognise that adaptation finance in particular should be targeted towards the poorest and most vulnerable countries. The provision of finance should be additional to existing official development assistance (ODA) commitments"

Commonwealth Heads Of Government Declaration, Trinidad And Tobago, 2009

COSTS OF COMMONWEALTH YOUTH INEQUALITY

The policy impacts outlined in the report cannot only be measured in financial terms. These choices dramatically impact on lives and education of hundreds of millions of citizens across the Commonwealth.

The Commonwealth has never been richer. Commonwealth GDP is now $13.3 trillion[85], the highest it has ever been. It has doubled in real terms since the year 2000[86] and has increased by 50% since 2009[87].

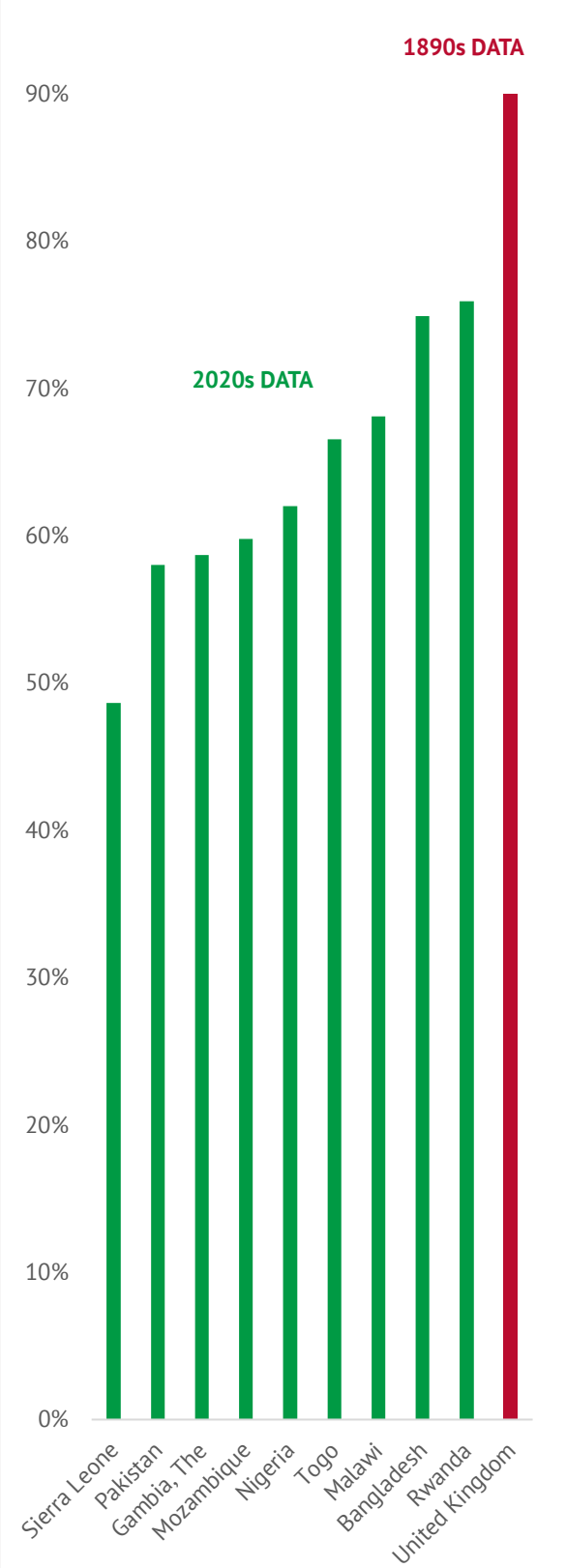
Yet the Commonwealth now has 60% of the world's poorest people living on less than $2.15 a day[88], over 415 million people. In African Commonwealth countries, this has *increased* by 30 million people since 2010[89]. That is a monthly rise larger than the population of the city of Oxford, where the first CCEM was held.

Since the start of the Sustainable Development Goals in 2016, over 8 million *more* African Commonwealth children are out of school[90]. Millions have been forced out of the classroom and into child labour[91]. Already tiny education budgets across Commonwealth lower income countries have been reduced, even though the world is richer than ever before.

