

Education Financing in Asia-Pacific



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The Global Education 2030 Agenda

UNESCO, as the United Nations' specialized agency for education, is entrusted to lead and coordinate the Education 2030 Agenda, which is part of a global movement to eradicate poverty through 17 Sustainable Development Goals by 2030. Education, essential to achieve all of these goals, has its own dedicated Goal 4, which aims to *“ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.”* The Education 2030 Framework for Action provides guidance for the implementation of this ambitious goal and commitments.



Published in 2022 by the United Nations Educational, Scientific and Cultural Organization,
7, place de Fontenoy, 75352 Paris 07 SP, France
UNESCO Bangkok Office and UNESCO Institute for Statistics (UIS)

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TH/C4-6695/IQE/22/029

SHORT SUMMARY

Decrypting national education expenditure is the key to targeted spending

Spending on education has been earmarked in the Education 2030 Agenda – Sustainable Development Goal 4 to receive at least 4% of GDP and/or 15% of national expenditure on public services. Analysing available data for countries from Asia-Pacific between 2015 since the inception of SDG 4 for the subsequent 5-year period showed that some countries have made adjustments accordingly to match the set-out percentage recommendations, while other countries have moved further away from them.

The expenditure data indicates spending practices which may impede accurate budgeting as well as leaving crucial education subsectors comparatively underfinanced. Notably, secondary education appears to have received a lower per-student investment over time, while more seems to be invested in tertiary students instead despite many secondary learners opting out of education early. Another common trend is that primary education often still accounts for one of the largest shares paid by households, despite being the subsector that usually also has one of the most public funding.

Many countries have different modalities in composing their education budget, which can include foreign aid, community funds, as well as private sector contributions. But for many governments, some education-related costs have remained indistinguishable, not being precise on which sector or programme of education receives certain amounts. While in some countries these are relatively minor expenses, in others they account for more than one-third of all public education expenditures.

Trying to research national accounting practices in education, despite educational, statistical and financial authorities producing expenditure reports, access was frequently restricted by the government for certain years, and in some cases they were incomplete. Financial data on teachers and students has been scarce due to being severely delayed, unrecorded, unreported, and/or not being made public.

**Recommended
minimum spending
on education**

4%
of GDP

15%
of Total public
expenditure



unesco

'Since wars begin in the minds of men and women it is in the minds of men and women that the defences of peace must be constructed'

Education Financing in Asia-Pacific



Acknowledgements

This publication is developed as part of the “Costing and Financing SDG4 –Education 2030 in the Asia-Pacific Region” project. It has been a collaborate effort of UNESCO Bangkok, UNESCO Institute for Statistics (UIS), and education finance experts from the nine project countries.

Nyi Nyi Thaung, Programme Specialist of UNESCO Bangkok and Roshan Bajracharya, Senior Regional Adviser of UIS conceptualized the research and have overseen the development of this publication. Roshan Bajracharya and Christian Dohrmann took the lead in preparing the report, with substantive inputs from Gayatri Caffery, and coordination support by Shutong Wang, from UNESCO Bangkok.

The regional report was based on national case studies submitted by country experts and in consultation with relevant national ministries and departments. We are grateful for the research and data collection submitted to UNESCO Bangkok by Bolorchimeg Bor (Mongolia), Jangchu Choden (Bhutan), Yaozong Hu and Min Chen (China), Sala Karuru (Fiji), Binay Kumar Kushiyait (Nepal), Wadan Nasey (Solomon Islands), Chaiyuth Punyasavatsut (Thailand), Nicholas Mendoza Tenazas (Philippines), and Padang Wicaksono (Indonesia). We would like to sincerely thank the Pacific Community for the coordination support with country experts of Fiji and Solomon Islands.

We acknowledge with gratitude the contribution of the following peer reviewers: Shailendra Sigdel, Paula Razquin, Huhua Fan, Tap Raj Pant, Tawaqa Naisoro, Amalia Serrano, and Subramaniam Venkatraman.

Our acknowledgement is also extended to Jenny Webster for copyediting and proofing the text, and Shanshan Xu for designing the publication.

UNESCO wishes to express special appreciation to the Korea Funds-in-Trust for the financial support it has granted to support the research on education finance through which this publication was made possible.

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1. Rationale and methodology

1. Rationale and methodology

1.1 Introduction

Since the 2015 adoption of the Incheon Declaration and Framework for Action for the implementation of Sustainable Development Goal 4 (Education 2030 Agenda) by UNESCO Member States, adequate financing of education has remained a topic requiring concerted attention. To date, few analytical reviews of national spending on education have been undertaken. The Education 2030 Agenda recommends an expenditure of at least 4 to 6 per cent of the country's GDP, or 15 to 20 per cent of the national budget.¹

To support governments' efforts to fulfil the Agenda, the UNESCO Institute for Statistics (UIS) has developed an SDG 4 benchmark indicator framework, which has been adopted by almost all countries around the globe, including in the Asia-Pacific region. The framework is not only composed of SDG 4 indicators but also expands on the SDG 1 indicators 'Proportion of total government spending on essential services (education)' (1.a.2) and 'Government expenditure on education as a percentage of gross domestic product (GDP)' (1.a.gdp).

In order to address the shortcomings in education financing, UNESCO Bangkok, with technical support by the regional office of the UNESCO Institute for Statistics and financial support from Korean Funds-In-Trust, has carried out a regional project entitled 'Costing and Financing SDG 4–Education 2030 in the Asia-Pacific' to research and explore education expenditure between 2015 and 2020.

1.2 Objectives

The objective of this report is to present the findings of this project and thereby capture the situation in education financing in the Asia-Pacific region since the adoption of the Education 2030 Agenda in 2015. Using quantitative as well as qualitative analyses, recommendations for governments are formulated to help them adopt, adjust or improve financing measures to support the achievement of SDG 4.

The analyses drawn in this report are meant to capture the current finance distributions, from which further research questions can be drawn that may prompt a closer look in the future.

The report also captures where Asia-Pacific countries stand in relation to the internationally recommended benchmarks on education expenditure by type of expenditure, as well as per-student, per-teacher and per-household.

The report further addresses the countries' education financing mechanisms and budgetary procedures which steer the allocation and use of education funds.

¹ UNESCO. 2016. *Education 2030: Incheon Declaration and Framework for Action for the Implementation of Sustainable Development Goal 4*. ED-2016/WS/28. UNESCO, Paris. http://uis.unesco.org/sites/default/files/documents/education-2030-incheon-framework-for-action-implementation-of-sdg4-2016-en_2.pdf

In doing so, the project is intended to strengthen the capacities of Member States in compiling education finances and identifying existing funding mechanisms that they use for education delivery. It supports policy decisions that advance national agendas as well as the Education 2030 Agenda.

1.3 Methodology

The data used to compare education spending with GDP and total public expenditures was extracted from the official UIS database (<http://sdg4-data.uis.unesco.org/>) to reflect the situation in the Asia-Pacific region. It was used to analyse the national and regional expenditures with regards to the Education 2030 Agenda - SDG 4 recommendations and COVID-19.

Supplementary to this, national data were retrieved from Bhutan, China, Fiji, Indonesia, Mongolia, Nepal, the Philippines, the Solomon Islands, and Thailand with the help of national experts in collaboration with departments or ministries of education as well as financial and statistical offices to provide an insight into the spending of recurrent and capital costs as well as per student, per teacher and per household.

To understand the financing mechanisms employed in the Asia-Pacific countries, the experts conducted desk research on national laws and regulations as well as reports analysing educational budgets and expenditures. In addition, they consulted government officials of the relevant ministries and national departments from the mentioned countries.

The chapters on the lessons learned (Chapter 4) and key recommendations (Chapter 5) summarise the findings resulting from the collected data and national research.

2. Finance analysis

– Where are Asia-Pacific's investment priorities?

2. Finance analysis – Where are Asia-Pacific’s investment priorities?

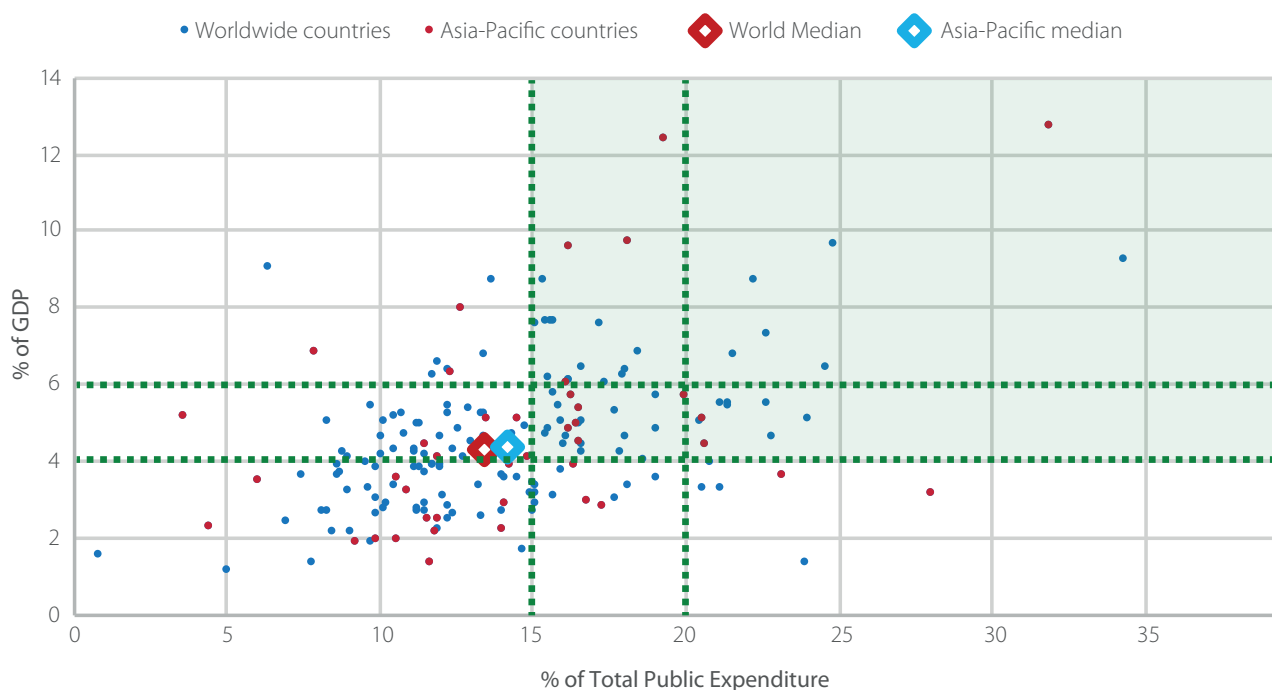
2.1 National and regional expenditure – In line with Education 2030?

Regional trends

The Education 2030 Agenda, adopted by UNESCO Member States in 2015, recommended that national spending on education should account for 15 to 20 per cent of total public expenditure as well as 4 to 6 per cent of GDP. More than six years later, 37% of the countries worldwide fall below both thresholds.

Based on the data available (Figure 1), the world median stands at 13.5% in relation to total public expenditure (with a standard deviation of 4.9), and 4.3% in relation to GDP (with a standard deviation (SDV) of 1.9). The medians for the Asia-Pacific region are similar at 14.2% (SDV 5.4) and 4.4% (SDV 2.5) respectively. The Southwestern as well as the Southeastern subregions of Asia both have not reached minimum levels of GDP and total public expenditure recommendations. Countries which exceed the public expenditure benchmark include Uzbekistan (20.5%), the Islamic Republic of Iran (23.1%), and Turkmenistan (28%). Turkmenistan has the highest expenditure rate in the Asia-Pacific and the second highest worldwide after Sierra Leone (34.3%).

Figure 1: Government spending on education as a proportion of total public expenditure and GDP, latest available year (2016-2021)



Source: <http://sdg4-data.uis.unesco.org/>

About 61% of Asia-Pacific countries and 54% of the countries worldwide with available data meet the minimum GDP benchmark (see Table 1). The public expenditure recommendations are adhered to at lower rates of 37% and 40% respectively. A quarter of Asia-Pacific countries (27%) have met both benchmarks, whereas worldwide closer to one-third of the countries (30%) have met both.

Table 1: Number and percentage of countries in line with SDG 4 expenditure recommendations, latest available year (2016-2021)

		At least minimum total public expenditure recommendation	At least minimum GDP expenditure recommendation	Within both recommendations
Asia-Pacific	No.	18	30	13
	%	37	61	27
World	No.	76	103	57
	%	40	54	30

Source: <http://sdg4-data.uis.unesco.org/>

Thailand: The Equitable Education Fund and the Conditional Cash Transfer programme

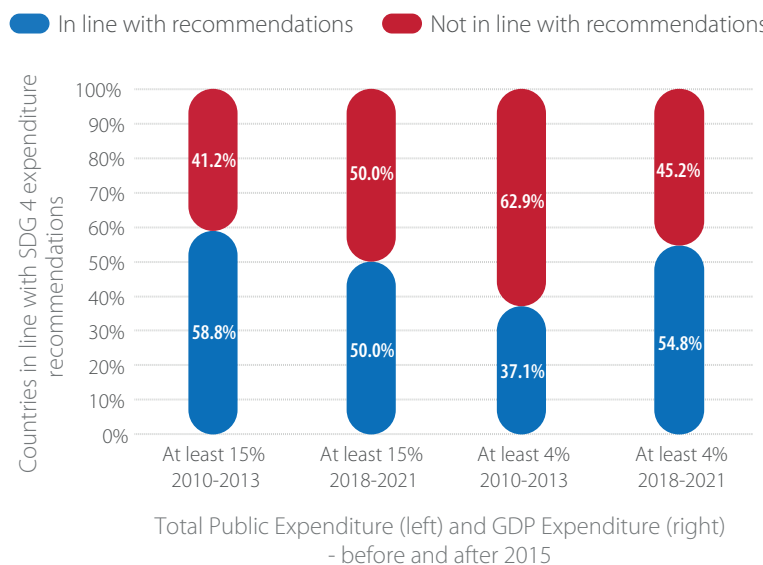
In 2019, a new fiscal arrangement was initiated in Thailand through the establishment of the Equitable Education Fund (EEF). The strength of the EEF derives from its student database and academic support. With this database the Ministry of Education and Ministry of Interior began to target poor students to improve schooling outcomes. The EEF's ambitious goal is to indicate how educational and other social budgets should be designed to ensure more equity and efficiency in achieving inclusive education, specifically to serve the most disadvantaged quintile of households. In 2020, the EEF budget accounted for more than THB 83 billion, or 16.8% of the public education budget. One intervention by the EEF is the Conditional Cash Transfer programme, which provides cash distributions to poor households in order to increase school attendance and health. Eligible households are required to ensure that their children attend on at least 85 per cent of annual school days. It is still too early to judge whether the EEF can achieve its objectives, in particular due to the COVID-19 school disruptions in 2020 and 2021. Another concern is the size of the cash transfer, and it is thinly spread across vast numbers of recipients. The impact evaluation is underway and will be used to advise the Budget Bureau under the Office of the Prime Minister about the programme's effectiveness.

Source: Bastagli et al. (2016), Parliament Budget Office of Thailand (2021)

Figure 2 compares the four-year percentage average of the countries in line with the SDG 4 expenditure benchmark recommendations before and after the adoption of SDG 4. The 2010-2013 percentage average indicates that slightly more Asia-Pacific countries (8.8% more) spent at least 15 per cent of their total government expenditure on education than during 2018 to 2021. A reverse trend is observable for the GDP, with a 17.7% increase to above half of the Asia-Pacific countries spending at least 4 per cent of their national GDP on education.

It appears that some countries have moved further away from the minimum international total public expenditure recommendations following the adoption of SDG 4, while a larger proportion of countries have moved closer to the minimum GDP recommendations. In other words, more countries are spending more on education in relation to their economic growth after the adoption of SDG 4.

Figure 2: Trends in educational expenditure by Asia-Pacific countries before (2010-2013) and after (2018-2021) the adoption of Education 2030–SDG 4

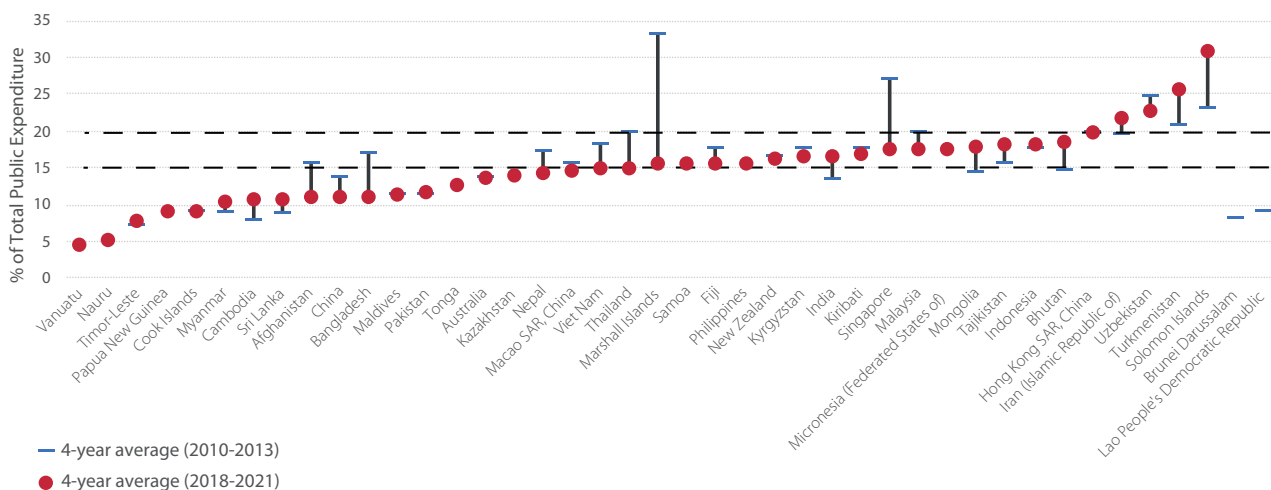


Source: <http://sdg4-data.uis.unesco.org/>

Country-wise breakdown

The differences between these four-year averages for each Asia-Pacific country are shown in Figure 3. It shows which countries adjusted to the 15 to 20 per cent benchmarks between 2018-2021, increased their expenditure beyond the recommended levels, or stayed below the benchmarks. Bhutan, India and Mongolia increased their average spending after the inception of SDG 4 from below 15% to 18.6%, 16.6%, and 17.8% respectively. Solomon Islands and Turkmenistan saw a further increase relative to their total public expenditure beyond the 20 per cent threshold to 30.7% and 25.5% respectively. Several countries lowered their spending with Afghanistan, Bangladesh and Nepal moving below the 15 per cent threshold to averages of 11%, 11.1% and 14.4% respectively.

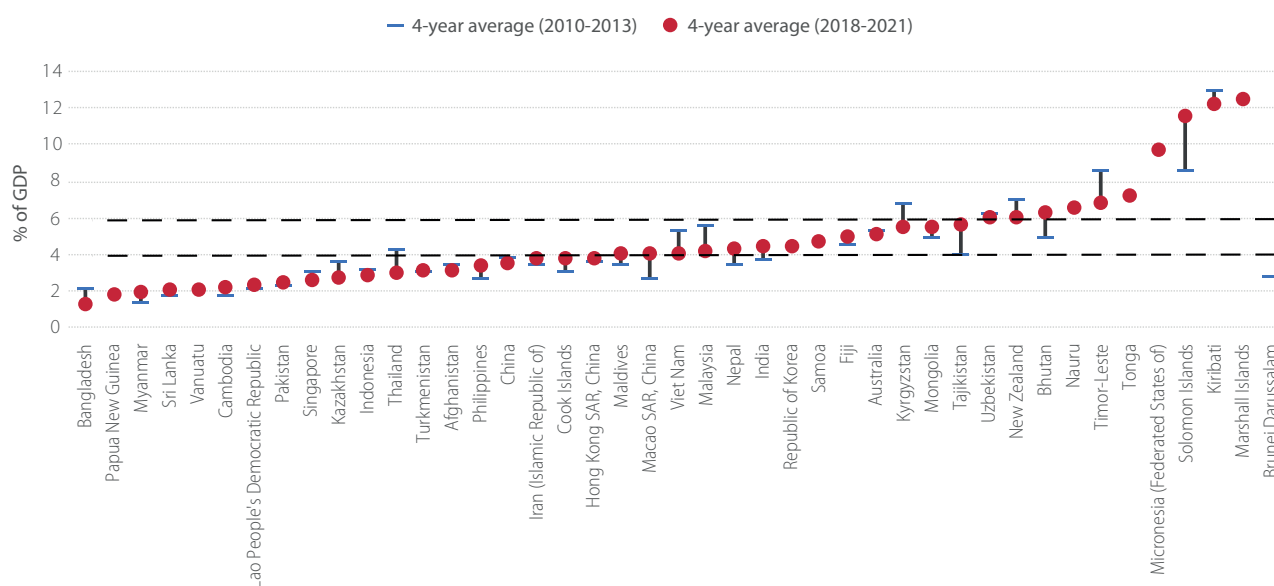
Figure 3: Spending on education as a proportion of total public expenditure in 2010-2013 versus 2018-2021, by country



Source: <http://sdg4-data.uis.unesco.org/>

As noted in Figure 2, more countries appear to have increased their spending in relation to the GDP and to conform with the recommended minimum benchmark level. At the same time several countries have reduced their relative spending. For example, Malaysia, Kyrgyzstan or Viet Nam show on average a reduced spending from 2018 onwards but still within the margins of 4 to 6 per cent with 4.2%, 5.5% and 4.1% respectively. Timor-Leste also reduced its spending from 8.5% to 6.8%. In contrast, Bhutan, Tajikistan and Solomon Islands increased their spending, averaging to 6.3%, 5.6% and 11.6% of the GDP respectively. Thailand decreased its spending, averaging to 3.0% and falling below the minimum recommended level. Most countries show signs of marginal changes.

