

SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

METADATA

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

4.5.3 Existence of funding mechanisms to reallocate education resources to disadvantage populations

Definition

First, overall education financing mechanisms refer to resource allocation mechanisms from the central to lower tiers of government, mainly to cover salaries and operational needs. Typically, the budget is allocated from the centre to local governments based on the school-age population and a unit cost per student. To promote equity, allocations may be adjusted, taking factors such as poverty and location into account. In more centralized systems, the budget may be organized along line items, some of which may specifically address the education needs of disadvantaged groups.

Second, while schools may be reached directly through the first mechanism, some countries provide further resources to schools for development purposes. Some of these programmes also try to compensate schools that are in a disadvantaged area and/or have disadvantaged students. They tend to be block grants, in addition to the capitation grants, and may provide cash or cover specific expenditure types (e.g., equipment purchases, teacher training).

Third, the education ministry may lead policies and programmes that provide resources to disadvantaged students and their families. These may be exemptions from fee payments or come in the form of cash (e.g., scholarships, although many such schemes are merit-based and not equity-oriented), or kind (e.g., targeted school meal programmes).

Fourth, social protection ministries lead policies and programmes that provide cash to disadvantaged students and families to help improve their education opportunities. Their targeting mechanisms tend to be well articulated and regularly evaluated.

Three dimensions assess the extent to which these four mechanisms reallocate resources:

- **Comprehensiveness:** Does a policy exist and how extensive are its criteria to target disadvantaged groups?

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- **Coverage:** What is the share of schools, students and/or households reached by the main policy or programme?
- **Volume:** What is the share of total public education expenditure allocated for the main policy or programme or what is the size of the average transfer under this policy or programme expressed in some relative measure (e.g., percentage of GDP or per capita household income)?

Where there was more than one programme, the larger one was analysed.

Purpose: This indicator aims to look at the efforts countries make to reduce disparity in education. A large range of policies contributes to equity; this indicator focuses on the subset of financing policies and their respective programs. Its purpose is formative: to generate interest to collect more information on this important issue and help countries design better policies in the future.

Data required: Policy documents from national and international sources.

Data sources: The information has been collected by the Global Education Monitoring Report (GEMR) team from national sources, such as budget statements, accounts, education sector plans and reports of national governments and reports of international organizations.

Estimation method: The indicator is binary (No/Yes). An education system is classified as 'equity-oriented (i.e. Yes)' if at least five medium or high scores were assigned in eight categories described in Table 1.

Disaggregation: None

Limitations: There are three main limitations:

1. Information may not be up to date or accurately reported;
2. There is no proof that the empirical thresholds used to distinguish the levels of efforts are associated with effectiveness in promoting equity. Even with the right foundation, some policies and programs may not reduce disparity in education;
3. Rating comprehensiveness, coverage and volume of policy intent is necessary but not sufficient. Complementary contextual information is needed, e.g., degree of decentralization; budget structure; co-financing with other ministries; donors dependence and sustainability; administration weaknesses or design faults that compromise policy and program implementation.

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Table 1. Criteria used to classify the equity focus of financing policies and programmes

	Dimension	Low	Medium	High
1. Overall education financing mechanism	Coverage Share of school-age population	<30%	30–70%	≥70%
	Volume Share of total public education spending	<25%	25–50%	≥50%
2. Resources to schools / 3. Resources to students (education)	Coverage Share of school-age population	<2% or >50%	2–10% or 25–50%	10–25%
	Volume Share of total public education spending	<2%	2–10%	≥10%
	Share of total public spending	<0.3%	0.3–1.5%	≥1.5%
	Share of GDP	<0.1%	0.1–0.4%	≥0.4%
	If information is not available	Non-compulsory education	Only part of compulsory education	All levels of compulsory education
4. Resources to students (social)	Coverage Share of school-age population	<5%	5–15%	≥15%
	Share of total population	<2%	2–8%	≥8%
	Volume Share of total public spending	<0.5%	0.5–1%	≥1%
	Share of GDP	<0.01%	0.01–0.1%	≥0.1%
	If information is not available	Any other programme	Child grant or social assistance programme for families with school-aged children	Conditional cash transfer programme

Source: GEM Report team.