Falling education budgets and growing youth populations have resulted in several countries seeing an increase in the number of illiterate young people[92]. Across the seven African commonwealth countries reporting data, there are 10% more illiterate young people than twenty years ago[93].

What is the impact of this inequality in young people's access to education? If we look at *Fig. 36*, we can see that adult literacy rates in these other Commonwealth countries lag behind the UK. But the UK data is from the 1890s not the 2020s. It is over 130 years old and a stark reminder of the combined effects of the historical colonial injustices and the modern injustices against African Commonwealth countries.

FIGURE 36: ADULT LITERACY RATES, UK 1890, OTHER COMMONWEALTH COUNTRIES 2022



Source: **WORLD BANK** *SE.ADT.LITR.ZS* & ***Clark, Gregory,*** *2003, The great escape: The industrial revolution in*

This literacy crisis is also not likely to end soon, with the exception of Bangladesh, all of the countries in green in *Fig. 36* still have a youth illiteracy rate lower the UK's adult literacy rate in 1890[94].

Unfortunately, national inequalities and injustices further exacerbate the inequalities between countries. As unequal as the evidence is in this report, the inequality between the richest Commonwealth citizens and the most marginalised will be many, many times greater still.

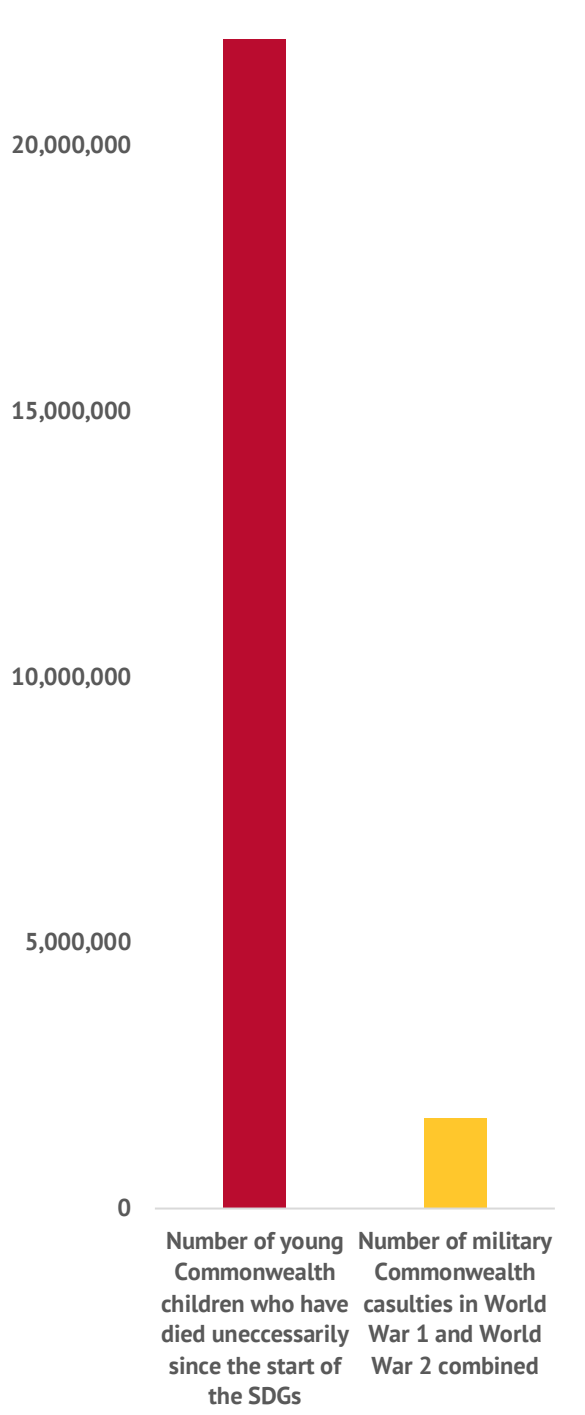
This is an area Education Ministries across the Commonwealth can and must do more on - eradicating inequality of the education provision. Students with disabilities, ethnic minorities and rural students must not face additional discrimination in budgets or policy, which is a major factor in many of the persistent youth illiteracy rates.

