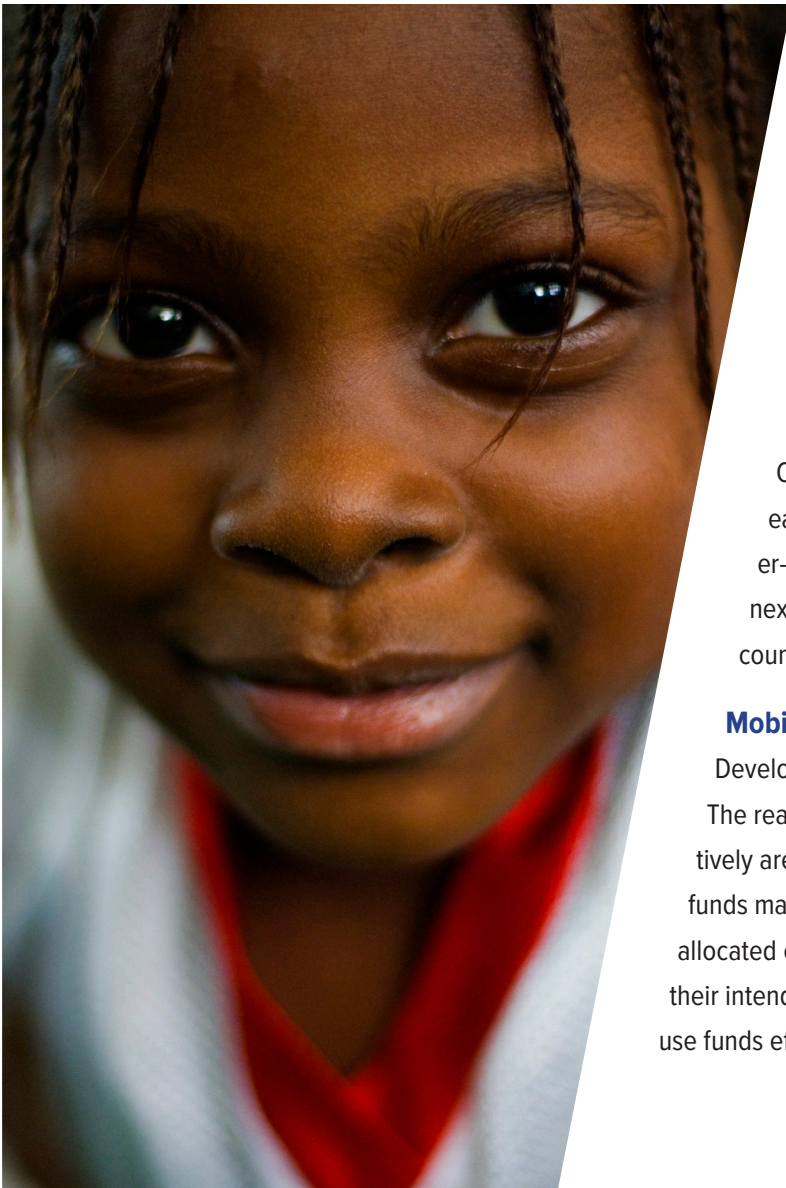


# GLOBAL PLATFORM FOR EDUCATION FINANCE



## THE CHALLENGE

**Despite enormous increases in education spending over the last 15 years, developing countries will need to almost double the share of national income devoted to education to tackle the learning crisis and reduce learning poverty.** The challenge is greatest in low-income countries and Sub-Saharan Africa where over 85 per cent of children are unable to read by the end of primary school. Currently these countries spend approximately \$188 on educating each primary school-aged child per year compared to \$900 in lower-middle-income countries. High population growth rates over the next 30 years will continue to put significant pressure on developing countries' education systems and government budgets.

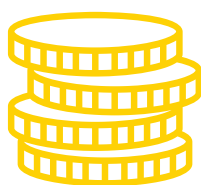
### **Mobilizing additional resources is only part of the challenge.**

Developing countries also must use scarce resources more effectively. The reasons why education systems struggle to use resources effectively are many. Overall levels of spending and decisions on the use of funds may not be aligned with learning objectives; spending may not be allocated equitably; funds may not reach schools or may not be used for their intended purposes; and government agencies may lack the capacity to use funds efficiently.