Figure 4: Spending on education as a proportion of GDP in 2010-2013 versus 2018-2021, by country

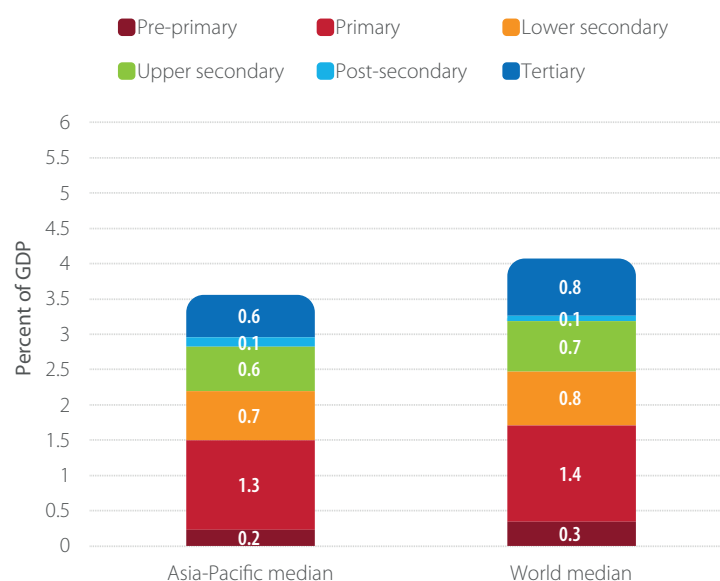


Source: <http://sdg4-data.uis.unesco.org/>

Subsector comparison

Comparing expenditures in relation to the GDP by education subsectors indicates similar spending distributions in Asia-Pacific and worldwide (see Figure 5) for the countries with available data. In the Asia-Pacific data, half of the countries spend above 1.3% of GDP on primary education and 0.7% on lower secondary, whereas worldwide the respective medians are 1.4% and 0.8%. At the pre-primary level worldwide, half of the countries are above the median of 0.3%, compared to 0.2% in Asia-Pacific. Primary education has the greatest priority incurring the largest cost, followed by lower secondary and tertiary. The total of secondary education exceeds primary education marginally by 0.1% worldwide and is even in Asia-Pacific. The least investment is notably in post-secondary non-tertiary provision,

Figure 5: Expenditure on education as a proportion of GDP, Asia-Pacific, and world medians, by educational level, latest available year (between 2016 and 2021)

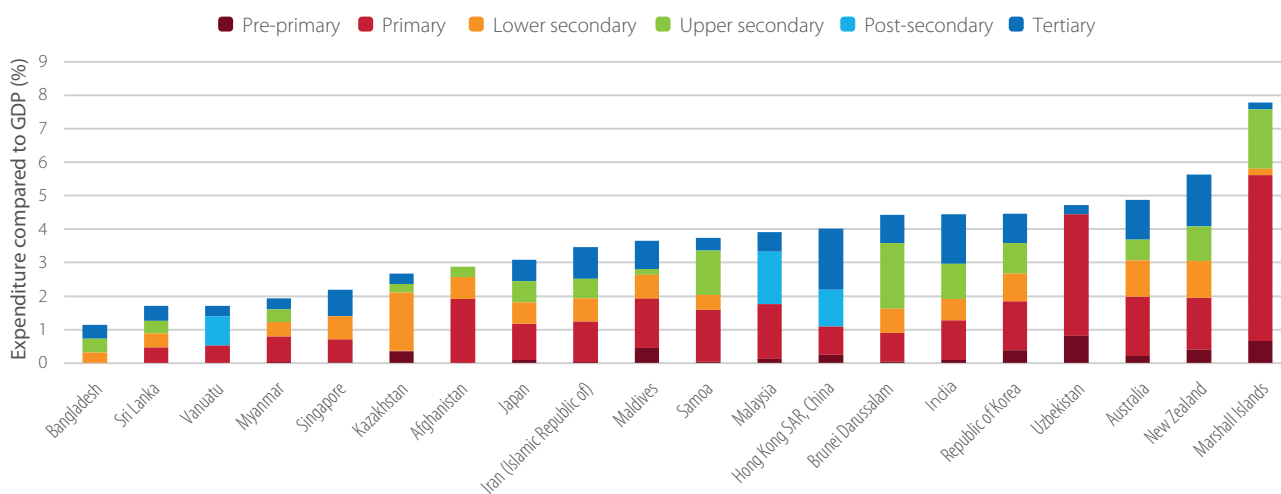


Source: <http://data.uis.unesco.org/>

such as technical and vocational education and training (TVET) and lifelong learning. This represents just 0.1% of GDP in the Asia-Pacific and worldwide. Early childhood education also receives a minor relative investment at 0.2% in Asia-Pacific and 0.3% worldwide.²

On a country basis, the contrasts in education financing are more pronounced (see Figure 6). Afghanistan, Australia, Japan, Maldives, and the Republic of Korea spent the largest shares of their national GDP on primary education *relative* to other education sectors. Uzbekistan and Marshall Islands have a particularly high expenditure in primary education with 3.6% and 5% respectively of GDP. Primary education is almost always the education sector with the highest expenditure, relative to GDP.

Figure 6: Expenditure on education as a proportion of GDP, by country, level, and latest available year (2016-2020)



Note: The sum of the subsectors may vary in comparison to Figure 3 due to different years of availability.

Source: <http://data.uis.unesco.org/>

In ascending order, Republic of Korea, New Zealand, India, Samoa, Marshall Islands, and Brunei Darussalam have the highest expenditures on upper secondary among the present countries between 0.9% and 2% relative to GDP. In contrast, only Australia and New Zealand (both 1.1%) and Kazakhstan (1.7%) have expenditure on lower secondary education above 1% relative to GDP.

Tertiary education expenditure often rivals if not surpasses other education sectors' expenditures. In 65% of the countries with available data, tertiary education has higher expenditures than lower secondary; and in 44%, higher than upper secondary education.

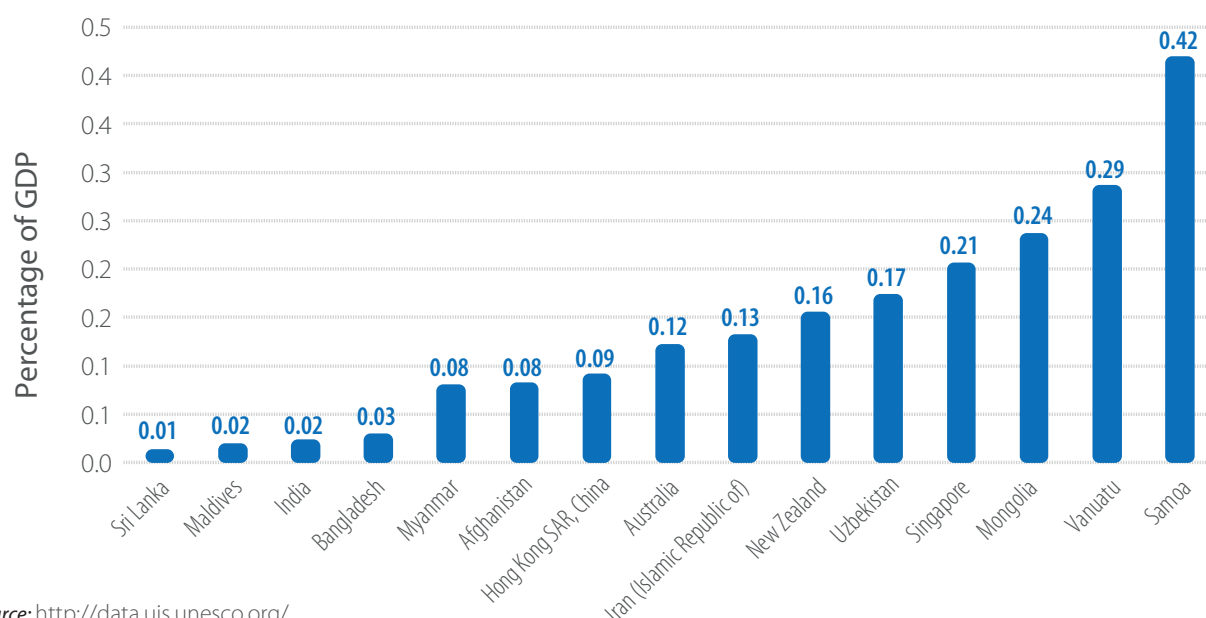
Comparing to primary education, in 59% of Asia-Pacific countries with available data, upper secondary education receives less funding in relation to the GDP than lower secondary; and in 42% of countries, combined secondary education receives less funding than primary.

Pre-primary education has usually the lowest share of expenditure. Marshall Islands (0.8%) and Uzbekistan (0.7%) spend the highest shares of their GDP on this level compared to other countries, while the lowest shares are seen in the Islamic Republic of Iran and Myanmar at 0.01%.

2 The Kathmandu Statement of Action recommends allocating 10 per cent of total public education expenditure on early childhood education. For more information, see: UNESCO, 2018. Kathmandu Statement of Action: Putrajaya+2; Advancing and Monitoring SDG 4.2. Access: <https://unesdoc.unesco.org/ark:/48223/pf0000265738>

Post-secondary non-tertiary education receives typically the least funding, often below pre-primary education, and many countries did not provide any data on this level. Post-secondary receives as little as 0.01 per cent of GDP, e.g. in Sri Lanka, or 0.02 in Maldives (see Figure 7).

Figure 7: Spending on post-secondary non tertiary education as a share of GDP, by country and latest available year (2016-2021)



Source: <http://data.uis.unesco.org/>

China: Financial balancing of funding for compulsory, vocational and inclusive education institutions in economically weaker regions

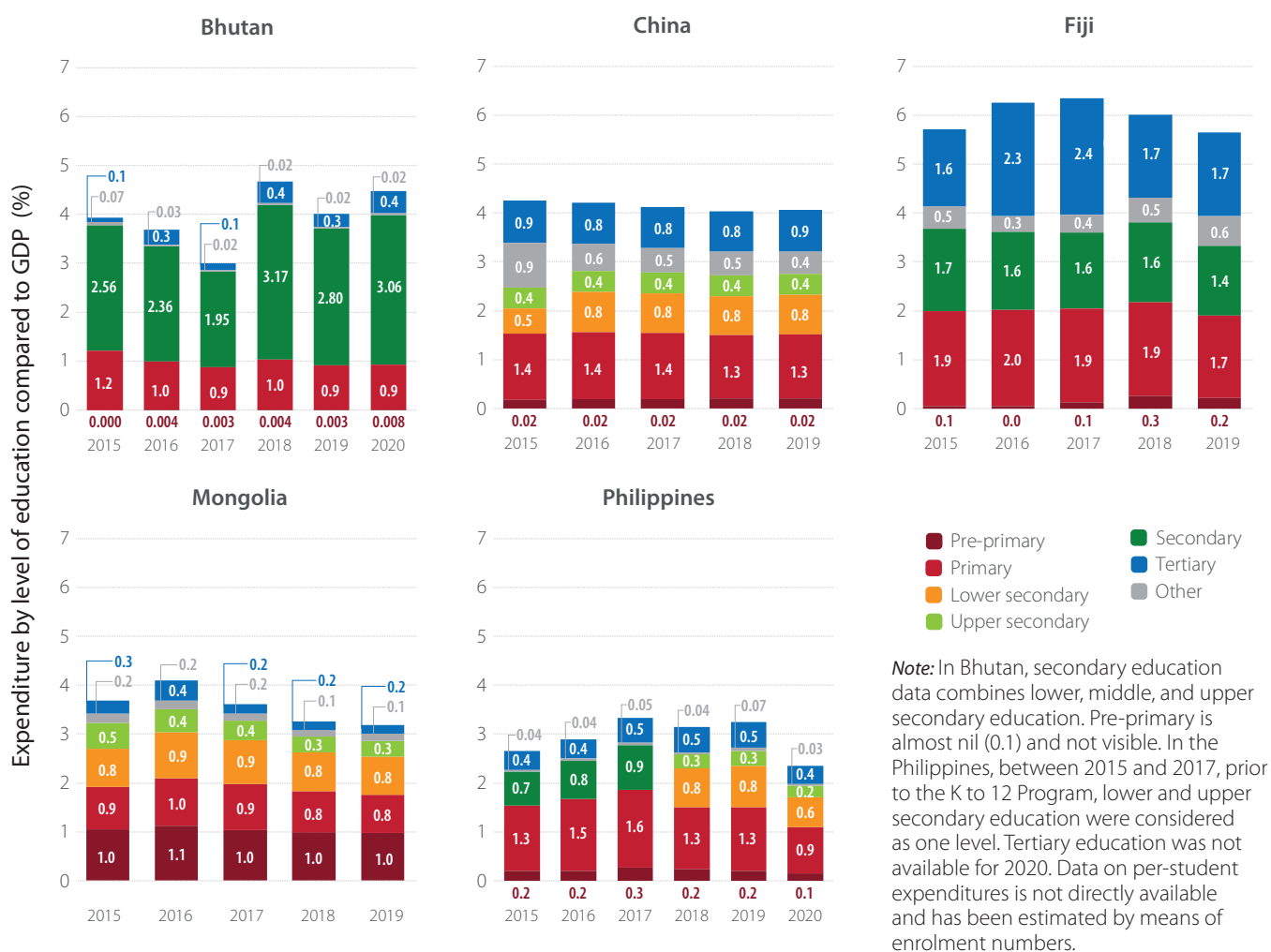
Infrastructure and other capital expenditure are subsidized in economically weaker parts of China through the Funds for Improving Weak Links and Capacity of Compulsory Education. These funds flow through provincial governments to local authorities. The Funds for the Modern Vocational Education Quality Improvement Plan are designated to support all localities to carry out the construction of secondary and tertiary vocational institutions. These funds (CNY 25.7 billion in 2020) can be used for e.g. teacher training, infrastructure construction, and curriculum development. For the tertiary institutions, the funds are directed to provincial governments, while those for secondary vocational schools are directed through provincial governments to local authorities. To improve resources and facilities in institutions providing education to students with special needs, the Funds for Subsidizing Special Education are available, and amounted to CNY 400 million in 2020. These funds can also be used to encourage mainstream schools to offer inclusive education for students with special needs.

Source: Submitted to UNESCO Bangkok as part of a consultation meeting in April 2022

National data comparison – Differing subsector prioritisations

Taking a look at the national data collected from five Asia-Pacific countries, namely Bhutan, China, Fiji, Mongolia and the Philippines (see Figure 8), the distribution of expenditures indicates different subsector priorities. For instance, in Bhutan, it is noticeable that spending on secondary education is up to three times greater than for primary. In contrast, expenditure at the pre-primary level appears negligible as primary education also includes one year of the pre-primary education expenditure. In China, investments in primary and secondary education have a relatively even distribution, and the cost share decreases for each higher level in basic education. In addition, other paths, such as post-secondary vocational programmes, receive another 0.4 per cent share equivalent to upper-secondary education. Tertiary education investment supersedes either lower or upper secondary education, as noticeable in Fiji. In Fiji, secondary education tends to find less expenditure than either primary or tertiary. Pre-primary education frequently receives the smallest amount of funding in the Asia-Pacific region. An exception is Mongolia, whose investments in pre-primary education exceed those in primary and secondary. Its primary and lower-secondary investments are roughly equal at 0.8 per cent of GDP. Overall, post-secondary provision such as TVET often has the least investment, despite leading directly to the acquisition of skills for employability.

Figure 8: National expenditure on education as a proportion of GDP in five countries, by level



Note: In Bhutan, secondary education data combines lower, middle, and upper secondary education. Pre-primary is almost nil (0.1) and not visible. In the Philippines, between 2015 and 2017, prior to the K to 12 Program, lower and upper secondary education were considered as one level. Tertiary education was not available for 2020. Data on per-student expenditures is not directly available and has been estimated by means of enrolment numbers.

Source: Ministry of Finance, Royal Government of Bhutan (2015–2020a, 2015–2020b); National Statistics Bureau of Bhutan (2021); China’s Ministry of Education (2015–2020a), Ministry of Education, National Bureau of Statistics (2015–2021), and National Bureau of Statistics (2022); Ministry of Economy, Republic of Fiji (2015–2021); Mongolia’s Parliament (2015–2020) and National Statistics Office (2021); and the Department of Budget and Management, Republic of the Philippines (2021).

2.2 Response to COVID-19 – Increased or decreased spending on education?

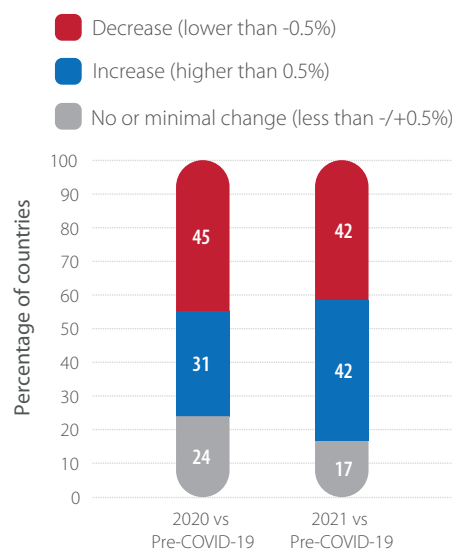
The previous comparison of the four-year median between 2010–2013 and 2018–2020 was likely influenced by COVID-19 causing countries to reduce their education-related spending and shift expenditures to other public sectors. Nonetheless, the educational responses to the impact of the international public health crisis among the countries from Asia-Pacific were swift and varied. They were not all affected at the same time, citing budgetary responses either for 2020 onwards or for 2021 onwards. Comparing pre-COVID-19 data with 2020 (see Figure 9), almost half of the Asia-Pacific countries with available data (45%) had seen a decrease in their education spending in relation to total public expenditure.³ Almost one-third of the countries increased their expenditures, while one-fourth (24%) reduced them. In 2021, 42% countries decreased their education spending, while 42% increased them and 17% changed little from their pre-pandemic levels.⁴

COVID-19 related spending changes for countries with available data for both 2020 and 2021 are seen in Figure 10. As the data is yet limited, no coherent response can be recognised among the present countries apart from related school closures. While the island nation Kiribati increased their education expenditures in both years, Solomon Islands reduced their expenditures in both years with 2021 seeing the greatest percentage change (4.9%).

2.3 Capital versus recurrent expenditure – Has infrastructure become less costly?

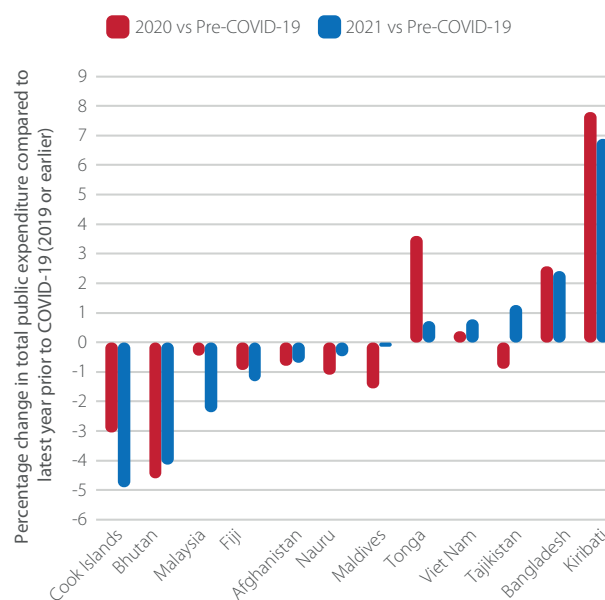
Globally, the proportion of recurrent expenditure has increased over the years since the adoption of SDG 4, taking up more funds compared to capital expenditure.⁵ Approximately 68% of countries increased their recurrent expenditure, and thus reduced their capital expenditure in relative terms, whereas 32% of countries reduced their recurrent expenditure and incurred more capital expenditure instead (see Figure 11).⁶

Figure 9: Percentage of countries with increased, decreased and static spending on education as a proportion of total public expenditure in 2020 and 2021



Source: <http://sdg4-data.uis.unesco.org/>

Figure 10: Percentage point change in spending from before COVID-19 (2019 or earlier) to 2020 and 2021



Source: <http://sdg4-data.uis.unesco.org/>

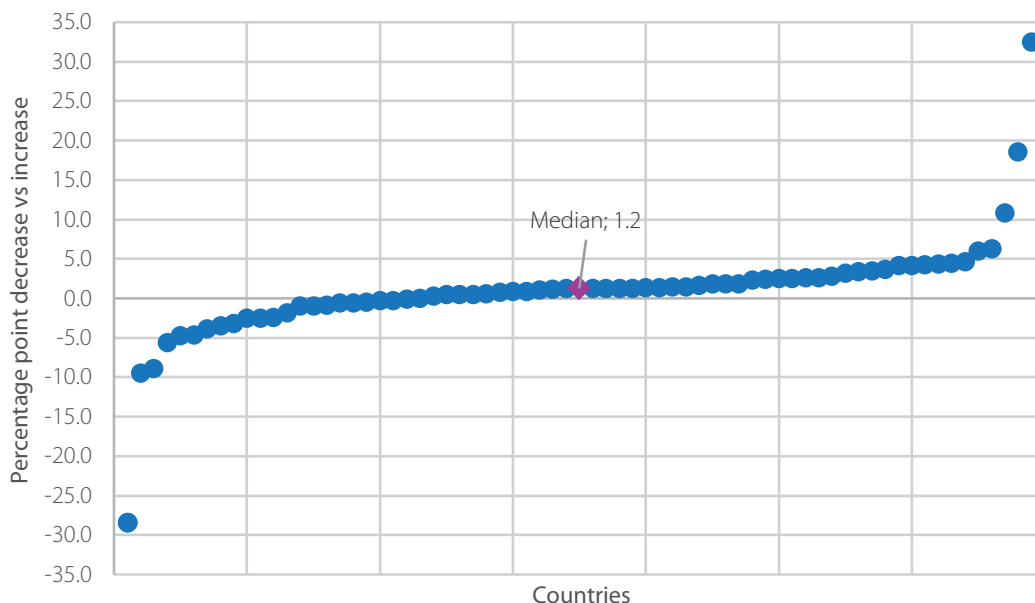
³ Based on 29 countries.

⁴ Based on 12 countries.

⁵ 'Recurrent expenditure' includes all types of goods and services (including wages and salaries, employer contributions, etc.), interest payments, subsidies and financial transfers. 'Capital expenditure' refers to financing for the acquisition and maintenance of fixed capital assets, stock, land or intangible assets (real estate related).

⁶ NB the post-SDG-4 date range for some indicators is 2017–2020 while for others it is 2018–2021, due to differences in the availability of data across the various countries.

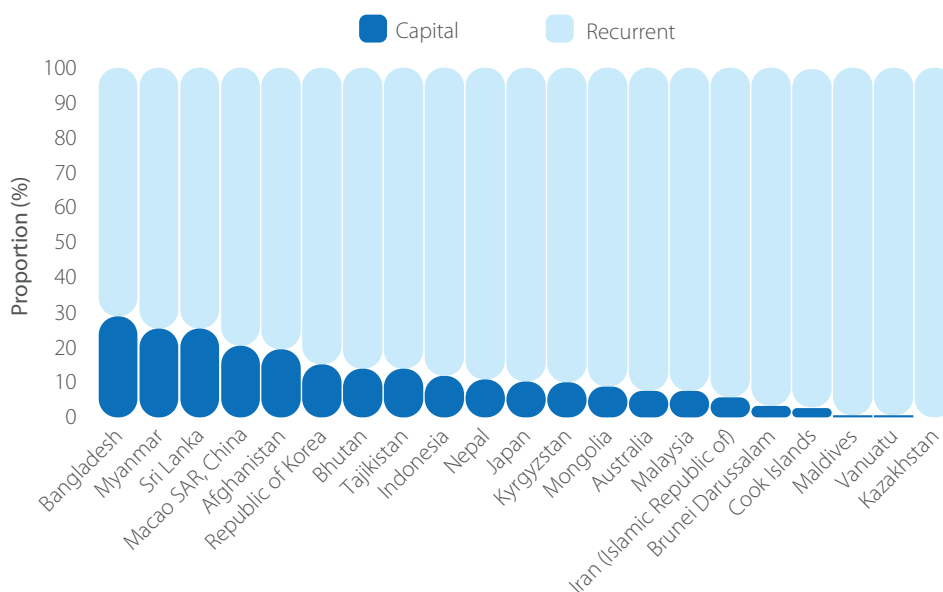
Figure 11: Change in the proportion of recurrent expenditure compared to capital expenditure globally from 2010-2013 to 2017-2020



Source: <http://data.uis.unesco.org/>

In Asia-Pacific, Bangladesh decreased its recurrent expenditure by 28.4 percentage points from 2011 to 2019, effectively spending more funds on capital related assets and serviced. Similarly, Myanmar reduced the proportion of its recurrent expenditure from 86.6% in 2011 to 77.1% in 2019. Mongolia also reduced its recurrent expenditure from 99.9% in 2012 to 91.1% in 2017. On the other hand, the Macao Special Administrative Region of China increased its recurrent expenditure proportion by 32.4% from 52 to 84.4% between 2010 and 2019. Kazakhstan went so far as to increase its recurrent expenditure from 90% in 2010 to 100% in 2019, effectively leaving no capital expenditure. (compare Annex)

Figure 12: Proportion of spending on capital vs. recurrent expenditure for Asia-Pacific countries with available data (latest date post 2015)



Source: <http://data.uis.unesco.org/>

Across the countries, the proportions of recurrent and capital expenditure show contrasting expenditures (Figure 12). For example, Bangladesh, Myanmar and Sri Lanka required a high capital expenditure. This might indicate that there is a greater need for sustainable infrastructure and building support. In contrast, small nations like the Cook Islands, the Maldives, Vanuatu, and Brunei Darussalam show minimal capital expenditure, which would mean there are almost no infrastructure financing needs or specific budgetary provisions.