Those perhaps paying the highest price are those who have no future at all. Due to malnutrition, huge disparities in the number of doctors and other trained healthcare professionals, profiteering on essential medicines, poor sanitation and other factors including the economic injustices in this report, a huge number of Commonwealth children are dying before they ever have a chance to access education.

Since the start of the Sustainable Development Goals in 2016, over 22 million Commonwealth children under the age of 5 have died unnecessarily[95]. This is a colossal number, over ten times higher than all the Commonwealth country military deaths during World War 1 and World War 2 put together[96] (*Fig. 37*).

This is the scale of the injustice and inequality between young people in the Commonwealth today. It is time for the richer Commonwealth countries to help not hinder the efforts to change this.

FIGURE 37: COMMONWEALTH CHILD INFANT MORTALITY SINCE THE START OF THE SDGS & TOTAL COMMONWEALTH COUNTRY MILITARY DEATHS IN WORLD WAR 1 AND 2 COMBINED



Source: **WORLD BANK** *SH.DTH.MORT* & **Commonwealth War Graves Commission** *Facts and Figures webpage*

HOPE FOR THE FUTURE?

Despite the historic and recent damage caused by the Commonwealth's richest countries, there is hope that in the near future power dynamics within the Commonwealth will shift, providing an opportunity for fundamental reform that supports the rights of all Commonwealth citizens.

1. AN ERA OF PROGRESSIVE DONOR GOVERNMENT LEADERSHIP?

Since the first CCEM meeting 65 years ago, there has only been one brief period of time where there was progressive leadership in the governments of the three largest Commonwealth donor countries: the United Kingdom, Canada, and Australia.

In the next eight months, there will be a UK election, quite possibly before the 2024 CHOGOM meeting in Samoa, with the Labour Party currently expected to enter government. If so, this would only the second time, and almost 50 years since the last period in March 1974-November 1975, that the Liberal Party in Canada, the Labor Party in Australia and the Labour Party in the UK have been in power at the same time.

This would be a historic opportunity for Commonwealth's richest donor countries to wield their considerable influence in global governance to finally deliver the repeated Commonwealth commitments on ambitious international reform and universal access to education.

If the UK, Canada, and Australia take a more just position at the crucial upcoming discussions on the UN Tax Convention and engage with the opportunities for action on debt and international institution reform around South Africa's G20 leadership in 2025, a more united, equal Commonwealth becomes a real possibility.

For the Commonwealth to be a departure from colonialism in new clothes, there must be genuine reform of the international institutions that are currently perpetuating colonial power relations in their governance. As this report demonstrates, this is essential for the future too because the current systemic international injustices are creating the even greater increases in Commonwealth inequality.

2. BOLDER LEADERSHIP FROM THE COMMONWEALTH MAJORITY

Another important factor in securing change will be the degree to which low- and middle-income Commonwealth countries harness their obvious majority to push for systemic reform of the international system.

Recent achievements on progress towards a UN Tax Convention came from leadership by Governments in Nigeria, Kenya and other African countries, despite active opposition from richer fellow Commonwealth countries such as the UK. South Africa led the calls for action to address vaccine Apartheid and the Africa Union and G77 have strengthened their international engagement and influence in recent years.

India have overtaken the UK as the world's fifth largest economy[97] and they are well positioned to be a key driver and negotiators of a more equitable global system between the G20 and G77. It was under India's leadership of the G20 that the African Union was given full membership[98].

Continued ambitious and even bolder leadership from Commonwealth countries in the Global South can make clear that future participation in the Commonwealth will be dependent on alignment on the path to achieving a fairer and more just international system.

3. THERE IS AN INCREASING NEED AND POTENTIAL FOR COLLABORATION

As countries escalate talk of preparing for more and bigger wars, nationalism continues to grow and the international environment becomes more hostile, it is easy to be pessimistic about the future of the Commonwealth. In truth the Commonwealth's role in bringing together a broad range of countries from around the world is needed more than ever.

