Investment Case for SDG4 data

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TCG 4

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Making the case

- Why is relevant to invest in data?
- What are the gaps?
- Is it worthwhile to invest in data?
- What is the size of the investment?
- Who pays and who could pay?
- Any guidance about prioritization?
- What about the indicators that have
  - Low coverage
  - Methodological development is falling behind
SDG4 Reporting and Monitoring framework

- Ambitious agenda set at the highest political level
- Comprises 11 Global Indicators
- 32 complete the Thematic Frameworks

Need for:

- Reliable, high quality and cross-nationally comparable data.
- Data collection, processing, and dissemination based on a common set of norms and standards.
- Easily accessible data for policymakers.
SDG presents more complex demands than the MDGs;

- strong focus on quality education leading to effective learning outcome
- importance given to the development of basic literacy and job-relevant skills of the population

Multiplicity of data sources;

<table>
<thead>
<tr>
<th>Data Source</th>
<th>Number of global indicators</th>
<th>Number of thematic indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>UIS from EMIS and other sources</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>Household Surveys</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Learning Assessments</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>School-based surveys</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other sources</td>
<td>3</td>
<td>20</td>
</tr>
</tbody>
</table>
Factors that can explain the lack and poor quality of education data

1. Absence of required data collections
2. Poor institutional setting and collaboration
3. Lack of common standards and methodologies
4. Insufficient technical capacity
5. Limited data use

Insufficient and poor quality data and indicators on education

Difficulties in processing and consolidating data
Coverage of SDG4 indicators
Data shortcomings and gaps – by location

Coverage of education finance data by source of spending and country level of income
Data shortcomings and gaps – by location

SDG4 indicator coverage by country income level

Low-income countries:
- Low priority (Low priority: >60% of SDG4 indicators available)
- Medium priority
- High priority
- Conflict countries

Lower-middle-income countries:
- Low priority
- Medium priority
- High priority
- Conflict countries

Upper-middle-income countries:
- Low priority
- Medium priority
- High priority

High-income countries:
- Low priority
- Medium priority: 35-60% of SDG4 indicators available
- High priority
- OECD and other developed European countries
- OECD and other developed European countries
Empirical work shows that data works...
Rationale for investing in education data
### Rationale for investing in education data

- **Average expenditure per country** (in US$ current millions)

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Low income</th>
<th>Lower middle income</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Expenditure</td>
<td>361</td>
<td>1,006</td>
<td>1,431</td>
</tr>
</tbody>
</table>

- **Simulation of savings per year per country** (in US$ current millions)

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Low income</th>
<th>Lower middle income</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% Savings</td>
<td>36</td>
<td>100</td>
<td>143</td>
</tr>
<tr>
<td>1% Savings</td>
<td>3.6</td>
<td>10</td>
<td>14.3</td>
</tr>
</tbody>
</table>
Defining needs: reason indicator by indicator but

- Split sources between the ones that countries do have and will continue to have (basically admin data)
- Costed by source of information providing data (one source could provide more than one indicator)
- The methodological needs
- Other associated costs including technical assistance and training at all levels
- Global and regional coordination
Definition of unit costs

- Define when is a new survey
  - What is the additional cost
- Consider minor marginal costs for EMIS and finance data
- Assume maximization in the use of the sources of information including the reporting for same indicator from different sources
Funding SDG4 Information System

- Frequency
  - How many times will happen until 2030?

- Who pays
  - Self-funded or financial aid?
  - New funding or existing funding?

- What is the increase with respect to existing funding?

- Need assumptions for different group of countries

<table>
<thead>
<tr>
<th>Income</th>
<th>Aid</th>
<th>Self Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Low Middle</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Upper Middle</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>High Income</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
The total cost until 2030 is 2.8 US$ billion dollars over 10 years.

About 280 US$ million dollars.

1,430,000 US$ dollars per country.

Cost could be disaggregated:

- 59% Learning Assessment
- 37% Household Survey
- 3% Technical assistance, capacity development, coordination, improvement on systems
Funding for data should increase in around 80%

Funding should increase in 128 US$ million dollars per year, almost half aid and half self-funded

According to the estimate of SDG4 Data Collection (in thousand of US$) over a ten year period, existing funding amounts to 31 thousand US$, and new funding amounts to 128 thousand US$. The chart shows that aid (low and middle) contributes 62 thousand US$ of the new funding, while self-funding (high and upper) contributes 65 thousand US$.

The total new funding amounts to 152 thousand US$.

Estimate of SDG4 Data Collection (in thousand of US$) over a ten year period
Share in Learning Assessment Funding

- Low income middle: 16%
- Low middle income: 25%
- Upper middle income: 21%
- High income: 33%

Share in LA Funding Needs
Share of Group in Countries Total
Comparing benefits with costs for investment in data per year (in US$ million dollars)

<table>
<thead>
<tr>
<th>Country by income level</th>
<th>Cost of SDG4 Data in USD</th>
<th>10% Efficiency Gains in USD current</th>
<th>1% Efficiency Gains in USD current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>2.6</td>
<td>36</td>
<td>4</td>
</tr>
<tr>
<td>Low middle income</td>
<td>6.3</td>
<td>101</td>
<td>10</td>
</tr>
<tr>
<td>Average country</td>
<td>1.4</td>
<td>143</td>
<td>14</td>
</tr>
</tbody>
</table>
The benefits yielded from investments in the collection and production of reliable data yield high-returns, and particularly for low and low middle income countries.

- The cost of generating reliable data and using data to make informed policy decisions is relatively small compared to the cost of making uninformed, incorrect decisions.

- Country could choose to opt out. The scope and scale of monitoring framework criteria affects costs.

- The global indicators have been set at the highest political level so there are recommendations to estimate them respecting national priorities.
Learning assessment and household (multi) purpose surveys are the relative new sources of data that will concentrate a good part of the funding.

Funding implies actions on all sides

- To keep current level of commitment and funding
- Increase aid is expected to come from existing different sources to low and low middle income countries
- Self-funding expanding in upper middle and high income countries to expand coverage
- From all countries data need to be regular inputs of educational planning, regardless of their level of income
To adopt the SDG4 Data Investment case to guide donors, countries and all stakeholders investment in data

- Recommending an overall funding for SDG4 data of U$S 280 millions per year
  
  - Trebling the current Financial Aid to low income and low middle income countries in up to US$ 60 millions dollars per year
  
  - Increasing a third the self-funding in upper middle and high income countries

- Stressing the focus on investment on Learning Assessment and Household surveys to be able to achieve SDG4 goals

- Completing the SDG4 monitoring compact attending the capacity development needs and the global and regional coordination and monitoring.

- To endorse the investment case and put to the consideration of the GPE Board as priority to be promoted at the GPE Replenishment Conference on 2 February 2018.
To emphasise the role of data in the achievement of SDG goals, increasing the relevance and visibility of data including the political commitment that has been endorsed by the UNGA in 2015.