Bhutan: Reforms to improve infrastructure and services in central and autonomous schools

Access to education is a challenge for young learners in remote areas, nomadic communities, and migrant populations, and for children with learning disabilities whose special needs are not fully catered to. As an intervention to support out-of-school children, improve retention, and enhance the provision of quality primary-level education closer to these children's communities, the Bhutan Government financed the expansion of 20 boarding schools. This eliminates long journeys to and from school and bolsters the safety, security and protection of young children in remote areas.

To enhance both access and quality of education under the **School Reform Programme**, the government identified and upgraded central schools and autonomous schools. These schools were required to develop improvement plans and submit them to the MoE in order to be eligible for the reform. They could retain their financial autonomy, but had to provide meals, boarding facilities, school supplies, and uniforms. The objectives of the reform are to attract teaching and non-teaching staff, upgrade the infrastructure, provide residential facilities near schools, and offer nutritious meals for children in remote areas to lighten the burden on families. This programme promotes decentralization and encourages local governments to take responsibility in managing resources. It was implemented with an estimated cost of about BTN 750 million.

Source: Ministry of Education, Royal Government of Bhutan (2014)

National data comparison – Indications of incomplete accounting practices

Fiji is one of the countries with a low percentage of recorded public capital expenditure on education (see Figure 13). When considering the frequent impact of cyclones on physical infrastructure, Fiji's capital expenditure would be expected to fluctuate to a great extent. For instance, in 2016 with tropical cyclone Winston,⁷ 2018 with Josie and Keni,⁸ and in 2020 with Harold and Yasa⁹ the government had to rebuild and reconstruct schools. However, while there is a 1% to 2% change in the capital expenditure for 2016 (when the government announced that it would spend FJD 240 million), this appears too minor to account for the related reconstruction costs.¹⁰ Foreign direct invest may cover such expenditures instead; however, it would underline that expenditures not under the Ministry of Education are not captured as expenditures on education related services.

Expenditures in the Philippines, Solomon Islands and Thailand are primarily recurrent in nature. From 2015 to 2019, the Solomon Islands saw its capital costs reduce by half. In the Philippines, from 2017 onwards, the recurrent costs are continuously above 90%. Up until 2017 capital-related costs included local spending between 4% and 5%. Allocations of capital expenditure to regional or local governments may be a reason for the inconsistent recording and reporting of expenditures in this area in the Philippines and other countries.

Likewise, in China, capital-related expenditures on education are recorded, but the public component is not easily discernible in the country's accounting practices. The capital expenditure that is documented includes public expenditures, household contributions, and private or societal contributions. Therefore the recorded capital expenditure

⁷ Tropical cyclone Winston was one of the strongest ever recorded in the Southern Hemisphere. The eye of the storm was over Koro Island, located between Fiji's two main islands. It was the first known category 5 storm to hit the country.

⁸ In April 2018, with just a week apart, Fiji's main island Viti Levu was hit by category 1 and category 2 cyclones causing flooding.

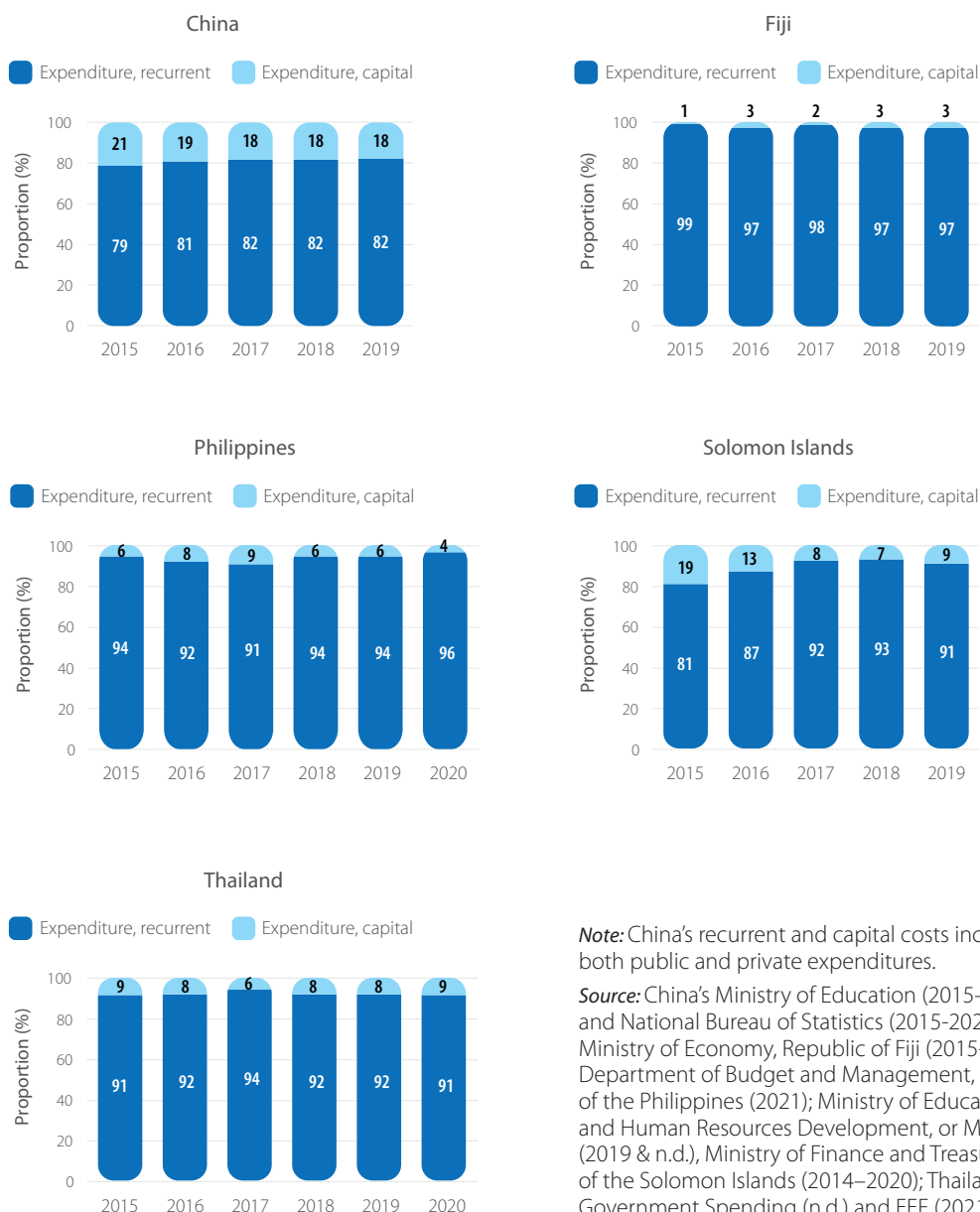
⁹ In April 2020, a category 4 cyclone, Harold, hit Fiji and affected the livelihoods of 180,000 people. The Ministry of Education, Heritage and Arts (MEHA) reported that 59 schools were damaged, impacting 11,500 students. For more details, see: <https://www.dfat.gov.au/crisis-hub/Pages/tropical-cyclone-harold>

¹⁰ Fijian Government. 2019. 400 new school buildings constructed post-TC Winston. 31 May. <https://www.fiji.gov.fj/Media-Centre/News/400-NEW-SCHOOL-BUILDINGS-CONSTRUCTED-POST-TC-WINST>

figure is the sum from all three sources, encompassing public and private spending. Given the multiple sources adding to the financing of infrastructure, China may likely show a more complete picture of capital expenditure needs in a country. About 80% of the total expenditure is attributable to recurrent costs.

It appears as if capital accounting practices are not precise enough to capture all relevant expenditures, and there may be overlaps with recurrent expenditure items or other practices blurring the ostensible use of funds. Further investigation into these differences in spending may be required to understand the countries' needs.

Figure 13: Proportion of national public expenditures on recurrent and capital costs in education



Note: China's recurrent and capital costs include both public and private expenditures.

Source: China's Ministry of Education (2015–2020a) and National Bureau of Statistics (2015–2021, 2022); Ministry of Economy, Republic of Fiji (2015–2021); Department of Budget and Management, Republic of the Philippines (2021); Ministry of Education and Human Resources Development, or MEHRD (2019 & n.d.), Ministry of Finance and Treasury of the Solomon Islands (2014–2020); Thailand Government Spending (n.d.) and EEF (2021)

2.4 Expenditure per individual – Who receives priority investment?

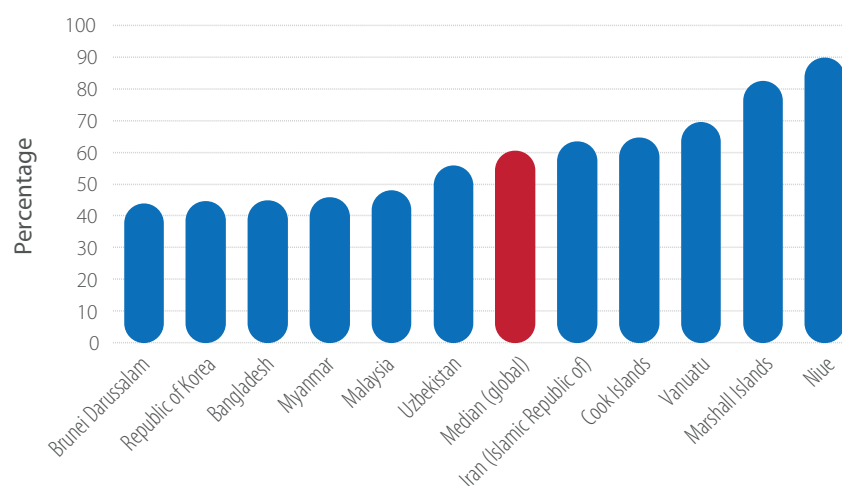
2.4.1 Teachers

To date, only 11 Asia-Pacific countries have submitted data to the UIS on teaching staff compensations (salaries). The latest available data from 2016 to 2020 (see Figure 14) reveals that the global median for the percentage of education expenditure taken up by teacher salaries is 60.6, with a range between 44% and 90%. It is notable that island nations are above the median, showing higher salary expenditures, as is the Islamic Republic of Iran.

High-income countries, such as Brunei Darussalam and the Republic of Korea, spend similar proportions

on their teaching workforce as the lower-middle-income countries Bangladesh and Myanmar. Teacher salaries belong to the category of recurrent expenditure. Given the different recurrent versus capital expenditure proportions in these countries (Figure 12), a lower expenditure on the teacher workforce with low or minimal capital expenditure may suggest that investment in teachers is a lower priority compared to other recurrent costs (e.g. administration, per-student funding, student equity support).¹¹

Figure 14: Teacher salaries as a percentage of total education expenditure in public institutions, by country and latest available date (2016–2020)



Source: <http://data.uis.unesco.org/>

China: National Training Programme for Kindergarten, Primary and Secondary School Teachers to maintain and improve competencies

The Government of China earmarks budgets for the purposes of teacher training in economically weaker regions of the country under its **National Training Programme for Kindergarten, Primary and Secondary School Teachers**. The funds are transferred to 23 provincial governments in the central and western parts of China. The education administrative department of the provincial government uses the fund to organize training programmes. Both provincial and local governments are responsible for the implementation. In 2020, the programme allocated a total of CNY 2.2 billion.

Source: Submitted to UNESCO Bangkok as part of the consultation meeting in April 2022

¹¹ Countries with higher proportions of private education institutions where the government funds private education to some extent, may skew priority comparison.

National data comparison – Higher teacher investments, different teacher values

As shown in Figure 15, teacher salary expenditures in total amounts have been rising across the countries. The greatest leaps are visible in China with an increase of 92% from 2015 to 2019, and Bhutan with 90% from 2015 to 2020. In Bhutan, teacher salaries accounted for almost all recurrent expenditures, which resulted from budgetary changes in anticipation of the country's constitutional changes.¹² The Philippines saw a rise of 54% between 2015 and 2019, but also shows a steep (40%) dive in 2020 in response to COVID-19.

Thailand shows a decline in spending on teachers between 2015 and 2020, irrespective of the impacts of COVID-19. This 10% decline may be the result of teachers retiring in combination with the government instituting limitations on teacher recruitment/replacement.¹³ In 2020, the country's Office of the Teacher Council Service and Educational Personnel Commission announced the revision of teacher allocation criteria, which may align with the World Bank's recommendation to consolidate small schools.¹⁴

While salaries for most teachers appear to have gone up, the share of salaries in relation to other recurrent expenditures does not generally follow the upward trend. This indicates that increases in other recurrent costs outpaced salary expenditure increases. An exception is China, where salaries as a proportion of recurrent expenditure have continued to rise, indicating that teachers receive higher investment despite increases in other expenditures. In Indonesia, the Solomon Islands and Mongolia, the share taken up by salaries has decreased despite overall salary rises, suggesting that other educational costs are being incrementally prioritized or have required higher spending over time.

In Fiji, the proportion has remained relatively even with marginal fluctuation, implying that non-salary expenditures have differing priorities at different times. This is also the case in the Philippines and Thailand in spite of a decrease in expenditures on teachers, indicating that overall education expenditures have also been reduced.

Mongolia: Improving the availability of early childhood education in remote rural areas

The recruitment and retention of qualified professionals in remote and rural schools are significant challenges in Mongolia. One of the measures aiming to overcome them is the government's policy of providing cash benefits for the people working for and with schools and kindergartens in remote areas every five years, including directors, principals, headteachers, teachers, and classroom assistants, as well as social workers, librarians, nurses, doctors and other relevant personnel. The cash benefits are equal to six months' worth of each person's base salary and are included in the school's annual budget.

In addition, scholarships and soft loans are provided to pre-service teachers from rural areas for bachelor's and master's degree programmes at colleges and universities. Detailed guidelines were issued by the government in 2014 to cover tuition fees for applicants to public teacher-training colleges and universities who earn a score of above 93 per cent in their entrance exams. Those who score above 81 per cent get a scholarship that covers 70 per cent of their fees in the first semester. Upon satisfactory performance (grade point average above 3.0), the scholarship is then extended to cover subsequent semesters fully. The scholarship funds are directly transferred every semester from the Education Loan Fund to the respective colleges and universities at their official written request and submission of the student's academic statement.

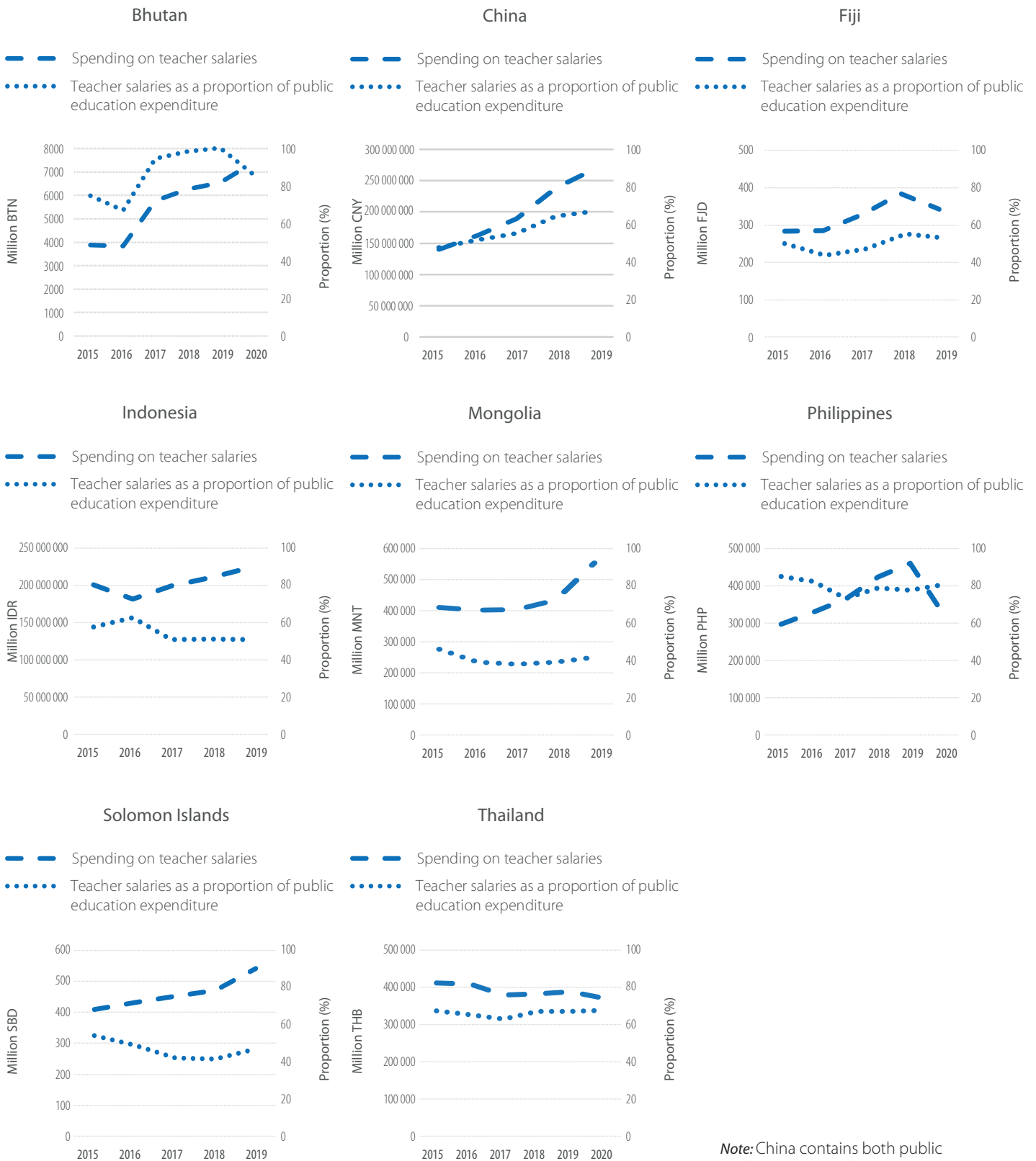
Source: Parliament of Mongolia (2002), Articles 43.1.7 and 43.2.8; Government of Mongolia (2014), Article 4.1.5.

12 Choden, J. 2021. *National Case Study on Education Costing and Financing Bhutan*, report submitted to UNESCO Bangkok [not publicly available].

13 Punyasavatsut, C. 2021. *Thailand: Education Costing and Financing*, report submitted to UNESCO Bangkok [not publicly available].

14 World Bank. 2020. *Thailand: Advice on Narrowing the Learning Gaps Between Schools*. https://research.eef.or.th/sdm_downloads/thailand-advice-on-narrow-the-learning-gaps-between-schools

Figure 15: National expenditures on teacher salaries



Note: China contains both public and private expenditures.

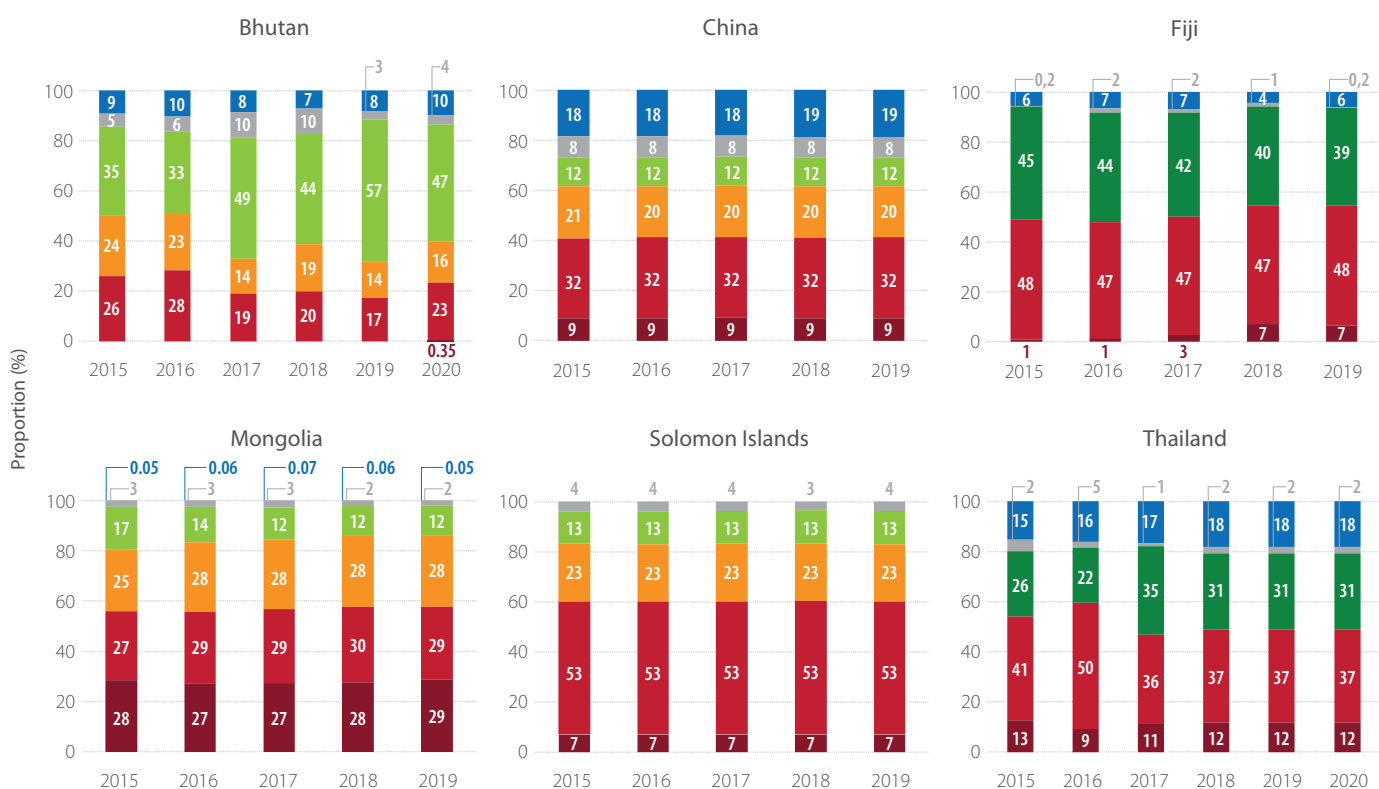
Source: Ministry of Finance, Royal Government of Bhutan (2015–2020a, 2015–2020b) and Royal University of Bhutan (2018); China’s Ministry of Education (2015–2020a) and National Bureau of Statistics (2015–2021, 2022); Ministry of Economy, Republic of Fiji (2015–2021); Indonesia’s LKPP, Ministry of Finance (2021) and Ministry of Education and Culture (2020); Parliament of Mongolia (2015–2020) and National Statistics Office of Mongolia (2021); Department of Budget and Management, Republic of the Philippines (2021); MEHRD (2019 & n.d.) and Ministry of Finance and Treasury of the Solomon Islands (2017–2020); Thailand Government Spending (n.d.) and EEF (2021)

Among subsectors or levels of education, primary education continues to have the highest expenditures (see Figure 16). In Fiji and the Solomon Islands, half of all salary expenditure goes to primary-level teachers, followed by China, Thailand and Mongolia where they receive one-third. Bhutan shows the reverse, as upper-secondary education takes up half of the total salary expenditures in the most recent years.