Global crises are increasing in frequency and severity, but we need to remember that our children are inheriting the world we are choosing for them. An unequal future is not inevitable and greater international collaboration is the only solution.

The Commonwealth has had many important moments from initiating the global sporting isolation of Apartheid in 1977, to the Langkawi Declaration on Environment in 1989 and the Ottawa Declaration on Women and Structural Adjustment.

The potential is there but the Commonwealth, like other international institutions such as the UN can only prove to be an effective international forum for solving global problems when the more powerful countries in its membership invest in rather than supress efforts to truly create a more inclusive future.

It would be difficult to design a more perfect storm of crises facing low-income countries than the combination of recent tax, debt and SDR injustices with the broken promises on

ODA and the climate crisis. Some of the richest Commonwealth countries have directly caused these problems and much of their behaviour during and since the pandemic has been deeply damaging.

Including all countries fairly in the global economic system, developing international finance and tax rules that are just, equitable and which support the action on the climate crisis opens the door to a more stable world. It is both in the rich countries' interest *and* makes the future better for everyone.

Young people can see this, they are the most tolerant generation yet. They support a more inclusive future and are ready to make the changes necessary to truly enable it. Youth and student movements in different countries are increasingly united. If governments demonstrate similar courage and genuine partnership for bold international actions towards an inclusive future, there will be support from today's young people.

Lower income countries, and the Commonwealth itself, urgently need a reset where the most powerful countries harness their collective strengths into helping solve the injustices they face, rather than perpetuate them.

To transform our Commonwealth, we have to transfer some of our common wealth.

"It always seems impossible until it's done."
Nelson Mandela

RECOMMENDATIONS

With a GDP of $13 trillion and a population of over 2.6 trillion, the Commonwealth has the collective strength to be bold and the friendship between nations to develop truly effective transnational solutions to our current crises.

Collaboration between nations to reverse the staggering and growing inequality would benefit all. It would enrich and change our shared common future, not just for the peoples of the Commonwealth but it could provide an example for our increasingly fractured world.

But this will only be possible if the richest members accept transforming our Commonwealth will require some transferring of our common wealth.

We call on Commonwealth countries, especially high-income countries, and the Commonwealth Secretariat to implement the following recommendations to end the discrimination faced by lower income Commonwealth countries, especially in Africa, at international decision-making spaces and ensure all governments have sufficient budgets to deliver the right to education for all their citizens.

A. GLOBAL RECOMMENDATIONS:

A1. DEBT CANCELLATION FOR ALL LOW- AND LOWER-MIDDLE-INCOME COUNTRIES:

To address the Commonwealth debt crisis that is the worst on record and risks destroying decades of progress on development, all Commonwealth countries must:

- Support cancelling all debt for low-income countries in full and cancelling all debt for lower-middle income countries requiring debt servicing to income levels above the IMF threshold of 14%.
- Use their IMF votes to support a new SDR issue ringfenced only to resource the above debt cancellation and to provide additional financing for low and lower-middle-income countries which have lower debt levels, with commitments that the additional budget is allocated to essential public services including education, health, and social protection.
- Convene Commonwealth Central Banks to consider Commonwealth initiatives to tackle macroeconomic instability and develop joint proposals to the G20 and IMF.

A2. REFORM OF INTERNATIONAL FINANCING INSTITUTIONS:

To address the staggering discrimination against lower income countries and Africa in particular within the global financial architecture that undermines education financing, all Commonwealth countries must develop a joint proposal for IFI reform, championed by G20 Commonwealth leaders at an annual meeting, that:

- Reallocates COVID emergency SDRs from high-income Commonwealth countries directly to low and lower-middle income Commonwealth countries.
- Reorganises IMF country teams to prioritise the needs of the counties they advise, including supporting unsustainable debt to be cancelled not deferred, ensuring creditors are held accountable for any poor or undemocratic lending, advising on the regulation of

multinational companies to ensure Finance Ministries receive tax on all the wealth created in their country and advocating for the end of damaging loan conditionality that impose austerity measures, which have been repeatedly proven to fail in stimulating growth.