# MEETING THE CHALLENGE: A GLOBAL PLATFORM TO STRENGTHEN EDUCATION FINANCING SYSTEMS

**To change this picture, the World Bank is establishing a Global Platform to support country efforts to ensure that education systems are adequately funded and resources are used effectively.**

The Platform, a set of initiatives and activities to develop tools, build the evidence base and provide technical assistance, has been developed in consultation with key stakeholders. It aims to bring together multisectoral expertise to engage with ministries of education and finance and other stakeholders to work together to strengthen education financing systems to improve learning. The Platform will focus its activities on basic education and in low and lower middle income countries where funding needs are greatest. It will comprise of four pillars:



## **PILLAR 1**

### **MATCHING SUSTAINABLE FINANCING TO NEEDS.**

From a financing perspective, the development planning process is often ineffective in aligning education objectives with credible estimates of the resources available. A partial review of recent education development plans in developing countries shows that after two years of implementation, they have funding shortfalls ranging between 16 and 20 percent. The Platform will work with country governments to develop credible sector financing strategies to inform the sector planning process and align funding around learning targets and results over time. The strategies will assess macroeconomic conditions and overall fiscal space, and provide a framework for estimating resource availability from all sources (domestic, household, and external) over the medium and long term, and develop monitorable indicators for resource mobilization, spending equity, and efficiency. The strategies will utilize existing analytical work and processes (e.g., World Bank Public Expenditure Reviews and Economic Updates, International Monetary Fund Article IV consultations, Global Partnership for Education (GPE)-supported sector plans) and guidance and toolkits developed under the Platform.



## **PILLAR 2**

### **IMPROVING EFFICIENCY, EQUITY, AND FINANCIAL MANAGEMENT.**

Improving the equity and efficiency of education systems requires a well-functioning public financial management system. Yet many countries have weaknesses in their financial management systems that significantly affect the quality of basic education services. For example, very few countries allocate greater education funding to poorer regions with greater need and spending inefficiencies limit the impact of additional funding on learning. The Platform will work across sectors and ministries to strengthen financial management systems and develop toolkits and guidance to support policy makers in diagnosing major weaknesses in education financing systems and identifying ways to tackle them. In particular, and following similar work in health, the Platform will support the development of a toolkit to identify the major bottlenecks in public financial management that prevent the efficient use of resources to maximize outcomes and impacts.





### **PILLAR 3**

#### **STRENGTHENING ACCOUNTABILITY WITH BETTER DATA AND MONITORING.**

The quality and coverage of education finance data is woefully inadequate. In 2016, only half of all countries reported basic information on public education spending. The Platform will first seek to establish a good-quality database of core education spending indicators for all countries. It will then build on collaborative work by the Global Partnership for Education, UNESCO, the International Monetary Fund, and the World Bank to develop the tools necessary to collect quality, comprehensive data on public and private education spending, and also support countries to collect this information on a regular basis. While efforts to monitor overall levels of government spending and aid have existed for some time, there has been far less attention on monitoring country-level funding commitments and progress in improving spending efficiency and equity. Only one in six countries has an annual education-monitoring report and even fewer examine education funding. The Global Platform will prepare an annual “Education Finance Watch” report to track patterns and trends in fiscal space and education spending and provide a stronger focus on how effectively resources are used to improve learning. The Platform will also track country-level commitments on education funding as well as the implementation of the financial management reforms needed to improve spending efficiency and equity.



### **PILLAR 4**

#### **BUILDING CAPACITY AND KNOWLEDGE.**

The evidence base on interventions to improve learning in developing countries has grown significantly over the last 20 years but there has been much less focus on interventions to tackle financing challenges. To close these gaps, the Global Platform will open a funding window to encourage researchers to undertake more work on addressing key financing challenges. The Platform will also seek to develop toolkits and learning resources to support policy makers in diagnosing major weaknesses in education financing systems and identifying ways to tackle them.





## GLOBAL EDUCATION FINANCING PLATFORM RESULTS CHAIN

	IMPROVED LEARNING			
	Strengthened education financing systems	Greater resource mobilization for education	Improved spending equity and efficiency	
INTERMEDIATE RESULTS	<b>Matching sustainable financing with needs</b> <ul style="list-style-type: none"> <li>• Greater mobilization of domestic and external resources for education</li> <li>• Better policy actions to improve spending quality</li> </ul>	<b>Improving efficiency, equity and financial management</b> <ul style="list-style-type: none"> <li>• Strengthened financial management systems</li> <li>• Improved spending equity and efficiency</li> <li>• Better resource tracking</li> </ul>	<b>Strengthening accountability with better data and monitoring</b> <ul style="list-style-type: none"> <li>• Improved transparency and accountability</li> <li>• Better information for decision making</li> <li>• Integrated NEA &amp; BOOST data</li> </ul>	<b>Building capacity and knowledge</b> <ul style="list-style-type: none"> <li>• Improved knowledge and capacity on finance in client countries and Development Partners</li> <li>• Application and use of evidence base by client countries and DPs</li> </ul>
	<b>Activities</b> <ul style="list-style-type: none"> <li>• Financing strategies for 10 countries and toolkit</li> <li>• Minimum package costing tool</li> <li>• Certification/TA for further 5 countries</li> </ul>	<ul style="list-style-type: none"> <li>• PFM for results toolkit</li> <li>• PFM action plans in 10 countries</li> <li>• Certification/TA for further 5 countries</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Education Finance Watch</li> <li>• Global Expenditure Database for all countries</li> <li>• Certification/TA for National Education Accounts (NEA)</li> </ul>	<ul style="list-style-type: none"> <li>• Competition/calls/commissioned research</li> <li>• Blended finance course</li> <li>• Community of Practice</li> </ul>