In Thailand, China and Fiji, spending on secondary-level teacher salaries tends to be similar to that of primary education. Mongolia, as well as Bhutan, have higher secondary-level salary costs compared to primary. But in general, primary teachers' salaries remain the largest expenditure, which is unsurprising given the large number of teachers in primary education relative to other levels in many countries such as the Solomon Islands.¹⁵ TVET, post-secondary, and non-formal education add only marginal salary expenses.

As previously noted, Mongolia invests a great deal in the pre-primary level, whose workforce receive shares of investment that are equal to or greater than those of primary and lower-secondary teachers. In contrast, upper secondary and onwards show the lowest expenditure on teachers' salaries.

Figure 16: National public expenditures on teachers' salaries by subsector



Note: Fiji and Thailand are combined secondary. For the Solomon Islands, tertiary teacher salaries were not available. For Bhutan, pre-primary teacher salaries were only available for 2020.

Source: Ministry of Finance, Royal Government of Bhutan (2015–2020a, 2015–2020b), and Royal University of Bhutan (2018); China's Ministry of Education (2015–2020a) and National Bureau of Statistics (2015–2021, 2022); Ministry of Economy, Republic of Fiji (2015–2021); Parliament of Mongolia (2015–2020) and National Statistics Office of Mongolia (2021); MEHRD (2019 & n.d.), Ministry of Finance and Treasury of the Solomon Islands (2017–2020); Thailand Government Spending (n.d.) and EEF (2021)

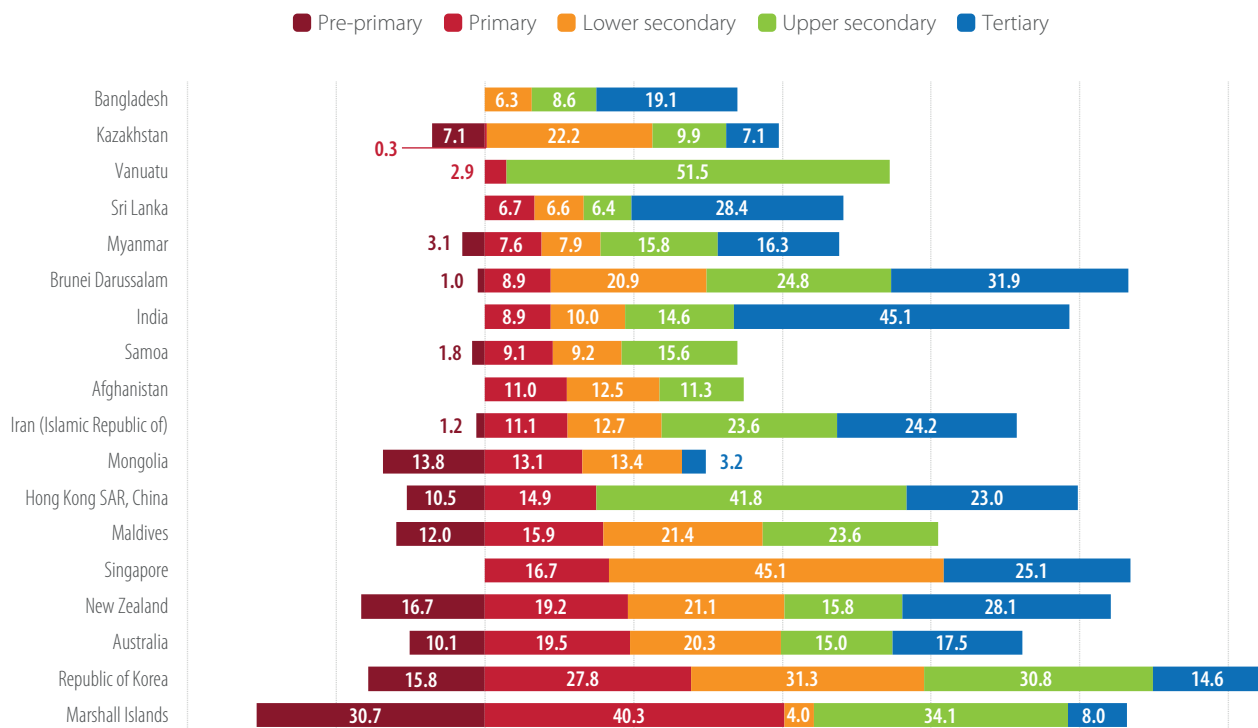
- Pre-primary
- Primary
- Lower secondary
- Upper secondary
- Secondary
- Tertiary
- Other

¹⁵ Narsey, W. 2022. *The Financing of Education in the Solomon Islands*, report submitted to UNESCO Bangkok [not publicly available].

2.4.2 Students

Comparing the per-student expenditure to GDP per capita indicates the investment in students relative to the country's economic productivity or income per citizen. This overall investment in students will be influenced by rising or falling GDP as well as a growing or shrinking population. Nevertheless, there are notably stark differences among countries and educational levels. For example, as seen in Figure 17, the Marshall Islands prioritizes spending on primary education learners, contributing to them 40.3% of GDP per capita as well as upper-secondary students with 34.1%; however, lower-secondary students receive only 4% of GDP per capita, indicating a financing gap. India invests 45.1% of its GDP per capita in its tertiary students, which is double the amount for secondary students. The Republic of Korea and Afghanistan have relatively even per-student investment in basic education. In the Republic of Korea, each basic level also sees a higher per-student investment (27.8 to 31.3% of GDP per capita) than the tertiary level (14.6% of GDP per capita).

Figure 17: Public per-student expenditure compared to GDP per capita, by level and country, latest available year



Note: There are no data available for primary education in Bangladesh; pre-primary in India, Singapore, Sri Lanka, and Vanuatu; tertiary in Afghanistan, the Maldives, Samoa, and Vanuatu; and lower secondary in Singapore. The upper-secondary data for Hong Kong SAR, China and Vanuatu contain total secondary education.

Source: <http://data.uis.unesco.org/>

The Republic of Korea and Brunei Darussalam show a high overall expenditure on their student population, which may explain the aforementioned, relatively low teacher salary proportions in each of their expenditures. Bangladesh and Myanmar with similar teacher-salary shares also have low expenditure on students, indicating that a larger proportion of

Mongolia: Introducing alternative forms of pre-school education contributes to increasing enrolment

Fixed kindergartens/pre-schools that are located in the **soum** (administrative divisions) and provincial centres, as well as the remote districts of Ulaanbaatar, provide alternative educational services to young children in their respective catchment areas. These children are mainly from herder families in rural areas. Others are from families residing in the outskirts of urban areas. These alternative services are operational during warmer seasons for four months at most. Also, home-based childcare services for young children provided by eligible individuals were legalized in 2015, with meals and per-capita variable costs being subsidized by the state via budget packages from the Ministry of Education and Science. Although these childcare services are not stated as alternative form of pre-school education, they are widely acknowledged as a good example of gender-responsive budgeting as this supports the employment of mothers with young children. The government makes pre-school education more of a priority in order to promote the timely enrolment of six-year-old children in primary education.

Source: National Statistics Office of Mongolia (2021), Government of Mongolia (2016), Annex 6 of the resolution No.242, revisions 3.6, 3.7 and 3.8; Parliament of Mongolia. 2015. Law on Child Care Services [in Mongolia]. <https://www.legalinfo.mn/law/details/11223?lawid=11223>

their expenditure goes to areas other than financing students or teachers.

National data comparison – Secondary education needs attention

The expenditure for different levels of education is influenced by the lengths of programmes and numbers of individuals in the system funded directly or indirectly. While there has not been data on salaries per teacher in the different levels or subsectors of education, the per-student expenditure by level reveals spending priorities as well as shortcomings.

As expected, tertiary education is the most cost-intensive level due to the complex methodological learning, requiring technical skills, materials and instruments as well as highly equipped academic personnel. Significant public spending on students at the highest and most demanding level of education is only natural to ensure accessibility. Comparing the available national data (Figure 18), it appears that tertiary per-student expenditure increases more than the expenditure for prior levels, and represents multiples of the expenditure which secondary learners receive. In some cases, this rises to extremes.

For the Philippines, the expenditures are even from pre-primary to upper-secondary levels, revealing flat allocations indistinctive of subsector requirements. Each student from early childhood to early adulthood, irrespective of the more advanced requirements of higher learning, receives the same expenditure. As a result, tertiary education dwarfs the previous levels, increasing the per-student expenditure in 2019 for example by nearly one-third. For Bhutan, Fiji and Thailand, lower- and upper-secondary distinctions were not available, but comparing the total of secondary education to primary, it seems that lower- and upper-secondary per-student expenditure would be at either the same or lesser amounts as primary. This may indicate a similar distribution to that of the Philippines.

Thailand's expenditure on pre-primary and primary students decreased in 2017 (by 32 and 23% respectively), while for secondary students it increased by 21%. Then between 2017 and 2019, and into 2020 when COVID-19 affected the education system, the expenditures for pre-primary and primary remained at relatively stable levels. Secondary per-

student expenditure, however, saw a continued downward trend, which was most notably cut in half in 2020, unlike any other student population in the country. In contrast, tertiary per-student expenditure kept increasing from 2015 onwards, with only a minor reduction in 2020. Secondary education in Indonesia shows similar signs of reduced investment in students. After a 25% increase for lower-secondary students in 2016, by 2019 this expenditure fell 37% from its 2016 level, and 21% below the 2015 figure. Upper secondary followed a similar trend, and halved from 2018 to 2019, prior to the impacts of COVID-19.

While not consistent over time, expenditures in pre-primary students are very noticeable. In Fiji, Indonesia and Thailand, it rivals the expenditures at higher levels, and Bhutan and China have also steadily increased it since 2015. In the case of Indonesia, pre-primary student investment has become nearly double that of primary.

Fiji and the Solomon Islands stand out in terms of their tertiary spending, which exceeds all their other per-student expenditures combined. In particular, the Solomon Islands shows an high distribution of per-student investment with an overtly generous allocation to tertiary in all years. University students received 13 times the funding of upper-secondary students and 30 times the funding of primary students. It is expected that each successive level carries a higher per-student cost; however, the immense disproportion of per-student expenditure in the light of very low enrolment numbers suggests a lack of planning, and weak regulation of policy.

A balanced picture would reveal a gradual increase in per-student expenditure with each level on average. China meets this ideal, demonstrating that each student receives a proportionately higher public investment with each succeeding level. The case of Mongolia shows similar features, although pre-primary education retains a greater priority than tertiary.

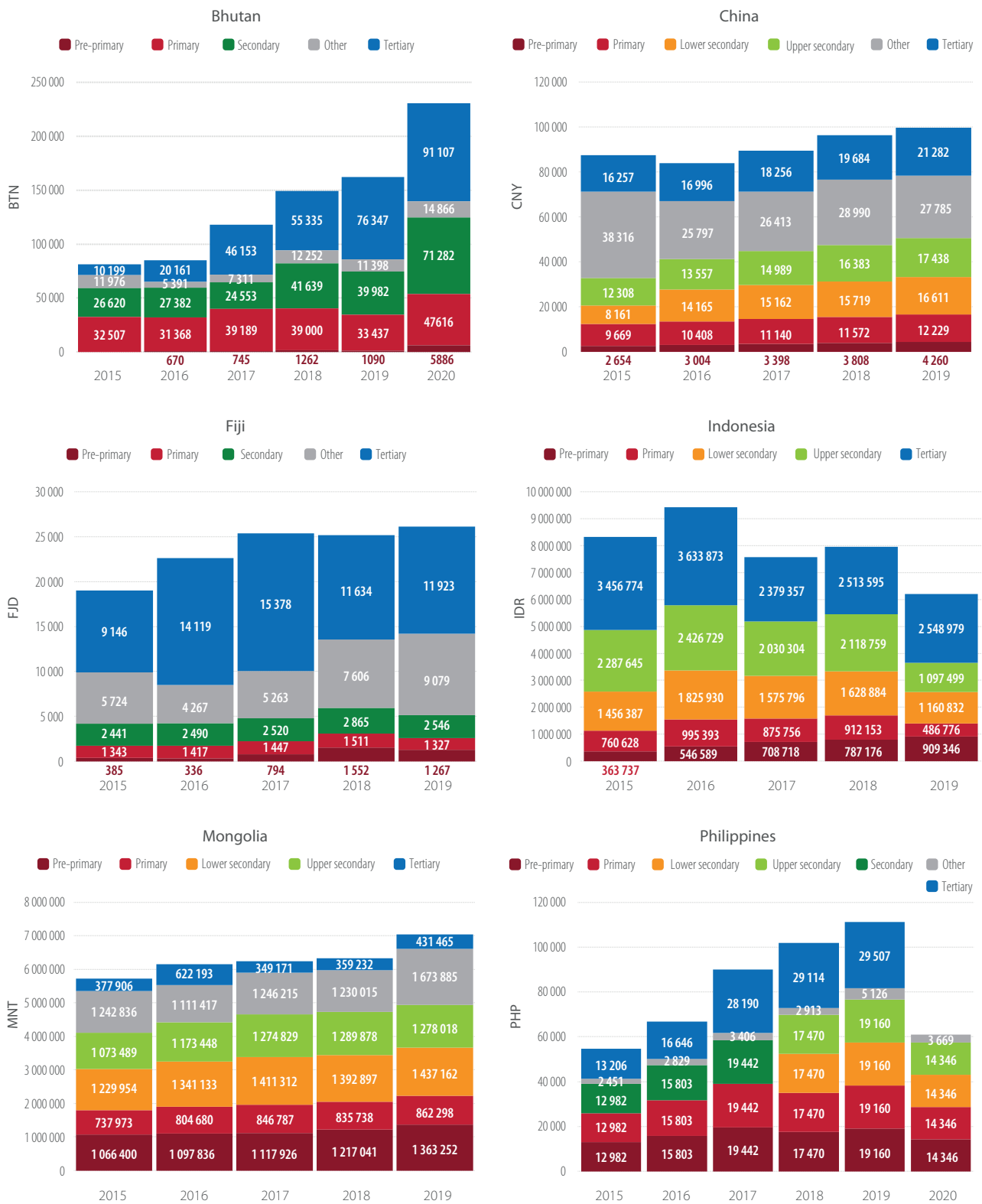
Other paths beyond traditional secondary education, in particular those leading to vocational qualifications, find comparatively high investment per student in China, Fiji, Mongolia, and Thailand. While the share of investment relative to GDP often underwhelms, the per-student expenditure indicates which countries place importance on alternative, non-academic learning pathways for young people. China spends 28.5% more on students in vocational and other education compared to their higher-education peers. Fiji spends an impressive 75% on vocational and other education programmes compared to its generous tertiary-student expenditures, and in Mongolia, the figure is almost four times the tertiary amount. Finally, Thailand is showing a large, more than threefold expansion in the per-student expenditure in these education streams, almost equalling its investments in higher education and exceeding combined secondary

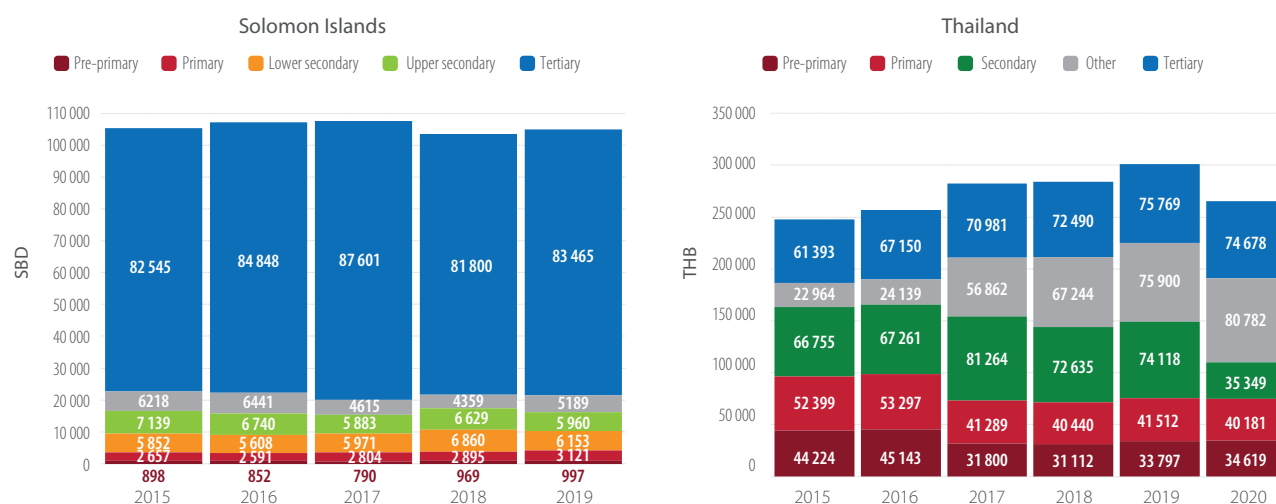
Philippines: Education Service Contracting and the Voucher Program for students in private education

The Department of Education has financed access to education through various programmes in private schools. For instance, Education Service Contracting is a partnership programme that provides financial support to students in order to decongest overcrowded public junior high schools. The excess capacities of certified private junior high schools are 'contracted' through slot allocations for students who would otherwise have gone to public schools. The Voucher Program provides financial support via subsidies to eligible students in private senior high schools, as well as public senior high schools not under the Department of Education. A related scheme is the Joint Delivery Voucher Program, which is specifically for technical, vocational and livelihood training in senior high schools.

Source: Department of Education (2021), Department of Education, Planning Service, Republic of the Philippines (2020), pp. 37 and 47. <https://peac.org.ph/educational-service-contracting-esc/> and <https://peac.org.ph/senior-high-school-voucher-program/>

Figure 18: National per-student expenditures by subsector





Note: For Bhutan, pre-primary education was not available in 2015, for Fiji secondary education was not available by lower and upper secondary, and for the Philippines tertiary education was not available for 2020.

Source: Ministry of Finance, Royal Government of Bhutan (2015–2020a, 2015–2020b), and Royal University of Bhutan (2018); China's Ministry of Education (2015–2020a) and National Bureau of Statistics (2015–2021, 2022); Ministry of Economy, Republic of Fiji (2015–2021); Indonesia's LKPP, Ministry of Finance (2021), and Ministry of Education and Culture (2020); Parliament of Mongolia (2015–2020) and National Statistics Office of Mongolia (2021); Department of Budget and Management, Republic of the Philippines (2021); MEHRD (2019 & n.d.) and Ministry of Finance and Treasury of the Solomon Islands (2017–2020); Thailand Government Spending (n.d.) and EEF (2021).

education.

2.5 Cost of education for households – What level is the least affordable?

National data comparison – households pay what the public don't

Household expenditures on education are based on surveys, demonstrating the value of household surveys in supplying data on progress toward SDG 4. Though efforts are put forth to make education free, households have always had to shoulder the cost for various kinds of necessities, such as supplementary learning materials, transportation, and uniforms in some cases. Data from 2019 and 2020, and Nepal from 2016, shows that public expenditure covers about 73% to 95% of educational costs, while the remainder is borne by households (see Figure 19).

In basic education, the primary education level tends to create the most cost for households in proportionate terms, although not in every country. This higher cost may be due to greater numbers of pupils, e.g. because some students do not proceed to the secondary levels which would lead to less or no cost over time for households compared to fully completing primary education. Particular attention should be paid to the fact that it is also commonly primary education which takes up the most public funding, yet it still often has a high household cost.

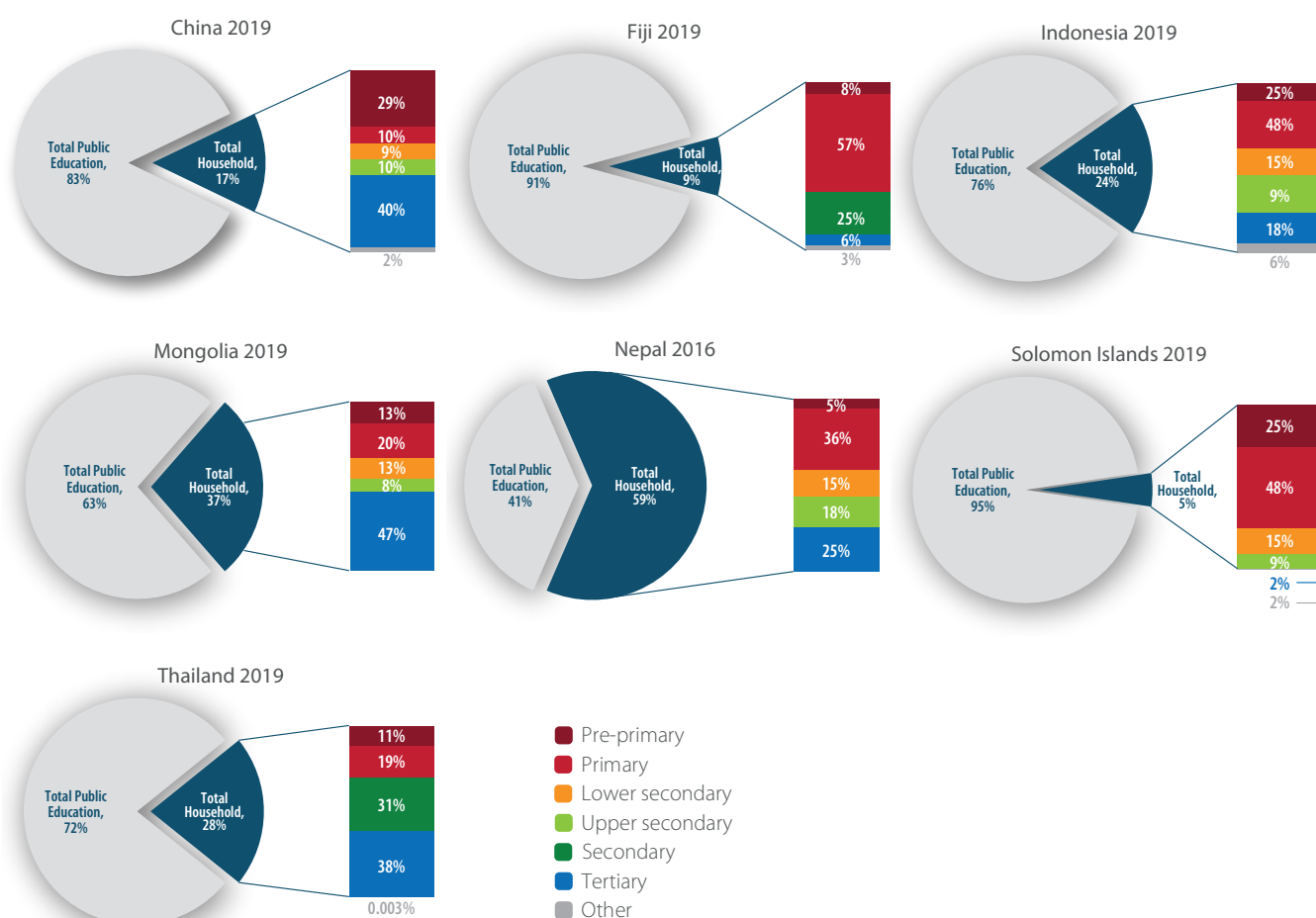
Tertiary education generally has the highest household cost, given that most of it requires private funding by the students, and it is not included in the compulsory education policy for any country. Also, the main funding goal of governments is first and foremost to make basic education free. However, the tertiary level is often the subsector which often receives more per-student funding from the government than secondary education and large investments in terms of GDP per capita. In Mongolia about half of all household expenditure on education goes to tertiary, although

nine in ten students there attend publicly funded universities.¹⁶ In Thailand, the government also allocates the greatest per-student expenditure to this level and yet it generates higher costs for households than any other level. Attending higher education represents a tremendous financial burden for underprivileged households.¹⁷ The tertiary sector appears to have cost inefficiencies for which neither household nor public funding are the solution; rather, it is necessary to take a closer look at the use of incoming funding at tertiary institutions.