- Supports efforts to redistribute voting powers in the IMF to be equal, democratic and decolonised.

A3. DELIVER GLOBAL TAX JUSTICE

To address the glaring inequality in tax revenue between lower income countries particularly in Africa and high-income countries that undermines domestic financing available for education, all Commonwealth countries must:

- Support the UN Tax Convention process and the development of a new tax system that prevents and punishes profit shifting and tax evasions with heavier penalties for low-income country violations.
- Support the inclusion of the extractive industries in the Global Minimum Tax agreement.
- Ensure a mechanism of redress at OECD for lower income countries on invoice mispricing, manipulative debt and IP profit shifting when companies refuse to engage.
- Support fairer international tax and trade rules, and better tax collection in countries: taxes must be paid in the countries from which profits are generated, including the extraction of Africa's natural resources. African governments must stop exemptions for multinational and national corporations and strengthen their capacity to collect taxes and stop illicit financial flows.

B. NATIONAL RECOMMENDATIONS:

B1: HIGH-INCOME COMMONWEALTH COUNTRIES

High-income countries in the Commonwealth must directly deliver on their development and climate financing commitments and ensure they reach the most vulnerable by:

- Meeting and sticking to the UN ODA target of 0.7% of GNI, ensuring lower income Commonwealth countries receive their fair share and ringfence 0.3% of GNI to ODA in Africa.
- Ringfence 20% of all ODA to education in line with the established benchmark for national governments with recurrent commitments to help address the Commonwealth teacher shortage.
- Mobilising full funding for climate adaptation and mitigation for all development countries in line with SDG13 including acting on commitments to establish, finance and operationalise the loss and damage fund and delivering the $100 billion annual climate financing promise with new real and transparent resources. Funding for the countries most at risk including small island Commonwealth states must be ringfenced with at least half of all funding allocated for mitigation.

- Supporting instead of blocking the efforts of other Commonwealth countries to secure the changes in debt, trade and international system reform. They must utilise their disproportionate power in the international system to advance all the global recommendations in section A.

B2. ALL COMMONWEALTH COUNTRIES

All governments must deliver on their responsibility to deliver the rights of all their citizens by:

- Ensuring education funds are disbursed equally across the country and that sufficient teachers are recruited and professionally trained.
- Reprioritising national budgets to make fiscal space for funding public services which deliver the rights of children and young people by reducing military expenditure.
- Ensuring national budgets are transparent and tackle discrimination by using a human rights and girls rights' lens.
- Acting on financial corruption and ending tax evasion and illicit financial flows.
- Ending repression of civil society and suppression of peaceful dissent.
- Increasing collective advocacy for the global recommendations in section A including informing high-income Commonwealth countries that their participation in the Commonwealth is dependent on their supporting the Commonwealth Heads of Governments' longstanding demands for a more democratic reform of the international system especially the unequal voting structures developed in the colonial era.

C. RECOMMENDATIONS FOR THE COMMONWEALTH SECRETARIAT:

The Commonwealth Secretariat can provide a foundation of support for countries to implement and monitor progress on ending inequality between its member states by:

- Publishing an annual report tracking inequality in the Commonwealth, including disaggregated data on education financing.
- Ensuring commitments in Commonwealth agreements are action-orientated with deliverable targets, to avoid the Commonwealth becoming yet another international fora for warm words and little action.
- Convening Commonwealth Central Banks to help stabilise Commonwealth macroeconomic instability and develop joint proposals for the G20 and IMF on Debt and SDRs.
- Set up a new Commonwealth Youth Inequality Commission to explore transnational solutions to the growing inequality between young people. These should include funding for higher education institutions in lower income Commonwealth countries, greater opportunities for supported student exchange programmes across the Commonwealth, expanding school feeding programmes including early childhood care and education providers and a Commonwealth donor country supported scheme to provide child benefits for every child and new mother living in a low-income commonwealth country.

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