

Equity in financing

A proposal for thematic indicator 4.5.3

Technical Cooperation Group
Working group on indicators

22 October 2020

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Global Education Monitoring Report



Target and indicator

Target 4.5

By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

Thematic indicator 4.5.3

Extent to which explicit **formula-based policies** reallocate **education resources** to disadvantaged populations

▶ **‘education’** resources

= other resources (e.g. cash transfers) also help equalise opportunities;

▶ **‘formula-based’** resource reallocation

= other approaches can also be used for this purpose

Provisional indicator name

Existence of **financing policies** that target disadvantaged schools/students

Background

Rationale 1: One of three indicators that tried to compensate for the lack of **finance** indicators in the framework

- ▶ 4.5.3 = public expenditure
- ▶ 4.5.4 = household expenditure ('...by source of funding')
- ▶ 4.5.5 = aid expenditure

Rationale 2: One of handful of **qualitative** indicators

- ▶ 4.1.6 = administration of learning assessments
- ▶ 4.7.1 = extent of mainstreaming sustainable development
- ▶ 4.7.3 = extent of implementation of Human Rights Programme

Background: attempts to operationalize

November 2016 UIS information paper

- ▶ Considered two dimensions ('degree of comprehensiveness' and 'depth of scrutiny') each at three levels of intensity and examined options
 - Capture **reallocation intent**: e.g. add questions to UIS annual survey ('are there mechanisms to reallocate?')
 - Capture **reallocation results**: e.g. expenditure directed at poorest 20%, distribution of teachers, distribution of resources

January 2018 Background paper at TCG 4

To quantify 'extent' to which formulas 'reallocate' one needs to:

- ▶ estimate volume of total formula funding programme
- ▶ define formula elements targeting disadvantaged groups
- ▶ quantify amount allocated because of those factors

Such information is complex; **collect funding formulas** every 3-5 years at expert meetings; or through annual UIS survey with case studies

Approach: context

Context: [2020 GEM Report](#) on inclusion

Systematic compilation of country profiles on:

- ▶ laws and policies for inclusion in education (June 2020)
- ▶ education/social financing policies on equity (January 2021)

...with the objective to:

- ▶ search for policies with largest potential impact on resource reallocation, with an emphasis on [poverty](#);
- ▶ focus on [mechanisms](#), not actual distribution of resources
- ▶ move towards simple [questions](#) that could be collected regularly



PEER

Approach: policies

Four categories of financing policies were reviewed:

- ▶ overall education financing **mechanism** with a focus on equity
- ▶ education policies/programs that provide resources to **schools**
- ▶ education policies/programs that provide resources to **students/families**
- ▶ social policies/programs that provide resources to **students/families**

Approach: questions

Five questions for each type of policy:

Description

- ▶ whether specific policies/programs **exist** to provide resources to disadvantaged populations
- ▶ how **targeting** is done (location, poverty, disability etc.)

Width

- ▶ **volume/share** total public education spending

Coverage

- ▶ **number/percentage** of schools/families/students **reached**

Depth

- ▶ **size** of average transfer

Approach: a three-point scale (1)

Four categories of financing policies were reviewed:

- ▶ **Dimension 1:** existence of specific policies/programs to provide resources to disadvantaged populations
(Yes/No)
- ▶ **Dimension 2:** total public education spending
(High/Medium/Low)
- ▶ **Dimension 3:** number/percentage of schools/families/students reached
(High/Medium/Low)

Approach: a three-point scale (2)

In case of qualitative information:

High if:

- ▶ from national to regional/municipal level, built into budget process
- ▶ for all levels of compulsory education or for all public schools

Medium if:

- ▶ for all compulsory education levels in some schools or in some regions
- ▶ specific to a target population, regardless of education level
- ▶ only part of compulsory education

Low if:

- ▶ only part of compulsory education at some schools or some locations
- ▶ for non-compulsory education regardless of type of schools, target population or regions

Approach: a three-point scale (3)

Overall score

Based on number of 'high', 'medium' and 'low'

▶ **High** if there are 5-8 'high' scores

▶ **Medium** if there are 5-8 'medium'

▶ **Low** if there are 5-8 'lows'

Analysis

Information collected from nearly 90 countries from all SDG regions but mostly low- and middle-income countries

	Country	Chile	Colombia	Jamaica	Republica Dominicana	Guatemala	Ecuador	Panama	Uruguay	Paraguay	Belize	Argentina	Nicaragua	Honduras	Bolivia	Costa Rica	El Salvador
Financing scheme	Unit																
Is there any education funding mechanism that	Yes/No	Yes	No	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes
Name of funding mechanism		Subvención de Escolaridad			Programa de transferencias // recursos descentralizados		Asignacion Progresiva de Recursos		Asignacion Adicional de Docentes (teacher salaries topped up	Presupuesto Genuino y Gratuitad	2011 funding formula to allocate resources	Coparticipación Federal de Impuestos (Transferencia			No formula but 70% of the allocation should take in to		Transferencias a Consejo Directivo Escolar (CDE), CECE (Consejo Educativo
Year of budget calculation		2017			N/A		N/A		2015	N/A	N/A	N/A			2001		N/A
What characteristics are taken into consideration in the allocation of the	Characteristic 1	population characteristics			Enrollement		Economic and Social needs		Socio economic and	Enrollment	Enrollment at the district level	2% for most vulnerable provinces			School-enrolled population		Special Education
	Characteristic 2				Economic context		Geographic		N.A	School needs	Enrollment at the district level	N/A			Poverty		
Rurality/Geography/Location	Yes/No	Yes			No		Yes		Yes	No	Yes	No			yes		
Poverty	Yes/No	No			Yes		Yes		Yes	No	Yes	Yes			yes		
Disability	Yes/No	No			No		No		No	No	No	No			no		
Other	Specify				Other Major Education										N.A		
What share of total public education spending is being reallocated? (Width)	%	71%			N/A		N/A		81% (because of teacher salaries account	0.89% of edu budget	Secondary education	National level funding mechanism			1.7% of expenses on teachers salaries		N/A (unit cost differ for students in special education)
Evaluation	Dimension 2 - numerator or classification	71%			i		i		81%	1%	ii	i			i		ii
	Dimension 2 - Denominator	Edu exp			Policy		Policy		Edu exp	Edu exp	Policy	Policy			Policy		Policy
	Dimension 2 - Evaluation	High			High		High		High	Low	Medium	High			High		Medium
Of which, what share is allocated towards the disadvantaged population?		N/A			N/A		N/A		N/A	N/A	N/A	N/A			N/A		N/A
What percentage of schools benefit from the formula? or school-aged population (Coverage)	% (if of schools)	1.00			N/A		N/A		18.5% (unit low because these only meant for school-aged population)	N/A	N/A	N/A			N/A		N/A
Evaluation	Dimension 3 - numerator or classification	1.00			i		i		18.5%	iii	ii	i			i		ii
	Dimension 3 - Denominator	school age pop			Policy		Policy		school age pop	Policy	Policy	Policy			Policy		Policy
	Dimension 3 - Evaluation	High			High		High		Low	Low	Medium	High			High		Medium

Discussion

Objective

A formative tool to capture significant differences between countries to motivate those not sufficiently focused on equity

Challenges

- ▶ determine which programs/mechanisms are the largest in a country
- ▶ set the criteria and thresholds for the three-point scale
- ▶ number of schools/beneficiaries reported
- ▶ how to 'score' in the absence of quantitative data

Questions and decisions

- ▶ Collecting information:
targeting criteria, volume, coverage and depth of four levels of policies
- ▶ Evaluating information
- ▶ Reporting on indicator 4.5.3