Exceptions are Fiji and the Solomon Islands, as compared to their overtly high per-student public spending on tertiary education, household expenditures for this level are minor with 6% for Fiji and 2% for the Solomon Islands. In contrast, half the household’s expenditure goes to primary education alone in these countries.

Finally it is worthwhile to point out that although data on TVET and other post-secondary paths were not available for every country, these programmes place the lowest cost burden on households, which would underline that access to TVET is less likely to be thwarted by cost issues.

Figure 19: Household expenditures on education by subsector



Note: For Mongolia and Nepal there was no data available on post-secondary, TVET, NFE, or tertiary education.

Source: Ministry of Finance, Royal Government of Bhutan (2015–2020a, 2015–2020b), and Royal University of Bhutan (2018); China’s Ministry of Education (2015–2020a) and National Bureau of Statistics (2015–2021, 2022); Ministry of Economy, Republic of Fiji (2015–2021); Indonesia’s LKPP, Ministry of Finance (2021), and Ministry of Education and Culture (2020); Parliament of Mongolia (2015–2020) and National Statistics Office of Mongolia (2021); Nepal’s Ministry of Finance, Government Red Book (2015–2020) and UNESCO/IIEP (2016); Department of Budget and Management, Republic of the Philippines (2021); MEHRD (2019 & n.d.), and Ministry of Finance and Treasury of the Solomon Islands (2017–2020); Thailand: Ministry of Education Spending (n.d.) and EEF (2021).

¹⁶ Government of Mongolia, MOE/CS, 2020, *Towards Mongolia’s Long-Term Development Policy Vision 2050: Advancing education equity, efficiency and outcomes*. Ulaanbaatar. <https://www.globalpartnership.org/sites/default/files/document/nie/2020-12-17-towards-mongolia-long-term-development-policy-vision-2050-advancing-education-equity-efficiency-outcomes.pdf>

¹⁷ Punyasavatsut, C. et al. 2020. *Development of Thailand National Education Accounting Systems 2008–2019* [in Thai]. Paper submitted to the Equitable Education Fund.

Thailand: Public Expenditure Tracking Surveys monitor and evaluate the 15-year Free Education Program.

Thailand's Public Expenditure Tracking Surveys (PETS) is a multi-purpose study aims at monitoring whether public resources reach intended beneficiaries and identifying bottlenecks in service delivery, by tracking the flow of resources (financial and in-kind) through the various levels of the public administration down to schools and households. PETS seeks to assess the efficiency and equity of the Free Education Program (FEP) and pinpoint measures which can strengthen performance, accountability, and monitoring in education. The study focuses on the public-school component of the FEP provided through the Office of the Basic Education Commission (OBEC). PETS indicated several issues in the programme's implementation affecting its efficacy, e.g. insufficient resources to support the objectives, weak monitoring and accountability within the programme, inequalities across schools in terms of allocated resources, and inequitable and inefficient uses of subsidies. The findings from PETS have led to several improvements in the OBEC's financial management, such as introducing a poverty-targeting framework for budget allocations, applying the accounting system at the school level, and addressing the system's budget leakage. Also, PETS promotes greater transparency in the distribution of public resources at the school level, and among educational and regional communities, as it makes schools, public administration, and the government accountable to parents. The FEP is also offered to the private and vocational schools that are run by local government authorities. OBEC components serve about 80 per cent of eligible primary and secondary school students in Thailand.

Source: Office of the Basic Education Commission, Faculty of Economics at Thammasat University, and UNICEF Thailand (2017)

3. National finance

mechanisms and

regulatory procedures

– How does Asia-Pacific's
education financing work?

3. National finance mechanisms and regulatory procedures – How does Asia-Pacific’s education financing work?

This chapter presents an overview of the various mechanisms used to allocate funding in Asia-Pacific countries for different levels of education and types of expenditures and purposes. The chapter is meant to capture the range of approaches that countries take in directing and controlling funding for the education sector. It may serve as an orientation for policy-makers in other countries to help them adopt or shift toward more viable funding mechanisms. Indeed, the procedures outlined here provide insights into the regulatory administration required in different countries to control the creation and flow of educational budgets.

The following finance mechanisms and regulatory procedures were identified through case study research by national experts, available educational and/or financial reports and publications, and consultations with officials from the respective ministries and departments of education, including held by UNESCO Bangkok. The materials provided here are not exhaustive but serve as examples of the variety of funding modalities in the Asia-Pacific region, including block grants, earmarked funds, and formula-based financing, as well as a preliminary impression of which of these mechanisms are most commonly employed. Some of the countries’ mechanisms fit one or more of the categories depending on their purpose and arrangement.

3.1 Finance mechanisms – What are the favoured funding modalities?

Block grants – funds with broad but categorical use

Block grants are allocated to subnational authorities or schools with conditions prescribing the type of expenditure for which it must be used, such as recurrent or capital expenditure. As the prescribed use is typically broad, the receiving institutions have most discretion in the distribution of the grant within the required purpose.

China gives block grants to schools to incentivize the building and/or improvement of dormitory boarding facilities in remote areas, equalling CNY 200 per boarding student. Rural learners are also a concern of the Philippines, which uses block grants to support teachers working in remote locations, coupled with a formula-based mechanism determined by the size of the school. In Bhutan, block grants have been used as part of its 2019–2023 Master Plan to enhance its Information and Communications Technology (ICT) infrastructure, with an additional budget in 2014 to improve its general school infrastructure and services. For the purpose of school operations, Indonesia transfers block grants in accordance with the student capita and local economic capacities to local governments and schools directly under the School Operational Assistance Funds (*Bantuan Operasional Sekolah*, or BOS). About 50 per cent of the grant is earmarked for teacher salaries. In Fiji and the Solomon Islands, the central government passes down grants to the subsectors of primary, secondary, early childhood, and vocational education as well as to other relevant services to cover schools’ recurrent and capital costs. In Fiji, each grant also has an earmarked distribution for different elements, such as textbooks, operations, and infrastructure.

Earmarked funds – funds with specific instructions and regularity

Earmarked funding provides a mechanism for central authorities to impose restrictions on the distribution of budgets to lower-level authorities and educational institutions by specifying a purpose for which the grant must be used (e.g. teacher salaries).

Indonesia has allocated funding to scholarships for children and young people aged 6 to 21 from disadvantaged backgrounds under the Smart Indonesia Program. Funds are earmarked for a cash-card system to encourage these students to complete at least secondary education, including vocational options. Since 2020, the funding lasts for 6 to 12 months beyond the completion of education or until the commencement of employment. In a similar fashion, Bhutan sets aside funds to offer scholarships for upper secondary students to encourage them to complete all 12 years of basic education. Thailand established the Equitable Education Fund and the Conditional Cash Transfer programme, which also earmark subsidy support for students in need.

For tertiary education, most countries, such as China, Fiji, Indonesia, Mongolia, the Philippines, Thailand, and the Solomon Islands, earmark funding to help socio-economically disadvantaged students of varying groups to access university-level education by means of loans and scholarships. With the amendment of its Education Act in 2018, Nepal created a budget for early childhood and basic education scholarships for children with disabilities and those in financial need, while also ensuring that 50 per cent of the recipients are girls. China, Mongolia and the Philippines earmark budgets aimed at providing support for teachers. China aims to improve its teacher-training programmes as well as teachers' living standards, and Mongolia offers monetary supplements to attract and retain qualified teachers and non-teaching personnel in remote areas by means of scholarships. Mongolia also provides scholarships and loans to teachers-in-training to encourage them to relocate to remote areas. Earmarked funds in the Philippines are created to award grants to training institutions, industries and local government units to improve training-related activities for vocational education. Mongolia and Fiji also allocate funding to supplement their school-meal programmes, and Fiji earmarks funds to subsidize transportation and textbooks for students in primary and secondary education. Most recently, in 2020 and 2021, Thailand created a subsidy for the secondary and tertiary sectors to cushion the impact of the COVID-19 pandemic by providing students with financial aid to cover their tuition fees.

Grants for specific education institutions – funds for specific schools (e.g. special-needs education)

School-specific grants are the most restrictive in their purpose as they allow for little to no administrative discretion in their use. These grants consist of funds that lower-level authorities are required to use for recurrent expenditures in specific schools.

China and Fiji have implemented grant mechanisms that provide funds for special needs education, and China also allocates grants to schools in remote locations. Earmarked funds in the Philippines are distributed in the form of specific grants for public and private TVET institutions. The Philippines also has a grant that facilitates a voucher programme for students enrolled in private basic education institutions.

Formula-based funding – funds based on per-head criteria to allocate resources to schools and institutions

Formula-based funding involves a mathematical formula and distribution objectives to establish budget amounts which each targeted institution is entitled to. The variables that typically compose these formulas are student numbers by grade, numbers of students under specific socio-economic circumstances, the promotion of specific learning programmes, and schools with specific characteristics (e.g. remote schools, schools near marginalised populations).

Mongolia employs practices to benefit children with disabilities, children from ethnic and linguistic minorities, monastic boys, and children from poor families residing in poor peri-urban and remote areas. These include the application of per-capita indices for the first two groups and the provision of alternative pre-school education services for young children in rural areas.

Mongolia calculates a per-capita funding in its education system in accordance with enrolment numbers per school and region, and also assigns additional funds at three to four times the regular per-capita budget for students with disabilities and/or ethnic minorities. Thailand uses a per-employee formula to fund school personnel, and a per-student formula to fund operational costs in basic education (such as schoolbooks and teaching and learning materials). China allocates a tuition subsidy grant for special needs students in basic education, which amounts to CNY 6,000 per student.¹⁸ For tertiary education, China also applies a quota to subsidize students by calculating the annual average per-student cost and the available financial resources of the

provincial governments. For basic and pre-primary education, China applies a 'Two Ratios and Three Growths' formula encompassing variables of salary expenditures and per-student enrolment numbers and administrative operating costs (see subsection 3.2.2 for more details). Similarly, Indonesia applies a quota to allocate budgets taking into account student enrolment numbers, operating personnel, numbers of schools, and programme-specific objectives under local governments' administrative areas. In addition, Indonesia established a community-based fund that adds budgetary capacities to the local schools corresponding to the number of citizens living in the vicinity and contributing to the fund (equalization model). The Philippines likewise employs a formula to support its teacher funding in remote locations and in accordance with the size of the schools.

Lump sum transfers – funds with no specific instructions

Lump sum transfers are utilized to fund a broad purpose, but they typically have no prescribed instructions on their distribution, nor do they specify what fundable items fall under their remit. These transfers tend to have the greatest degree of administrative freedom as they leave sub-central authorities to determine the proportions that are allocated to educational expenditures.

In Nepal, under the Constitution, the central government must channel the funds for basic education to local governments for schools' operational costs in proportion with their numbers of students and teachers, and the requirements of their infrastructure maintenance and other services. In a similar fashion, the central government of Mongolia establishes funds based on student numbers and capacities in the regions to transfer lump sums for each subsector to the local governments for implementation according to schools' needs.

3.2 National regulatory procedures – How are they used in education budgeting?

3.2.1 Bhutan

Governance structure

Bhutan's **Twelfth Five-Year Plan 2018–2023** decentralized national education budgets, expenditures, plans and programmes by granting authority to the local governments.¹⁹ The local governments in turn oversee the delivery of

¹⁸ For comparison, on average the subsidy grant benchmarks are CNY 650 per student in primary education and CNY 850 per student in lower secondary across all regions of China.

¹⁹ GNHC. 2019. **Twelfth Five-Year Plan 2018-2023**. Thimphu: Bhutan. <https://www.gnhc.gov.bt/en/wp-content/uploads/2019/05/TWELVE-FIVE-YEAR-WEB-VERSION.pdf>

education in the districts (**dzongkhags**) and municipalities (**thromdes**) but still consult with the central government. For example, the local governments are responsible for the planning and budgeting of their respective early childhood development centres, primary and secondary schools, and centres for non-formal education and youth programmes.

The Ministry of Education (MoE) is responsible for planning provision from pre-primary to tertiary level in collaboration with the relevant ministries and agencies for the respective subsector. Where the subject matter is broad and cross-cutting, it offers technical and professional support services to education offices. In the areas where the local offices do not have the capacity to implement planned activities, such as construction work or professional development programmes for teachers, the MoE oversees the initiatives.

The MoE also administers tertiary education through its Department of Adult and Higher Education. The tertiary system is governed by the Tertiary Education Policy 2010, which established the Tertiary Education Board and Bhutan Accreditation Council.²⁰ The Ministry of Labour and Human Resources is the agency responsible for TVET and traditional Bhutanese arts and handicraft.

Statutory regulations

The MoE publishes its **Education Policy Guidelines and Instructions** to provide a single point of reference for all subnational authorities, including schools.²¹ The publication is meant to ensure that there are no gaps between policy and implementation.

In 2019, the **Constitution of the Kingdom of Bhutan** provided specific policy statements on education financing, stating that the country’s vision is to ‘ensure a sustainable education system and ensure equal access to quality and inclusive education through necessary provisions’.²² Article 15.1 of the Constitution specifies that the country should follow the international benchmark of the Education 2030 Agenda, but it goes beyond the Agenda’s targets, aiming for at least 7.1 per cent of the national GDP and 23 per cent of the national budget to be spent on education. Article 15.2 stipulates that innovative funding mechanisms shall be put in place to supplement public investment in tertiary education, including research and development activities.

The same article also says that a financial model to enable the effective and equitable distribution of resources to schools must consider an optimum and differential allocation of funding according to educational level, geographic location, the special needs of pupils, and the surrounding community’s socio-economic status. Finally, the Constitution specifies that the central monastic body of Bhutan shall ensure systematic planning and budgeting for monastic schools, colleges and programmes and report its educational data to the MoE periodically.

Education budgeting, timeline and reporting

Planning the budgets for the local governments takes place through consultative processes involving the district and municipal education offices, the Gross National Happiness Commission, the MoE, and the Ministry of Finance (MoF).

The agreed budget for the year is distributed monthly using the MoF’s central financial database Multi-Year Rolling Budget and request forms that are submitted to the MoF. This database is managed by trained financial personnel deputed by the MoF. The budget release is requested by the implementing agency (ministry or department) via its designated finance officer who in turn reports into the MoF’s database. The focal person from the MoF sanctions the

20 Department of Adult and Higher Education, MoE. 2018. *State of Tertiary Education in Bhutan*. Thimphu: Bhutan. http://www.dahe.gov.bt/images/pdf/HEPD/State-of-tertiary-education_2018.pdf

21 Latest available version translated into English: Policy and Planning Division, MoE. 2020. *34th Education Policy Guidelines and Instructions*. https://planipolis.iiep.unesco.org/sites/default/files/ressources/bhutan_34th-education-policy-guidelines-and-instructions-2020.pdf

22 Royal Government of Bhutan. 2019. *National Education Policy*. Thimphu: Bhutan. https://planipolis.iiep.unesco.org/sites/default/files/ressources/bhutan_national_education_policy_2019_draft.pdf

approval or rejection of the requested budget, and then the finance officer communicates this to the implementing agency. Since the school budgets are administered by the districts, their budgeting and release is done at the District Education Office, which oversees the development of the education delivery as well as infrastructure development (recurrent and capital costs). Similarly, expenditures are updated on the centralized Public Expenditure Management System maintained by the MoF.

The annual education budgets for the subsectors and local governments are linked to the Twelfth Five-Year Plan and the Annual Performance Agreement signed by the Prime Minister's Office and respective agencies. The implementation of the Annual Performance Agreement is monitored on a quarterly basis by the Performance Management Division under the Prime Minister's Office. The Royal Audit Authority, which is an independent body, conducts annual audits of the logistical and financial processes of the implementing agencies.

3.2.2 China

Governance structure

China's education system is jointly managed by governments at all levels, who are responsible for allocating funds to different schools and institutions, and the central government has formulated national laws and regulations that local governments must abide by. Compulsory education (primary and lower secondary) and basic education (including all levels except tertiary) are mainly run by the fourth-level governments, also referred to as county-level governments.

Tertiary education is jointly governed by the central government and provincial governments. Some tertiary institutions are directly subordinated to the MoE, and others are managed by provincial governments. The MoE, together with relevant parties, formulates tertiary institutions' enrolment plans and school construction and operating standards, reviews their procedures, and governs their infrastructure management, safety and logistics.

China's MoE also collects and analyses statistics on basic education; participates in the formulation of the National Education Development Plan; and undertakes the overall planning, comprehensive coordination and macro-level governance of private education.

In terms of financing, the MoE gathers and evaluates data on the investment of national education funds and supports the creation of guidelines and policies for raising and allocating funds, and providing financial assistance to students. The MoE is also responsible for the state-owned assets as well as the accounting and internal auditing of tertiary institutions and units that are subordinated to the central government. Finally, the Ministry participates in the governance of funds belonging to the 'Compulsory Education Fund Guarantee Mechanism' and the establishment of educational loans by international financial organizations.

Statutory regulations

In May 2001, China's government issued the State Council Bulletin [2001] No. 21: **Decision on the Reform and Development of Basic Education**.²³ One of the principal aims of this reform is to financially prioritize the management of basic education in all regions of the country, especially rural areas. December 2005, saw the release of State Council Bulletin [2005] No. 43: **Notice on Deepening the Reform of the Rural Compulsory Education Fund Guarantee Mechanism**,²⁴ which shifted the financial responsibility for compulsory education from fifth-level governments (referred to as township governments) to fourth-level (county) governments under the supervision of the State Council.

23 State Council Bulletin [2001] No. 21. 2001. http://www.gov.cn/gongbao/content/2001/content_60920.htm

24 State Council Bulletin [2005] No. 43. 2005. http://www.gov.cn/gongbao/content/2006/content_185157.htm

Nearly 14 years later, the State Council Office published Bulletin [2019] No. 27: **Notice on the Reform Plan for the Division of Financial Authority and Expenditure Responsibilities between the Central and Local Governments in the Field of Education**. This enhanced the earlier two bulletins by further defining the authorities' roles in relation to funds for compulsory education. The **Plan** pays special attention to (1) the living allowance for students with financial difficulties, (2) the safety of school buildings, (3) the meal allowance for students in economically disadvantaged areas, (4) the funds for phased and special tasks, and (5) the salary policy for teachers. In general, the central government has further strengthened its responsibility for spending on compulsory education and the availability of the required funds. Thus, all levels of government are responsible for ensuring that rural areas receive funds for children in basic education.²⁵

Education budgeting

In the late 1990s, China proposed the 'Two Ratios' and 'Three Growths' as key indices for monitoring national education financing to ensure adequacy, equity and efficiency.²⁶ The Two Ratios are (1) the ratio of public education funds (referred to as the National Fiscal Education Fund) to GDP; and (2) the ratio of education funds to the total budgetary fiscal expenditure. The Three Growths are stipulations that (1) the growth of fiscal allocations to education at all levels of government should be higher than the growth of regular fiscal income; (2) per-student expenditure should be steadily increased; and (3) teachers' salaries and per-student recurrent expenditure should grow gradually.

China's National Fiscal Education Fund consists of the following key components: (1) general public budgetary funds; (2) government foundation funds; (3) state-owned and state-controlled enterprises' educational investments; (4) revenues from school-owned enterprises or services; and (5) other national education funds. Amongst these five components, the first is the largest part, and usually accounts for 86 to 88 per cent of the total. The budgeting of pre-primary, compulsory and upper-secondary education, including vocational, follows the principle that local governments are the key bodies responsible for educational expenditure, and the central government provides financial support in specific areas where it is needed through awards, subsidies, and earmarked grants. For instance, the central government provides funds for nutritious meals to schools in poorer areas of the country, and allocates support through General Transfer Payments to help authorities in disadvantaged regions pay their teachers' salaries.

To consolidate vocational education, the central government facilitates the provision of vocational teachers, the improvement of professional service ability, plans for the construction of National Model of Vocational Colleges, and financial policies to support rural families in need.

The funding mechanism for tertiary institutions in China is a dual system commonly referred to as 'Comprehensive Quota (CQ) + Earmarked Grants (EGs)'. The CQ is used to verify the funding needs according to the average cost of training each student and the number of students in institutions in a given year. First established in 1986, the CQ's key intention is to encourage tertiary institutions to cultivate more qualified personnel. The EGs are subsidies that take into consideration the tertiary institutions' particular needs. The central government and provincial governments set up special funds for an Annual Plan and a Five-Year Plan. Tertiary institutions may apply for the EGs allocated in these budgets via a project-based system and conduct consultations with the governments. The governments' respective education departments then review and approve the appropriation accordingly.²⁷

25 State Council Office Bulletin [2019] No. 27. http://www.gov.cn/zhengce/content/2019-06/03/content_5397093.htm

26 Ji Guihua. 1990. Implementing the 'Comprehensive Quota' and strengthening financial management. *Journal of Yancheng Teachers College* (Social Science Edition), pp. 113–114.

27 Ministry of Finance and Ministry of Education. 2012. The Finance Regulations of Colleges and Universities (1st amendment). http://www.moe.gov.cn/jyb_xxgk/moe_1777/moe_1779/201308/t20130806_155260.html

Budget reporting

In accordance with the provisions of the Statistical Law of the People's Republic of China, the country has established a comprehensive education monitoring system to track the sources and usages of national education funds, the progress of budget implementation, and evaluate the compliance with policy guidelines at all levels of government. This provision helps to strengthen the management of the spending, providing an important basis for the development plans and fiscal policies of central or local authorities.^{28 29}

China's **Educational Funds Statistical Survey** generates annual and quarterly reports, which include basic information on all levels and types of schools or units,³⁰ arrangements of public budgets and their implementation, and the education funds' income, expenditure, capital, resources, fees and liabilities. The reports also cover general details about each county, prefecture and province along with the income and expenditure of scientific research funds in tertiary education.

At the beginning of each year, the education and finance departments at all levels of government in all provinces ask schools and relevant educational institutions to fill in the **Basic Level Statement of Education Fund Statistics** using report forms created by the MoE, MoF, and National Bureau of Statistics (NBoS). The data are collected by township, county, prefecture, and province. The provincial governments then collate the data to form the annual provincial-level statistics. These are subsequently reported to the MoE so that they can prepare the annual national statistics. The MoE analyses and verifies the data and carries out random sampling tests on the provincial statistics. On this basis, the national statistics are examined and validated by the NBoS and MoF before the final official release.

The efficiency of the funds' utilization by schools and administrative units is monitored by a comprehensive system, which consists of four parts: (1) the **Education Fiscal Budget System** formed in accordance with the **Financial Regulation of Primary and Secondary Schools** and **Financial Regulation of Tertiary Institutions** promulgated by the MoF; (2) the 4 per cent indicator used as an external reference, which requires that the National Fiscal Education Funds shall be higher than 4 per cent of annual GDP; (3) the Two Ratios and Three Growths mechanism as stated above; and (4) the per-student 'public-use fund' allocation system, which ensures that educational institutions of all types can function.

3.2.3 Fiji

Governance structure

Fiji's Ministry of Education, Heritage and Arts (MEHA) is the government authority responsible for pre-primary, primary, secondary, and special needs schools, while the Fiji High Education Commission (FHEC) oversees the tertiary level and other routes such as TVET. The University of the South Pacific covers 12 islands with its main campus being in the Fijian city of Laucala, registered under the FHEC but governed and funded by separate regional arrangements.³¹

Statutory regulations and exemplary financing directives

Under the Financial Management Act 2004, the state must follow certain regulations when managing and reporting its financial affairs.³² For instance, any capital projects under the Public Sector Investment Programme have to be endorsed by the Budget and Aid Coordinating Committee.

28 National People's Congress. 2009. Statistical Law of the People's Republic of China (2nd amendment) [in Chinese]. 27 June. http://www.gov.cn/fifg/2009-06/27/content_1351870.htm

29 National Bureau of Statistics of the People's Republic of China. 2018. National Statistical Investigation System of Education Funds [in Chinese]. September 5. http://www.stats.gov.cn/tjfw/bmdcxmsp/bmzd/201809/t20180905_1621096.html

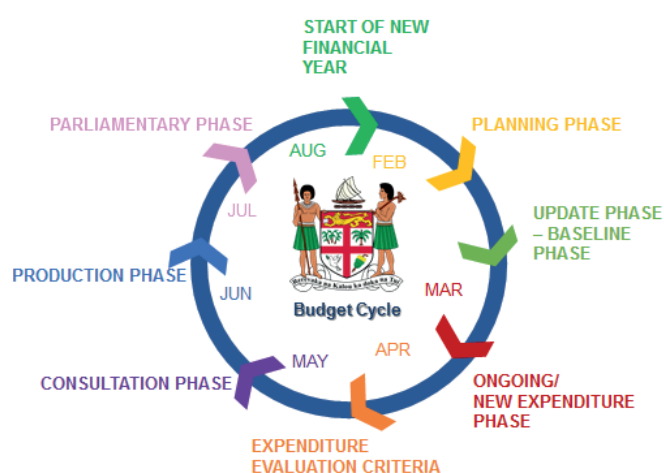
30 Ibid.

31 The university covers the Cook Islands, Fiji, the Marshall Islands, Nauru, Niue, Samoa, the Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.

32 For more details on the Financial Management Act 2004, see: <https://www.laws.gov.fj/Acts/DisplayAct/962>

A **Grant Agreement** between school principals and the MEHA was put in place to monitor the distribution of the **Free Education Grant** (FEG), which is targeted at students in pre-primary, primary and secondary education. The agreement states the conditions required to use the grant and the responsibilities of each party. Since 2014, the FEGs have been given to schools directly according to the number of students enrolled per school. These grants cover slightly different costs for each subsector, but typically fund administration, building maintenance, digital resources, libraries, textbooks, physical education equipment, teaching and learning materials, health and nutrition support, transportation assistance, and graduation expenses.

Figure 20: Fiji’s parliament budget cycle



Source: Ministry of Economy, Republic of Fiji (2020)

Early childhood care and education centres also receive building grants to renovate and upgrade their infrastructures. Moreover, there is a milk programme for first-year primary learners, covering around 736 schools.

Budgeting and reporting timeline

The Permanent Secretary who has direct authority over the MEHA, structures the budget submission according to the cycle shown in Figure 20. The fiscal year starts on the 1st of August each year and ends on the 31st of July. In February during the planning phase, the internal financial performance is reviewed and the preparation of the new budget commences. The budget is released in September after being approved by the Parliament.

Upon approval by the Parliament, the Ministry of Economy distributes the yearly budget allocated to the MEHA and the FHEC as well as the other government ministries or agencies for their operational needs and capital projects.

The MEHA and FHEC each established a Budget Focus Group responsible for educational policy planning. The groups’ members are senior management officials who prepare a budget in accordance with cycle in Figure 20 that specifies recurrent and capital expenditure, and includes clear links to the policy objectives of the National Development Plan.

Each year in July, the national budget is announced in Parliament by the Ministry of Economy. The budget allocated to the MEHA is determined from the previous year’s expenditure, enrolment numbers, and teachers’ availability.

With regard to expenditure reporting, by the 31st of March each fiscal year, schools’ financial statements are audited and submitted to the MEHA with records of their general meetings and bank account transactions. This applies to pre-primary, primary, secondary and TVET institutions. Their expenditures are then recorded in the Fiji Education Management Information System and they are encouraged to monitor their budget balance on the system every month. Each school’s Annual Financial Report is prepared in adherence with the MEHA’s guidelines and presented and endorsed at its Annual General Meeting.

3.2.4 Indonesia

Governance structure

Education governance in Indonesia has undergone several rounds of restructuring. As of 2019, its Ministry of Education and Culture was responsible for all public and non-religious national education programmes from pre-primary to tertiary level. Prior to 2019, the Ministry of Research, Technology and Higher Education was responsible for tertiary education. In April 2021, these two ministries merged to form the Ministry of Education, Culture, Research, and Technology. Institutions for religious education, such as *madrasah* schools and Islamic colleges, are governed by the country's Ministry of Religious Affairs.

Indonesia has a decentralized system where its local governments oversee the day-to-day budget allocations for each level of education. The local district governments manage primary and lower-secondary education funds, whereas the provincial governments take care of upper-secondary, vocational and non-formal education.

Statutory regulations

The financing of education in Indonesia is regulated by the 1945 Constitution and the Law on Regional Government (23/2014) which mandate that central and regional governments must devote at least 20 per cent of their budgets to education.³³

In 2003, the Act of the Republic of Indonesia on the National Education System No. 20/2003 outlined that the national and local governments have to ensure the availability of funds for the implementation of education for every child aged 7 to 15. Students from economically disadvantaged families are entitled to receive a scholarship from the government to support their education. Two years later, the Law on Teachers and Lecturers No. 14/2005 stipulated that the central and local governments are to provide a budget for increasing access to academic qualifications and certifications for teachers.

Passed more recently in 2021, Act No. 6/2021 Regulation on Technical Instructions for Management of Funds for Regular School Operational Assistance (BOS funds) sets out the financial reporting system for educational institutions. The system is decentralized so that schools are advised to develop planning and budgeting procedures to report how they allocate the BOS funds each fiscal year.

Education budgeting

Indonesia uses a national financing system of allocations and contributions, following the flat grant model and equalization model. The flat grant model has a distribution system where the districts receive funds in direct proportion to their population, calculated from a per-student unit cost. The equalization model is based on the community's ability to pay for education. Each region receives a different amount of funds per year depending on its level of wealth. These two models are combined so that there is a proportional distribution of BOS funds to each district and city with a special allocation for underprivileged people in the form of Smart Indonesia Cards.

To this budget are added household and community contributions from e.g. school committees, *halal* businesses, and cooperatives. Educational institutions are authorized to collect these funds from the community and households for specific purposes, e.g. legal and development costs.

33 1945 Constitution of the Republic of Indonesia, unofficial English translation: https://www.parliament.go.th/ewtadmin/ewt/ac/ewt_dl_link.php?nid=123&filename=parsystem2

The contributory formation process is carried out before or at the beginning of the school year, when the school leadership together with the teachers' council produce the School Activity Plan and Budget (**Rencana Kegiatan dan Anggaran Sekolah**, or RKAS). The RKAS will later be submitted to the work unit that will carry out the review, supervision and guidance, namely the Technical Implementation Unit of the District Education Office. Then the RKAS is submitted to the committee of a partner school to get approval for the amount of tuition fees. After fulfilling these conditions, the RKAS is valid for operation.³⁴

In addition, there is the **Ta'awun** Fund,³⁵ which is an accumulation of expenditure from students, teachers, parents, school leaders and staff, and the community. This is a characteristic of the collection of funds used in **madrasah** (Islamic schools) under **Muhammadiyah**, a socioreligious non-governmental organization. The management of the **Ta'awun** Fund is reported to the Board of Basic Education and Secondary Education (**Dikdasmen**) of the **Muhammadiyah** Regional Leaders at the end of each academic year.³⁶

Up until September 2021, the National Education Standards Agency was the body that monitored and evaluated the capital and recurrent funds. The agency ensured that per-student, per-employee, per-school and per-programme cost indices were used for budget allocation in all provinces, districts and cities. These costs include non-personnel recurrent expenditure for stationery, minor maintenance and repair, utilities, transportation and official travel, test fees, insurance, industrial internships, and coaching for students' extracurricular activities.

National budget transfer system

The central government provides specific financial transfer systems to allocate the budget. In total there are four such systems: (a) General Transfer Funds, (b) Special Transfer Funds, (c) Regional Incentive Funds, and (d) Special Autonomy Funds. The Regional Incentive Funds and Special Autonomy Funds are specifically for the education sector.

Within the Special Transfer Funds, there are two fund systems, the Physical and Non-Physical Education Sector Special Allocation Funds, referred to collectively as **Dana Alokasi Khusus**, or DAK. The Physical DAK aims to accelerate the provision of public infrastructure and facilities by constructing and renovating classrooms. The Non-Physical DAK includes the BOS and BOP PAUD funds (Early Childhood Operational Assistance Fund), financing to promote equality in education, the professional allowance and additional income for regional civil servant teachers, and funds for museums, cultural resources, and capacity-building for cooperatives.

Expenditure reporting

The MoF compiles annual financial reports on education under the **Financial Note Book** and **State Budget**. The **State Budget** includes budget realization, consideration, results and projections for the following fiscal year which is reported to the House of Representatives at its Plenary Session.³⁷ The **Financial Note Book** includes the financial allocation for each ministry.

Schools are to report banking, spending and tax records that are signed by their treasurers, principals and committees, and submitted for approval to the regional governments. Then each regional government compiles the collected reports into its own **Regional Government Financial Report** to submit to the Audit Board of the Republic of Indonesia.

34 Arwildayanto, Lamatenggo N., and Sumar, W. T. 2017. *Manajemen Keuangan dan Pembiayaan Pendidikan*. Bandung, Widya Padjadjaran, p. 38

35 **Ta'awun** itself is one of the basic teachings and morals of Islam which means helping and giving according to one's abilities. For more information, see: Mu'ti. 2018. *Apa Itu Ta'awun?* <https://republika.co.id/berita/pif50z440/apa-itu-taawun>

36 Musthafa, Luqman Al-Hakim. 2017. *Model Pembiayaan Pendidikan Madrasah Aliyah Swasta* (Studi di Madrasah Aliyah Mu'allimin Mu'allimat Muhammadiyah Garut). *Journal of Islamic Education*, II (2), pp. 221–248.

37 A meeting between Parliament, the House of Representatives and the Consultative Assembly

The Audit Board evaluates all financial reports coming from local, provincial, district and city governments, and then issues a **Summary of Semester Audit Results** twice a year. This summary provides a review of the financial statements and the internal systems controlling the use of the education funds, paying particular attention to BOS and Higher Education Affirmation Scholarship allocations, as well as providing recommendations for improvement.

3.2.5 Mongolia

Governance structure

Mongolia has a centralized administrative system which oversees the planning and management of the local education departments responsible for each province (also called **Aimag**), city, and district.³⁸ The Ministry of Education and Science (MoES) as well as the provincial and capital city governments are the authorities which administer and regulate the education budget and report to the MoF.

The MoES establishes a budget agreement with the Education Loan Fund for the tertiary level, and manages the budgets for a small number of special schools, music and dance colleges, and middle and high schools with international curricula. The budget agreement for TVET is organized by the Ministry of Labour and Social Protection.

Statutory regulations

The Budget Law of Mongolia (effective since January 2013) and the Education Law of Mongolia (2002) are the two main pieces of legislation which dictate and regulate the financial procedures for the country's education system.

The Budget Law is approved by the Parliament and represents the principal legal act that dictates any state spending, accounting, reporting, and auditing. Budget provisions and expenditure limitations are approved annually for each ministerial sector, including education. They distinguish recurrent and capital costs and may encompass earmarked funds. For example, Articles 8.8 and 8.9 of the Budget Law provide a detailed calendar for the submission of monthly, quarterly, semi-annual, and annual budget execution reports by the local and central authorities.³⁹

The government's treasury accounts are used to distribute the education budget. Earmarked funds for pre-primary, primary and secondary education come directly from the MoES and the provincial and capital city governments, whereas the funds for higher education and TVET are from the Education Loan Fund in agreement with the MoES.

Exemplary financing directives

To direct financing procedures at the different levels of government, the Education Law (Article 40) stipulates fixed costs for public schools, kindergartens, and boarding facilities to be funded by local government budgets. Meanwhile, the state budget funds accommodation for students in TVET, lunches at schools for special education and partly in kindergartens,⁴⁰ and the per-capita variable costs for students both in public and private kindergartens and schools.⁴¹

38 The capital city, Ulaanbaatar, is divided into seven central districts and two remote districts, making nine in total.

39 Parliament of Mongolia. 2011. *Budget Law of Mongolia* [in Mongolian]. Ulaanbaatar. <https://www.legalinfo.mn/law/details/12254> [An English translation, which may not address amendments, is available at: <http://www.iltod.gov.mn/?p=2403>]

40 In 2016, amendments were made to the Education Law and Preschool Education Law requiring parents to contribute to the cost of meals in kindergartens.

41 Parliament of Mongolia. 2002. *Education Law of Mongolia*. Ulaanbaatar. <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/71503/105360/F-1157543910/MNG71503%20Eng.pdf>

The state budget further subsidizes a school meal programme for primary students in public and private schools. This programme was initiated in 2006 for first- and second-graders only, but since the Government Resolution of 2016 has been included in the draft amendment of the Education Law and now covers learners up to fifth grade.⁴²

Separate from basic education, the Law on Higher Education Financing and Students’ Social Security regulates the provision of scholarships, soft loans and other means of financial support to higher education students.⁴³

Education budget composition

As per Article 40 of the Education Law, each year the central government renews funding based on the costs of goods and services for one student in pre-primary, primary, secondary and vocational education.⁴⁴ This considers average per-capita variable costs, their components, and the number of students attending schools in rural **soums**,⁴⁵ villages,⁴⁶ and **baghs**⁴⁷ differentiated by size, location, and type of school.⁴⁸

The annual education budget is created by applying a programme-based mechanism where primary, lower secondary, and upper secondary are considered as one general education programme. It is therefore challenging to distinguish allocations by levels. A comparison of the costs of public schools as well as public and private kindergartens is provided in Table 2.

Table 2: Costs for public schools and public and private kindergartens in Mongolia

Location	Total variable costs (in million MNT)				
	Level of school	Primary	Lower secondary	Upper secondary	Kindergarten
Soums (other than provincial areas)	Grades 1 to 5	683.1	-	-	998.2
	Grades 1 to 9	364.9	555.9	-	
	Grades 1 to 12	334.6	477.5	501.7	
Provinces, outskirts and remote districts, and some areas of the capital city	Basic education	315.4	449.8	458.4	812.3
Capital	Basic education	286.9	407.3	427.8	807.8

Source: Government of Mongolia (2016), Annex 2 and 3

42 Government of Mongolia. 2016. *Joint order No.379/341 by Education, Culture, and Science Minister and Health Minister to approve Guidelines for the Implementation of a School Snack Program* [in Mongolian]. Ulaanbaatar. <https://www.legalinfo.mn/annex/details/7465?lawid=12260>

43 Parliament of Mongolia. 2011. *Law on Higher Education Financing and Students’ Social Security* [in Mongolian]. Ulaanbaatar. <https://www.legalinfo.mn/law/details/250>

44 Parliament of Mongolia. 2002. *Education Law of Mongolia*. Ulaanbaatar. <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/71503/105360/F-1157543910/MNG71503%20Eng.pdf>

45 A **soum** is the second-smallest administrative unit within a province. There are 330 **soums** in 21 provinces in Mongolia.

46 A village is an administrative unit within a **soum** or district that has a population of 500 to 15,000 and is specialized in one of the following areas: agriculture, industry, trade, tourism, recreation, transportation, or sanatorium care. There are nine of these villages in Mongolia, and a different per-pupil variable cost index is applied to each one.

47 A **bagh** is the smallest administrative unit within a province.

48 Government of Mongolia. 2016. *Resolution No. 242 on approval of per-capita funding instructions for average variable cost normative amounts* [in Mongolian]. Ulaanbaatar. <https://www.legalinfo.mn/law/details/11937>

The Local Development Fund (LDF) also provides a budget derived from taxed mineral royalties.⁴⁹ The LDF is administered and spent at the discretion of each province, *soum* and district as well as the capital city. In some jurisdictions, especially those with mineral deposits, there are practices to financially support schools and kindergartens through the LDF; however this expenditure is not systematically reported within the overall education spending.

Budgeting timeline

The MoES, in agreement with authorities in the provinces and capital city, implement the government's education finance provisions within 14 working days after the approval of the state budget. Then, 14 days after their own budgets are approved, the provincial and capital city authorities arrange subsequent agreements with *soum* and district authorities. The heads of pre-primary and compulsory-level schools conclude output agreements with upper-level budget authorities before the onset of the new fiscal year. These output agreements cover the activities to be implemented and their costs, expected outputs, and assessment indicators.

The Budget Law guides the MoES to submit the proposed education budget based on the Medium-Term Fiscal Framework Statement (approved by the Parliament by 1 June) to the MoF by 10 June. This is then approved by the government on 1 July, after which the provincial and city authorities consolidate their budget plans, incorporating the kindergarten and school directors' proposals, and submit them to the MoF by 15 August. Consequently, each authority prepares an annual budget within an approved ceiling after receiving consolidated budget proposals from its chain of command.⁵⁰

The consolidated proposal for the state budget is discussed by Parliament, who approves it by 15 November, and then the provincial and city budgets are prepared by 25 November. These are communicated to and approved by their respective Citizens' Representative *Khural* (local assembly) by 5 December. *Soum* and district authorities submit their annual budget proposals to their *Khural* by 10 December, for approval by 20 December. Following this process, the provincial and city governments submit the budgets they receive from the local governments back to the MoF by 31 December.

Article 8.6 of the Budget Law further stipulates that the MoES and provincial and capital city governments should submit their monthly and quarterly budget schedules to the MoF by 25 December.⁵¹ After collating all the proposals and schedules, the MoF finalizes the national education budget so that it is ready to use by the first day of the new fiscal year.

Budget reporting⁵²

As per the Budget Law, the MoF is to submit the unified budget execution report and the government's consolidated financial statement to the central auditing body by 10 May. The MoF also conducts audits of the unified report, the government's debt, and the consolidated financial statement and submits its findings to Parliament. To finish, Parliament discusses the unified report in its spring session and endorses the budget execution. The Budget Law (Article 8) also provides a detailed calendar for submission of monthly, quarterly, semi-annual, and annual budget execution reports by the local authorities.

49 Mineral royalties in Mongolia include taxes paid by mining companies on the exploration of mineral resources including gold, copper, molybdenum, iron, and coal.

50 From lower- to upper-level authority, the chain is: (i) kindergarten directors and school principals, (ii) *soum* or district governments, (iii) provincial and capital city governments, and (iv) Ministries and Parliament.

51 Parliament of Mongolia. 2011. *Budget Law of Mongolia* [in Mongolian]. Ulaanbaatar. <https://www.legalinfo.mn/law/details/12254> [English translation, may not address amendments: <http://www.iltod.gov.mn/?p=2403>]

52 Parliament of Mongolia. 2011. *Budget Law of Mongolia* [in Mongolian]. Ulaanbaatar. <https://www.legalinfo.mn/law/details/12254> [English translation, may not address amendments: <http://www.iltod.gov.mn/?p=2403>]

Kindergarten directors and school principals submit annual budget execution reports and financial statements by 25 January of the following year for the State audit bodies. Then, the returned audited financial statements are submitted to soum/district authorities by 25 February. Soum/district governments’ annual budget execution reports and financial statements are submitted to state audit by 5 March, upon return the audited reports are then submitted to the provincial/capital city authorities by 25 March. Provincial and city authorities submit budget execution reports and financial statements by 1 April to state audit, after return the audited financial statements are submitted by 20 April to the MoF. Lower and upper-level governments record all transaction of funds in the integrated financial system administered by the MoF following specific budget classification categories such as programmes or activities.

The MoES carries out an internal audit of agreements on the implementation of the functions delegated to local governments and submits its assessment report to the national government. It provides a consolidated assessment of these functions to rank their performance on a semi-annual and annual basis. However, it should be noted that the remit of the MoES does not include monitoring or reporting on budget execution or carrying out analyses to inform future budget planning. The MoES can only intervene in the budget processes of local or central education entities in case of receivables and liabilities incurred by proposing amendments to the state budget.

3.2.6 Nepal

Governance structure

Nepal’s central government establishes legislation for pre-primary to tertiary and non-formal education under the Nepal Law Commission. The Ministry of Education, Science and Technology (MoEST) is responsible for the administration of pre-primary to tertiary education including TVET, and serves as the executive agency for the **School Sector Development Plan 2016–2023 (SSDP)**.

The **SSDP** is a seven-year strategic plan to increase the participation of all children in quality school education. It focuses on strategic interventions and new reform initiatives to improve equitable access, quality, and efficiency, and bolster the governance, management and resilience of the Nepali education system. One of the SSDP’s objectives is to have sufficient and predictable budgets allocated nationally to implement its priorities. The SSDP covers financial implementation for all levels of education, but its funds do not cover all public institutions. Rather, its funds are decentralized and transferred to local governments under the same ‘conditional grants’ provided by the central government’s budget.⁵³

The MoEST, MoF and National Planning Commission prepare the educational budget in accordance with the **Medium-Term Expenditure Framework and National Envelop**. The framework is a three-year plan for public expenditure and a transparent budgeting tool to determine the available resources and help match top-down and bottom-up resources in line with government priorities.⁵⁴

Statutory regulations

The **2015 Constitution of Nepal** states under Article 31 that compulsory basic education covering one year in pre-primary, primary and lower-secondary education is free for all citizens,⁵⁵ including those with specific needs. For instance,

53 Kushiya, B. K. 2021. A Country Case Study (Nepal): Education Finance and Cost Management in School Education, report submitted to UNESCO Bangkok [not publicly available].

54 For more information [in Nepali], see: https://npc.gov.np/en/category/medium_term_expenditure_framework

55 Nepal Law Commission. 2021. Existing Law - **Constitution, Statutes/Acts, Ordinance, Formation Orders, Rules and Regulations, Policies**. <https://www.lawcommission.gov.np/en/>

Article 31 (5) stipulates that education in a remote community shall be provided in the community's dialect, and Article 31 (4) specifies that deaf and hard-of-hearing children shall have access to sign language and visually impaired learners should have Braille books to support them. Moreover, Article 40 (2) specifically gives all **Dalit**⁵⁶ girls and boys the right to obtain an education, while Article 42 (1) provides a list of all minority groups in Nepal that also have this right (e.g. **Aadibasi Janajati** and **Madhesi**).

In 2017, the Local Government Operation Act 2074 paved a strong statutory foundation for institutionalizing the legislative, executive and quasi-judiciary practices of local governments. It shifts responsibilities to local governments and decentralizes governance and regulations, which has an impact on the education budgeting.⁵⁷ In 2018, the Education Act 1971 was amended to clarify what the education budget shall be spent on. For instance, the budget is to be used to fund teacher salaries, textbooks, scholarships for all lower-class children, and at least 50 per cent of the budget must be allocated for girls' education and children with disabilities.⁵⁸

Education budgeting and expenditure reporting

Nepal's system for financing education has three levels of governance: central, provincial and local. The budget planning has a bottom-up approach wherein the provincial and local governments request their funds from the central government at the time of budget preparation. The MoEST is responsible for distributing the agreed national education budget, referred to as 'conditional grants', to the provincial and local governments. After receiving the budget, these governments distribute the funds to the schools under their jurisdiction.

The provincial governments also distribute their budget to the local governments. Each government is free to allocate its budget to the institutions or schools under its jurisdiction and report the total amount under a 'spending authority letter' to the central government.

The conditional grants are monitored by the central and provincial governments, but the local governments are the main bodies responsible for overseeing the expenditure within the agreed budget. Auditing is organized by the schools at local level using registered external auditors to ensure that the education funds are effectively and efficiently used.

3.2.7 Philippines

Governance structure

The education system in the Philippines is administered by four government agencies covering all subsectors. Pre-primary, primary, secondary, and alternative programmes such as TVET are managed by the Department of Education. Early childhood care and education programmes for children aged 0 to 4 are administered by the department's Early Childhood Care and Development Council. Non-academic post-secondary provision is governed by the Technical Education and Skill Development Authority (TESDA) and tertiary education by the Commission on Higher Education (CHED).

Local government units are administrative authorities at the provincial, city, municipal and **barangay**⁵⁹ levels, which are responsible for the distribution of funds at subnational levels after receiving them from the four national education agencies. The Department of Budget and Management (DBM) oversees the spending and works alongside the Department of Education to support the administration and operation of the country's educational budget and expenditure.

⁵⁶ In Nepal, there is a strong social class system where the lower-class children are referred to as **Dalit** children and have fewer privileges.

⁵⁷ Local Government Operation Act 2074 [in Nepali] <https://www.chainpurmun.gov.np/en/content/local-government-operation-act-2074-0>

⁵⁸ Education Act 1971 <https://www.lawcommission.gov.np/en/archives/category/documents/prevaling-law/statutes-acts/education-act-2028-1971>

⁵⁹ Tagalog word for the lowest level of local government

Statutory regulations

There are five main statutes that govern education finance in the Philippines. First, the General Appropriations Act is an important piece of legislation that is passed each year by the government to define its annual expenditure and establish the Allotment Order Policy for programmes and projects in the national education sector. The Act separates educational costs into three categories: (1) Personal Services, i.e. salaries and other benefits; (2) Maintenance and Other Operating Expenses; and (3) Capital Outlays used for construction and equipment.⁶⁰

Second, the Republic Act No. 8545 from 1998, referred to as the Government Assistance to Students and Teachers in Private Education Act, sought to provide the mechanisms to improve quality in private education by maximizing the use of existing resources. Under section 3, this Act offers financial assistance based on sets of criteria such as the socio-economic circumstances of a region or province, and a private school’s overall performance, financial needs and size.⁶¹ Thirdly, the Republic Act No. 9184 from 2003, also known as the Government Procurement Reform Act, outlines the decentralized procedures for preparing the national education budget, which require proposals to go through multiple screenings before being approved by the country’s president and the heads of the procuring departments (such as the DBM).^{62 63}

Fourth, the Republic Act No. 10931 from 2017, referred to as the Universal Access to Quality Tertiary Education Act, states that the Philippines offers free tuition to tertiary students from economically disadvantaged families. This Act covers the tuition fees of both state and local universities and colleges as well as TVET, and further stipulates that funds will be distributed to students under a loan programme and added onto the budgets of the TESDA and CHED.⁶⁴ Lastly, in 2019, the Budget Reform Act changed the national budget structure to a cash-based format to enhance transparency and accountability. The annual cash-based system specifies a timeframe to ensure that the whole process, from budget proposals to delivery of funds, is completed within one fiscal year.⁶⁵

In addition, a ruling was set by the country’s Supreme Court to be implemented in January 2022. Referred to as the **Mandanas** ruling, it stipulates that the local government units will have a higher share (30 to 40%) of the national taxes collected each fiscal year. Out of this share, the municipalities will receive 34%, the provinces 23%, the cities also 23%, and the **barangays** 20%. Consequently, the local government units will have more funds for their education programmes than they did previously.⁶⁶

Education budgeting

The budget cycle of the national government begins in the preceding fiscal year, involving four phases: preparation, authorization, execution, and accountability. The execution phase begins with early procurement activities from August to December of the preceding year. Before the General Appropriations Act comes into effect, agencies may bid for their projects to allow the immediate awarding of approved projects as soon as the Act is passed. Then agencies submit their execution documents containing their financial plans and performance targets for the new fiscal year just before it starts. These plans are consolidated by the DBM into the budget programme, which breaks down the cash releases, including automatic appropriations for each month of the year.

60 General Appropriations Act FY2021 <https://www.dbm.gov.ph/index.php/budget-documents/2021/general-appropriations-act-fy-2021/general-appropriations-act-fy-2021-with-uacs-code>

61 Republic Act No. 8545 (1998). <https://www.officialgazette.gov.ph/1998/02/24/republic-act-no-8545/>

62 Republic Act No. 9184 (2003). <https://www.officialgazette.gov.ph/2003/01/10/republic-act-no-9184/>

63 Executive Order No. 109-A s.2003 (2003). <https://www.officialgazette.gov.ph/2003/09/18/executive-order-no-109-a-s-2003/>

64 Republic Act No. 10931 (2017). <https://www.officialgazette.gov.ph/downloads/2017/08aug/20170803-RA-10931-RRD.pdf>

65 Department of Budget and Management. 2019. **Budget Reform Act to modernize public budgeting in the Philippines**. <https://www.dbm.gov.ph/index.php/secretary-s-corner/press-releases/list-of-press-releases/945-budget-reform-act-to-modernize-public-budgeting-in-the-philippines>

66 Supreme Court Resolution. 2018. <https://sc.judiciary.gov.ph/3726/>

The DBM releases ‘notices of cash allocation’ to agencies to set their budget and expenditure plans, and issues cash and non-cash disbursements to allow agencies to execute their planned budgets.⁶⁷ Once the DBM has authorized the Department of Education to use their budget, the latter transfers specific amounts to regional offices and other implementing local units through the ‘sub-allotment release order’, which enables these units to set budgets for their programmes and activities.

During the budget cycle, some the final bid requests from local and national agencies may be delayed due to e.g. changes in specifications and/or a lack of capacity to process the bid. Thus, intended education programmes must sometimes be postponed, in which case budgets are returned to the national treasury.⁶⁸

Philippines: A significant source of education financing comes from local government units as the Special Education Fund

There are 81 provinces, 144 cities and 1,490 municipalities that pay into the Special Education Fund, accounting for an additional 1% Real Property Tax is charged to landowners for the sole purpose of spending on education in the locality. In 2018, this fund had a reported balance of 51 billion PHP, of which 63% came from cities, 21% from municipalities, and 16% from provinces. This fund provides much needed augmentation to the national-level contributions. However, these additional finances are not usually considered in the country’s education budget, and improvements are advised for their distribution to economically weaker provinces.

Source: Congressional Policy and Budget Research Department, House of Representatives, Congress of the Philippines (n.d.) and Technical Education and Skills Development Authority (2010)

Budget reporting

In 2013, the DBM’s Audit Commission released the **Joint Circular No. 2013-1** to prescribe guidelines on the submission of financial reports for all relevant national and local government agencies. It facilitates a harmonized reporting format as well as a timeframe per quarter to enable effective and transferable data entry into the Philippines’ Financial Management Information System.

The **Statement of Appropriations,⁶⁹ Allotments, Obligations,⁷⁰ Disbursements⁷¹ and Balances (SAAODB)** includes the authorized appropriations and adjustments; total allotments received including transfers, obligations, and disbursements; and the balances of unreleased appropriations, unobligated allotments and unpaid obligations of a department, office or agency by source and by allotment class. There is also a list that covers the corresponding numbers, date of issuance, and amounts of release by allotment class and funding source of the Agency Budget Matrix, and Special and Sub-Allotment Release Orders, which are issued by the DBM. The allotments for this list should be equal to the total appearing in the SAAODB.

67 The World Bank. 2020. *Philippines Basic Education Public Expenditure Review*. Washington, World Bank, p. 18. <https://openknowledge.worldbank.org/bitstream/handle/10986/34670/Philippines-Basic-Education-Public-Expenditure-Review.pdf>

68 Cuenca, J. S. 2019. *A Note on the 2019 President’s Budget*. No. 2019-04. Quezon City. <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1904.pdf>

69 Binding legislation requiring the government to provide funds

70 Commitment from government agencies to provide funds

71 Settlement, liquidation or obligation payment

The report entitled **Detailed Statement of Recurrent Obligations, Disbursements and Unpaid Obligations** includes the quarterly obligations incurred during the calendar year from all sources, presented by programme, activity, or project and stating the allotment class, sub-object of expenditures, and corresponding disbursements or payments as well as the obligations that remain unpaid at the end of the quarter.

There is also the **Summary of the Prior Year’s Obligations, Disbursements, and Unpaid Obligations** which is also presented by allotment class, and finally a document called the **Summary Report of Disbursements** that includes data from the notice of cash allocation, tax remittance advice, and cash disbursement ceiling (issued by departments with foreign-based agencies or units).

3.2.8 Solomon Islands

Governance structure

The Ministry of Education and Human Resources Development (MEHRD) is the governmental authority responsible for all levels of education in the Solomon Islands. Led by the Permanent Secretary, the MEHRD coordinates and supports the management and administration of services delivered through the provincial education offices under the guidelines of the Education Act.

This responsibility is shared with National and Subnational Education Boards. The MEHRD appoints members to be on the National Education Board, which represents the interests of the provincial authorities, teachers and private sector, and advises the MEHRD on matters concerning the operation and development of education policy and financing. Board members are appointed every three years and able to be reappointed for consecutive terms. They meet at least four times a year to discuss and cast votes on relevant questions about education, and then forward the minutes to the MEHRD. The Subnational Education Boards are appointed by the National Education Board to investigate local issues and provide recommendations.

In 2017, the National Parliament created the Solomon Islands Tertiary Education and Skills Authority, which is directed by the MEHRD. Its members are representatives from the Chamber of Commerce, private sector, tertiary education, and the MEHRD itself, and they each hold office for a minimum of two years. This authority liaises with the National Education Board to ensure coherence in the education system at the tertiary level and plays a key role in financial decision-making on scholarships, teachers’ salaries, and the provision of courses, facilities, and equipment.⁷²

Early childhood education is administered and managed by the local communities or religious establishments where the centres that provide it are located. Rural training centres offer TVET to people aged 18 and above, and are administered and managed by religious bodies and the private sector. Nonetheless, the MEHRD financially supports these vocational programmes by paying students’ grants and teachers’ salaries.

Statutory regulations

The Solomon Islands Education Bill 2021 (draft)⁷³ is a proposed amendment of the original 1978 Education Act. The Bill envisages education boards to be set up at the provincial and school levels, and defines the relationships between the central government, MEHRD, provincial governments and local education providers such as churches and other religious and non-governmental bodies.

72 For more details, see the 2017 Act that sets this out: <https://www.parliament.gov.sb/files/legislation/Acts/2017/Solomon%20Islands%20Tertiary%20Education%20and%20Skills%20Authority%20Act%202017.pdf>

73 Solomon Islands Government. 2021. <https://solomons.gov.sb/new-education-bill-after-40-years/> (draft stage, not publicly available) (3 February 2022)

The original 1978 legislation articulates financial policies in which education funding called 'Grants Code' is distributed to provincial authorities, schools and local communities following a consultation between the MEHRD and National Education Board. Each level of education has a name such as 'Early Childhood Education Centre Grants Code' or 'Tertiary Education Institution Grants Code'. Article 42 of the Act states that it is the responsibility of a school's head teacher to collect funds from the governments, and both the provincial governments and schools must account for all funds collected.⁷⁴

Budgeting and reporting

As per the Education Act, the grant amounts paid to pre-primary community centres and primary and secondary schools are determined by the MEHRD based on multiple factors such as student enrolment, geographical location, and socio-economic circumstances of the schools, centres and their community. As for grants paid to tertiary institutions, the MEHRD also considers tuition fees, educational outcomes, and the number of faculties and courses.

There are three clusters in the reporting system to allocate financial resources to governments and schools. Each cluster corresponds to a work plan. The **Education Authority Annual Work Plan** was established by the MEHRD in coordination with local communities and provincial governments and in accordance with the needs of their schools. Progress toward the aims in these plans is shared with the MEHRD every six months.

Secondly, the **Annual Work Plan** is for the entire education sector, and its progress is reported on a quarterly basis and at the completion of a significant objective. Finally, the schools follow the **Whole School Development Plan** through which they are required to prepare and implement a three-year agenda with yearly monitoring, identify priorities for improvement based on a self assessment, and advance the objective of enriching the learning experience for children.

As for primary and secondary schools' financial records, principals must provide reports to their school board by 1 July and 15 December each fiscal year. This report includes expenditure, income, grants, and other contributions and a copy of it is displayed on a notice board for students, parents, staff and community members to read.⁷⁵

In terms of financial reporting, the **Final Budget Outcome** is a yearly publication that provides a fiscal summary of the budget allocations for each ministry, including the MEHRD. It is released every April and then audited, and the **Audit Report** is released after the end of June in accordance with the timeline required under the Public Financial Management Act 2013. The Accountant General has to provide an audited financial statement no later than six months after the end of each financial year.⁷⁶

3.2.9 Thailand

Governance structure

Thailand's central government establishes laws, regulations and budget allocations for pre-primary to upper-secondary education. Each institution is generally autonomous in its day-to-day managerial and financial affairs. The local administrative organizations play a key role in allocating funds at the school level to provide essential community services in education.

74 For more details on the original Education Act 1978, see: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/105135/128504/F1727893494/SOL105135.pdf>

75 Solomon Islands Government. 2014. **Education Act 2014**. (p.32). <https://planipolis.iiep.unesco.org/sites/default/files/ressources/solomon-islands-education-act-2014.pdf>

76 This is set out in Section 77, Article 1 of the 2013 Act. For more details, see: <https://www.parliament.gov.sb/files/legislation/9th%20Parliament/Acts/2013/Public%20Financial%20Management%20Act%202013.pdf>

Basic education⁷⁷ is administered primarily by the central and local government authorities. In 2019, the MoE played the leading role in public education provision, being responsible for 77% of the number of students in the formal and non-formal system, from pre-primary to tertiary (including postgraduate students). The Ministry of Interior, through its administrative arms at the local government level, was responsible for 6% and the private sector covered the remaining 17%, accounting for a significant proportion of pre-primary and primary education.⁷⁸

Within the MoE, basic education is managed by four main central offices: (a) the Office of the Permanent Secretary; (b) the Office of the Basic Education Commission (OBEC); (c) the Office of the Vocational Education Commission; and (d) the Office of the Private Education Commission.⁷⁹ These offices formulate policies, work plans, standards, and core curricula, and carry out monitoring and evaluation in addition to mobilizing resources and innovating teaching.

Under the jurisdiction of the OBEC, the Education Service Area Offices are responsible for overseeing public schools as well as coordinating and allocating budgets to schools in their respective areas. The Office of the Permanent Secretary directs the regional and provincial education offices to ensure the provision of equal access to basic education throughout the country. The regional offices are responsible for promoting and implementing educational strategies by working closely with the ministries, and provincial offices.⁸⁰ The role of the provincial offices is to liaise with the public agencies that are involved with primary to upper-secondary education in each specific province and school under the supervision of the Bangkok Administration Authority, local administrative organizations and Border Patrol Police Schools.^{81 82} In public schools, the principal is responsible for academic standards, personnel, financial management, and general affairs. Each public school is monitored by a board consisting of representatives of teachers, parents, community members, alumni and scholars.

In 2019, the Ministry of Higher Education, Science, Research and Innovation was established to oversee both public and private institutions at the tertiary level, including academic standards and monitoring and evaluation. Since 2003, public universities have been independent legal entities with autonomy over their courses and programmes, although they can receive funding from the Ministry. Both private and public universities manage their own affairs with policy-making support from Thailand’s Council of University Presidents and Association of Private Higher Education Institutions.⁸³

Statutory regulations

The 1999 National Education Act and 2017 Constitution define the budget allocation policies for both public and private schools at the compulsory level.⁸⁴ The Act stipulates that schools should be financed on a per-student basis and financial management should be decentralized, under the premise that all Thai citizens to have an equal right to receive a minimum of 12 years of free quality basic education.

The 2017 Constitution also states that a fund is to be established to address inequities in education and support financially disadvantaged children, so the Equitable Education Act was established in 2018. Under the Act, the Equitable Education Fund (EEF) was created as the central mechanism for proposing how the education sector should budget to ensure equitable and inclusive access. The Fund intends to reduce education inequality through systematic research, teacher development and financial support for children and youth, for example through scholarship support in vocational education and assisting in the return of out-of-school learners to education.

77 Basic education in Thailand comprises six years in primary, and three years each in lower and upper secondary.

78 Office of the Permanent Secretary, Ministry of Education, Thailand. 2020. **2019 Education Statistics**. Bureau of Information and Communication Technology, p. 22. <http://mis.MoE.go.th/images/StatFiles/62/2562p.pdf>

79 In 2019, the MoE had 8+ offices with a total of 693,138 personnel, of whom 595,929 worked for the 4 main offices.

80 In 2017, there were 18 Regional Education Offices to administer to 18 provincial clusters (each of which is composed of 4 to 6 provinces).

81 Office of the Permanent Secretary, Ministry of Education, Thailand. 2017. **Thai Education in brief: Education as a Spearhead to Break through the Middle-Income Trap**. https://www.bic.MoE.go.th/images/stories/pdf/thai_education_in_brief_2017.pdf

82 In 2017, there were 77 provincial education offices.

83 Department of Education, Skills and Employment, Australian Government. n.d. **Higher Education Thailand**. https://internationaleducation.gov.au/International-network/thailand/PolicyUpdates-Thailand/Documents/Thailand%20Education%20Policy%20Update_HE_FINAL.pdf

84 Office of the Council of State. 2017. **Constitution of the Kingdom of Thailand** [unofficial translation]. https://www.constitutionalcourt.or.th/occ_en/download/article_20170410173022.pdf

To overhaul the education system alongside the introduction of the 2017 Constitution, the National Education Act was revised. This new legislation improves teachers' careers and the MoE's management structure, along with introducing financial reforms to guarantee that public schools have the minimum budget necessary for standard quality education while also allowing them more financial autonomy.

Budgeting and reporting

The government finances both public and private schools from pre-primary to upper-secondary education.⁸⁵ The MoE applies a per-student or per-capita subsidy formula to fund schools for their non-wage operating costs (see Table 3), which excludes personnel and capital expenses. This per-student funding model for schools was first implemented in 2002, replacing the historical line-item-based method. Per-student subsidies only cover school operating expenses, while capital expenditures are given based on identified priorities and necessities. Personnel expenditure budgets are allocated to the Education Service Area Offices based on the number of staff at the school level. This is because teachers are civil employees and deployed to public schools under a regulatory framework established by the Office of the Teacher Civil Service and Educational Personnel Commission.

The Thailand Free Education Programme

from 2009 extended basic education to include 3 years of pre-primary education thus providing 15 years, including upper secondary and the vocational track, free of charge for both Thai and non-Thai students in public and private schools.

Table 3: Subsidies from the Free Education Program (in million THB)

Components	2019	2020
Learning & teaching activities	22 859	22 596
%	60.5	60.7
Books	5 162	5 062
%	13.7	13.6
Student uniform	2 731	2 665
%	7.2	7.2
Learning materials	2 617	2 561
%	6.9	6.9
Student development activity	4 425	4 317
%	11.7	11.6
Total	37 796	37 203

Source: OBEC (2019)

⁸⁵ Each financial year, budget reports are combined by the Bureau of the Budget for the Royal Thai Government.

The per-student subsidy reflects the estimated cost of delivery, differentiated by level and type of education. Subsidizing education in this way alleviates the burden on households by covering 15 years of education beginning at pre-primary level. The funding formula consists of the following main components:

- a) Basic per-student allocation, which represents the largest share of the school budget and covers school operating costs associated with teaching and learning activities, including books, materials, and uniforms.
- b) Additional curriculum allocation to enhance educational quality and improve students’ access to digital technology and participation in activities outside of the classroom.
- c) Supplementary allocation for students in need, to promote equity for learners with disabilities and/or disadvantaged backgrounds.
- d) Supplementary allocation to support the operating costs of small and isolated schools and compensate for their lack of opportunity to leverage economies of scale.

The local administrative offices’ budgets also use a per-capita formula, and their spending on education comes from tax revenue and retained earnings. Some of these budgets are used, for instance, to establish child development centres, and to provide school meals to all students in their service area. These offices can add extra funds to schools in their service areas depending on their policy agenda and revenues.

For tertiary education, the Ministry of Higher Education, Science, Research and Innovation submits a Higher Education Fund to the MoF and Cabinet for approval. The funds are used for turning out highly skilled graduates to support national development, drive the growth of new industries, develop scientific and educational excellence, and encourage lifelong learning.⁸⁶ The National Higher Education, Science, Research and Innovation Policy Council also approves the budget each year to improve tertiary education. The majority of it is usually earmarked for salaries and operational costs (e.g. more than 90% for 2022).⁸⁷ Public universities receive government subsidies to fund specific programmes, while private institutions do not, which is why their tuition costs are higher.

The budget appropriation for central government agencies and ministries is reported in great detail, whereas the budget appropriation for the provincial, municipal and sub-district authorities only report the total amount with cost disaggregation. Due to large numbers of such authorities in Thailand and the absence of a detailed monitoring and reporting system, educational expenditures are challenging to estimate.

86 NXPO. 2021. *Policy council endorse 117.88 billion THB for FY 2022 higher education budget*. 11 February. <https://www.nxpo.or.th/th/en/6998/>

87 The local administrative offices’ educational expenditures detailed in the National Education Account reports.

4. Lessons learned from financing education

4. Lessons learned from financing education

4.1 GDP and the public budget

The public education spending as recommended by the Education 2030 Agenda is not universally aligned with either the GDP or the total public expenditure target. Some countries have made adjustments to match the recommendations, while others remained at steady levels over the years, and several have even moved further away from these benchmarks. The national case studies also indicate that education expenditures exceed the budgeted funds in some instances while in other cases there is under-spending. ***These findings often seem to be a consequence of accounting practices that include or exclude other budgetary sources, e.g. local finances, foreign aid as well as budgets and expenditures for the education sector from other ministries than the MoE.*** Therefore, it is clear that in some countries, national accounting practices will need refinement to capture all education-related expenditures under one umbrella.

4.2 Proportions of the total budget for public education

Early childhood education and TVET, including non-formal programmes, tend to receive the least funding. In basic education, the primary level typically garners the most financing which is often more than lower and upper secondary education combined, although secondary should arguably be more resource-intensive given the complex and advanced skills that it requires of teachers. The length of primary versus secondary education will factor into the cost for each subsector; however, a low investment in secondary provision reflects on the quality of learning and amplifies the likelihood of students not continuing through to this level. Secondary education needs greater investment in the region if it wants to ensure capable and knowledgeable citizens and labour market participants. Due to the high cost of infrastructure, equipment and materials in particular in degrees of sciences, technology, engineering and mathematics (STEM), tertiary education in contrast has almost always a high expenditure, in some countries rivalling the cost in primary and/or combined secondary education.

4.3 Recurrent vs capital costs

Capital costs (e.g. for land and the acquisition and maintenance of fixed assets) range across the region as well as over time anywhere from 10 to 30 per cent. This is arguably influenced by infrastructure needs such as for upgrading, disaster recovery, and expansion. However, there are indications that not all capital costs are clearly and distinctly accounted for under education-related expenditures, or they overlap as they appear unreasonably low and are almost nil according to some countries.

4.4 Teacher salaries

Expenditures on teacher salaries have a variable pattern, showing increases and stagnations as well as reversals. The salary trend is an indication of the importance placed on the human workforce (teachers). As a proportion of all recurrent expenditure, teacher salaries can be as high as 80% (as per the case studies presented here, e.g. Bhutan and the Philippines) or 90% (as per UIS data), or as low as 40% (both UIS and case study data). This will be influenced by the

national accounting practices, such as excluding or including capital expenditures, as well as the support or non-support stemming from foreign aid for specific education related requirements. However, with some countries spending almost double what others spend, it seems that governments' recognition of teachers varies considerably across the countries.

In terms of subsectors or levels, stark contrasts are noticeable among the countries as well, showing where for each country the highest priorities are. Pre-primary teachers as well as TVET and non-formal education teachers typically receive the least investment from public funds, which is also arguably influenced by the scope of, and number of employed teachers in, these subsectors.

4.5 Per-student expenditure by level

Based on the available data submitted to the UIS, per-student expenditure increases marginally from primary to upper secondary, indicating that investment in each student rises only slightly or stays relatively even with each higher level. Depending on a country's economic capacities, tertiary education tends to find a comparatively high investment per student. Early childhood education is inconsistent across the region, depending on whether community or governmental or both funding modalities exist.

The national case studies reveal a mixed picture of increases and decreases in expenditure since the adoption of SDG 4 in 2015. In particular, secondary education appears to have received a lower per-student investment over time. Asia-Pacific countries seem to invest more in tertiary students than secondary. This approach appears counterproductive, as countries that struggle with getting their students through a full cycle of basic education will have fewer candidates for university.

4.6 Household expenditure

Depending on the public expenditure on education, households in this region cover varying shares of the costs. In some countries, households pay a very low proportion, while in others they shoulder as much as 20 to 30 per cent. And in those countries where public education is substituted by private institutions due to insufficient access to or quality of public schools, households cover half or more of the expenses, indicating insufficient national investment in the education sector. Notably, in countries with a weaker economic situation, households need to contribute more to education financing.

Disaggregating the household expenditure by education level further displays where the greatest cost lies. A common trend is that primary education often still accounts for one of the largest shares paid by households, despite being the subsector that usually also has one of the most public funding. This is influenced by its number of grades relative to other subsectors, as well as the fact that some children who complete primary education do not continue all the way through secondary education. In China, basic education has shifted to being the least cost intensive for households, while the heaviest costs are associated with tertiary and early childhood education.

4.7 Finance mechanisms

Block grants and earmarked funds, as well as formula-based approaches to estimate them, are the most common finance mechanisms present in the Asia-Pacific countries. These formula-based approaches typically centre on student enrolment numbers, locations, and teacher salaries alongside local financial capacities, and these are often integrated with some considerations for equitable access to education.

Block grants assigned by the central governments tend to have a broad application but a specific purpose; in combination with earmarked funds, which are also administered nationally, this indicates an emphasis on top-down control over education funding in the region.

In contrast, lump sum transfers appear to be the least common mechanisms among the participating countries. Institution-specific grants are occasionally employed in the countries from Asia-Pacific to steer budgets, e.g. towards delivering vocational education or ameliorating geographic isolation.

4.8 National-level monitoring and reporting issues

Missing secondary distinction

Despite the international development goals laying out a distinction between lower and upper secondary education for more precise tracking and planning of resources, oftentimes the distinction between these is missing at the national level. Accounting for the costs in those levels therefore becomes blurred, followed with imprecise budgeting in the following years, making it quite difficult to assess whether lower and secondary education students are receiving sufficient public expenditure.

Non-specified budgets/expenditures

For many governments, some education-related costs remain indistinguishable. While in some countries these are relatively minor expenses, in others they account for more than one-third of all public education expenditures. The use of these resources cannot be tracked, lacking consistent or any data at all. This creates a risk of significant amounts of funds being misallocated, under-utilized or ineffectively deployed.

Insufficient and inconsistent availability of reports

Despite educational, statistical and financial authorities producing expenditure reports, access to them was frequently restricted by the government for certain years, and in some cases they were incomplete (particularly the ones for the most recent years). Financial data on teachers and students was especially hard to come by, due to being severely delayed, unrecorded, unreported, and/or unpublished.

The responsibility for reporting total national expenditures was sometimes written off by ministries of education as not falling under their remit because they transfer the funds to the subnational levels. But even though a ministry of education may not implement the funds itself, as the highest-level public body in the education sector it is responsible and accountable for recording the whereabouts of all educational budgets and expenditures.

Finally, **it appears that expenditures not falling under the budgets of a ministry of education are also not being counted as expenditures on education even when the funds are used to support learners**, e.g. by different ministries, societal institutions, or foreign aid. When only funds administered by a ministry of education are counted as educational expenditures, a country runs the risk of underestimating its available, consumed and required financial resources. Governments need to consolidate all education related expenditures, involving all ministries with a stake in education, and distinguishing funds by source.

5. Key recommendations

5. Key recommendations

Ensure alignment with minimum spending requirements as per Education 2030 – SDG 4

- Adjustments to the GDP and/or total public expenditure benchmarks set out in the Education 2030 Agenda should be considered to ensure an adequate minimum level of spending on the education sector nationally.
- The Transforming Education Summit is committed to improving education financing through three key areas: 1) mobilizing more resources, especially domestic; 2) increasing efficiency and equity of allocations and expenditures, and 3) improving education financing **data**, covering actions on all levels of education, all geographies, all excluded groups, and linking education sector planning.⁸⁸

Improve formula-based funding

- Where per-capita school budget formulas are applied, the variables that the formulas are based on need to take into account structural inequalities, such as rural versus urban areas (but also often neglected urban-poor), as well as performance- and efficiency-based indicators.
- To adjust for socio-economic inequalities, the formulas should consider additional cost coverage for students with disabilities, ethnic minorities, low income households, and other marginalized groups as highlighted under SDG 4.

Basics for designing formulas to better meet differing needs

- i) Basic allocation per student or per class that is differentiated according to the school year or stage of schooling;
- ii) Allocations for specific educational profiles or curricula, such as a focus on the arts, sports, vocational fields or special educational needs programmes;
- iii) An allocation for students with supplementary educational needs, to adjust for different student characteristics or elements of disadvantage; and
- iv) Allocations for needs related to the school's site and location, to adjust for structural differences in operational costs, such as for rural areas with smaller class sizes.

Source: OECD (2017)

⁸⁸ For more information, see: United Nations, 2022: Transforming Education Summit. Access: <https://www.un.org/en/transforming-education-summit/action-tracks>; and UNESCO, 2022: Futures of Education, Education Transformation Summit. Access: <https://en.unesco.org/futuresofeducation/initiative>

Distinguish between lower and upper secondary education and increase their share of the budget

- Though the enrolment numbers and length of programmes in each education level affect the per-student costs, the per-student expenditure per year should be revised. This can help ensure that each higher education level reflects an increasing costs corresponding to greater complexity and capacity demands in delivering education. It is also necessary to correct any obvious over- or under-spending on learners (e.g. where secondary students receive a fraction of the investment in tertiary students).
- Consider that higher funding with each level is attractive to students and makes it more likely that they will remain in education (in particular secondary), and that a shrinking student population will require a reallocation of resources.
- A distinction between lower and upper secondary education needs to be implemented to specify the allocation of funds within the secondary level.

Provide full accounting and reporting of all financial sources for education

- All financial sources that fund education to some extent, such as foreign aid or community funds as well as different ministries/departments with a stake in education, need to be integrated into and recorded under the education budgeting system in order to account for a country's full education cost and the required expenditures.
- Track capital-related expenditures more precisely by purpose, institution and education level, and ensure no overlap with recurrent expenditures.
- Ensure timely resource planning at the central and subnational levels by making financial data reporting from subnational levels more efficient and precise with less delay.

Collect data to streamline budgeting

- Centralize and integrate the education management information system, or EMIS, to enhance the efficiency of resource allocation and prevent data-hoarding by individual institutions or authorities. The system can hold data on the nation's entire student population, which may be used to calculate resource requirements and distribute additional funds to regions or institutions where certain socio-economic characteristics apply.
- Verify the educational expenditures that are reported to the Ministry of Finance, and use this data when completing related expenditure reports.
- Consult or implement household surveys to investigate how much families are spending on their children in each level of public and private education, whereas ministries of education need to work with other ministries who may conduct regular surveys.

Deploy education finance mechanisms more strategically

- Where local governments or schools have the option of supplementing their budgets with revenue from the communities, national bodies should seek to provide greater levels of funding to schools that are located in economically disadvantaged and/or isolated regions.

- Where specific funding programmes exist to address equity issues, governments must take care to avoid applying them to institutions or populations that are already well provisioned while underfunding others. Programmes targeting equity need to be carefully coordinated from the national level.
- Schools and local authorities should be permitted to carry forward unused budgets from one fiscal year to the next. This will circumvent inefficient expenditures towards the end of a budget cycle and provide schools and authorities with incentives to mobilize additional revenue and/or improve the efficiency of their operations.

Audit data collection to improve procedures

- Harness the UIS's Data Quality Assessment Framework⁸⁹ to fine-tune the tracking of educational expenditure by level or subsector and type of budget; identify shortcomings in collection procedures, documentation, and archives; and examine accounting practices to check that all duties, policy instructions, and methodological standards are clear and facilitate comprehensive reporting.

89 UIS. 2022. Capacity Development Tools, under 'Data quality analysis: Data on government expenditure on education', and 'Mapping of education financing flows and data sources': <http://uis.unesco.org/sites/default/files/documents/template-education-financing-flows-data-sources-mapping.xlsx>

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7. Annex

Expenditure on education as a percentage of total government expenditure (%)												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Afghanistan	17.1	16.0	14.6	14.1	14.5	12.5	13.1	12.0	11.7	11.3	10.3	10.9
Australia	14.3	13.5	13.2	14.0	13.9	14.1	13.8	13.6	13.5	..	..	..
Bangladesh	21.0	16.8	15.6	13.8	14.5	13.7	11.4	16.1	11.7	9.3	11.8	11.7
Bhutan	11.8	13.1	17.5	15.6	17.0	25.5	24.6	23.5	21.9	20.4	15.8	16.2
Brunei Darussalam	5.3	9.2	9.7	..	10.0	..	11.4	..	..	..	..	..
Cambodia	7.3	7.3	7.2	9.6	8.8	..	..	..	9.4	11.8	..	..
China	13.6	13.1	14.4	13.3	12.8	12.3	12.3	12.2	11.5	11.2	10.5	..
Cook Islands	..	9.6	8.3	8.8	11.6	10.2	11.2	9.2	12.0	11.0	7.9	6.1
Democratic People's Republic of Korea	..	..	..	..	..	..	..	..	..	..	..	..
Fiji	20.8	15.2	19.1	14.3	17.5	17.4	15.2	16.8	14.9	16.8	16.4	14.5
Hong Kong SAR, China	19.9	20.1	18.6	20.3	17.6	18.6	18.1	17.8	18.8	20.3	20.6	..
India	11.8	13.6	14.0	14.1	..	12.5	12.8	15.8	16.6	16.7	16.5	..
Indonesia	16.7	18.0	18.1	17.6	17.7	20.5	21.1	16.1	20.0	17.4	17.3	..
Iran (Islamic Republic of)	19.3	20.2	17.4	21.7	19.7	18.6	19.4	20.3	21.1	21.2	23.1	..
Japan	..	..	..	..	..	..	..	..	..	..	..	..
Kazakhstan	..	..	..	..	..	12.2	13.8	11.4	13.9	14.1	..	..
Kiribati	..	18.2	18.0	16.7	16.7	13.7	12.9	12.5	15.1	12.4	20.2	19.3
Kyrgyzstan	15.7	18.2	18.2	17.8	14.4	15.7	16.9	16.3	16.8	16.5	..	..
Lao People's Democratic Republic	7.2	8.3	7.4	13.3	11.8	..	14.9	14.0	..	..	..	..
Macao SAR, China	13.0	14.6	22.3	12.6	13.7	13.4	13.8	14.1	15.2	16.6	12.3	..
Malaysia	18.4	21.0	19.9	19.5	19.8	19.8	20.9	21.3	19.6	17.7	16.8	16.4
Maldives	11.0	10.3	11.4	12.4	9.2	11.5	10.2	11.4	11.4	12.1	10.5	11.9
Marshall Islands	37.7	36.2	29.2	29.3	31.2	26.7	24.7	12.5	15.1	15.0	16.2	..
Micronesia (Federated States of)	..	..	..	..	..	22.3	21.6	19.1	17.1	18.1	..	..
Mongolia	14.7	12.2	14.4	15.4	14.7	13.5	13.1	12.6	20.5	16.5	16.4	..
Myanmar	7.5	5.9	10.1	13.8	7.5	8.7	9.7	9.9	10.4	10.6	..	..
Nauru	..	..	..	..	11.9	10.2	8.9	12.7	9.6	4.3	3.5	3.6
Nepal	16.0	18.0	17.4	17.6	18.3	17.0	19.1	17.1	14.1	15.8	13.2	..
New Zealand	15.7	15.8	17.8	16.5	16.3	16.4	16.8	16.6	16.1	..	..	..

Expenditure on education as a percentage of total government expenditure (%)												
Niue	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	11.9	10.9	11.0	11.5	11.3	13.2	15.1	14.5	..	11.6	..	..
Palau	..	..	..	..	..	..	..	..	..	..	..	..
Papua New Guinea	..	..	..	..	..	..	..	10.7	9.2	..	..	..
Philippines	..	..	..	..	..	16.0	17.0	17.2	15.4	17.5	14.2	..
Republic of Korea	..	..	..	..	..	..	..	..	..	..	..	..
Samoa	19.4	19.5	15.1	14.7	14.5	14.0	13.0	13.2	14.8	15.6	16.2	..
Singapore	18.6	28.9	31.4	28.8	22.9	19.7	18.5	20.1	20.8	19.5	11.9	..
Solomon Islands	16.7	25.2	22.2	27.6	26.7	25.2	30.1	30.1	30.1	30.1	31.9	..
Sri Lanka	8.6	9.1	8.4	9.4	10.8	11.0	17.7	14.5	11.3	9.9	..	..
Tajikistan	15.3	14.6	16.4	..	..	16.4	17.0	18.1	15.9	18.7	17.8	19.9
Thailand	16.2	22.6	21.4	19.1	16.9	17.1	17.3	15.8	14.5	13.7	16.8	..
Timor-Leste	9.2	7.7	5.5	5.9	6.8	8.6	7.2	8.2	7.9	..	..	..
Tokelau	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	..	..	..	..	..	..	..	..	10.2	11.9	15.5	12.7
Turkmenistan	..	..	20.8	..	..	..	..	..	..	23.0	28.0	..
Tuvalu	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	25.6	25.8	22.8	23.0	22.4	23.1	22.5	21.8	25.6	20.5	..
Vanuatu	..	..	..	..	18.2	12.6	..	12.2	..	4.7	4.4	..
Viet Nam	17.1	17.8	18.8	18.5	..	17.1	15.6	15.1	16.1	14.0	14.4	14.8

Data extracted on 15 Aug 2022 from <https://sdg4-data.uis.unesco.org>

Government expenditure on education as a percentage of GDP (%)												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Afghanistan	3.5	3.5	3.3	3.5	3.7	3.3	3.5	3.4	3.2	3.2	..	..
Australia	5.6	5.1	4.9	5.2	5.2	5.3	5.3	5.1	5.1	..	..	..
Bangladesh	..	2.1	2.2	2.0	..	..	1.5	..	..	1.3	..	..
Bhutan	4.1	4.8	..	5.7	6.0	7.6	7.0	7.2	6.9	5.7	..	..
Brunei Darussalam	2.0	3.3	2.9	..	3.4	..	4.4	..	..	..	..	..
Cambodia	1.5	1.5	1.6	2.1	1.9	2.6	2.8	3.2	2.2	..	..	..
China	3.8	3.5	4.1	3.9	3.7	3.8	3.8	3.7	3.5	3.5	3.6	..
Cook Islands	..	3.3	3.0	3.0	4.1	3.9	4.4	2.9	4.0	3.5	..	..
Democratic People's Republic of Korea	..	..	..	..	..	..	..	..	..	..	..	..
Fiji	4.8	4.2	4.7	3.9	4.3	4.8	4.8	4.7	4.8	5.1	..	..
Hong Kong SAR, China	3.5	3.4	3.5	3.8	3.6	3.3	3.3	3.3	3.3	3.8	4.4	..
India	3.4	3.8	3.9	3.8	..	3.3	3.5	4.3	4.4	4.4	4.5	..
Indonesia	2.8	3.2	3.4	3.4	3.3	3.6	3.5	2.7	3.0	2.8	..	..
Iran (Islamic Republic of)	3.7	3.5	3.2	3.1	2.8	2.8	3.4	3.8	4.0	3.7	3.6	..
Japan	..	..	..	..	..	..	..	..	..	..	..	..
Kazakhstan	3.5	3.5	3.9	3.4	3.4	2.8	3.0	2.8	2.6	2.9	..	..
Kiribati	..	13.0	13.4	12.0	11.2	9.9	10.1	10.9	12.0	12.4	..	..
Kyrgyzstan	5.8	6.8	7.4	6.8	5.5	6.0	6.6	6.0	5.6	5.4	..	..
Lao People's Democratic Republic	1.7	1.7	1.8	3.2	2.9	..	..	2.5	2.4	2.3	2.2	..
Macao SAR, China	2.6	2.7	3.3	2.1	2.0	3.0	3.1	2.7	2.7	3.1	6.3	..
Malaysia	5.0	5.8	5.7	5.5	5.2	4.9	4.8	4.7	4.5	4.2	3.9	..
Maldives	3.6	3.1	3.3	3.4	3.1	3.9	3.7	3.9	3.9	4.1	..	..
Marshall Islands	20.6	19.7	15.6	16.0	15.7	17.6	15.3	15.2	15.2	9.6	..	..
Micronesia (Federated States of)	..	..	..	..	..	12.4	13.5	12.4	9.7	..	..	..
Mongolia	4.6	4.6	5.2	4.9	4.7	4.2	5.2	4.1	6.2	4.9	..	..
Myanmar	0.9	0.8	1.6	2.1	1.9	2.1	1.9	2.1	1.9	2.0	..	..
Nauru	..	..	..	..	17.8	12.1	8.6	12.1	9.1	5.6	5.2	..
Nepal	3.6	3.8	3.3	3.0	3.5	3.3	3.9	4.8	4.4	4.2	4.4	..
New Zealand	7.0	6.9	7.2	6.7	6.3	6.3	6.4	6.3	6.0	..	..	..
Niue	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	2.3	2.2	2.1	2.5	2.5	2.7	3.0	2.9	..	2.5	..	..
Palau	..	..	..	..	..	..	..	..	..	..	..	..
Papua New Guinea	..	..	..	..	..	..	..	2.0	1.9	..	..	..

Government expenditure on education as a percentage of GDP (%)												
Philippines	2.3	..	..	3.0	2.8	3.3	3.6	4.4	3.1	3.2	3.9	..
Republic of Korea	2.8	..	..	..	..	..	4.3	4.3	4.5	..	..	..
Samoa	5.9	6.6	5.2	4.7	5.4	4.9	4.2	4.2	4.5	4.7	4.8	..
Singapore	3.1	3.0	3.1	2.9	2.9	2.9	2.9	2.8	2.6	2.6	2.5	..
Solomon Islands	7.9	8.1	8.1	10.2	9.8	10.1	12.0	12.1	10.8	11.1	12.8	..
Sri Lanka	1.7	1.8	1.5	1.6	1.9	2.2	3.4	2.8	2.1	1.9	..	..
Tajikistan	4.0	3.9	4.0	..	..	5.0	5.8	5.8	5.6	5.7	..	..
Thailand	3.5	4.8	4.5	4.1	3.7	3.8	3.6	3.4	3.1	3.0	..	..
Timor-Leste	11.1	10.1	7.2	5.7	7.5	8.4	8.1	7.1	6.8	..	..	..
Tokelau	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	..	..	..	..	..	..	..	..	6.4	8.0	..	..
Turkmenistan	..	..	3.0	..	..	..	..	..	..	3.1	..	..
Tuvalu	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	6.2	6.4	6.1	6.0	5.8	5.7	5.3	5.9	7.0	5.1	..
Vanuatu	..	..	..	..	5.2	5.6	..	4.5	..	1.8	2.3	..
Viet Nam	5.1	4.8	5.5	5.7	..	4.5	4.3	4.1	4.2	4.1	..	..

Data extracted on 15 Aug 2022 from <https://sdg4-data.uis.unesco.org>

Government expenditure on education as a percentage of GDP (%), by level

	Pre-primary						Primary						Lower secondary							
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2016	2017
Afghanistan	..	..	..	..	..	..	1.97	1.92	..	..	..	..	0.66	0.65	..	..	..	..	0.33	0.32
Australia	0.23	0.23	0.22	..	..	..	1.74	1.71	1.76	..	..	..	1.04	1.03	1.08	..	..	..	0.62	0.63
Bangladesh	..	..	..	..	..	..	..	..	..	..	..	..	0.37	..	..	0.36	0.31	..	0.62	..
Bhutan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Brunei Darussalam	0.03	..	..	..	..	..	0.86	..	..	..	..	..	0.72	..	..	..	..	..	1.97	..
Cambodia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cook Islands	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Democratic People's Republic of Korea	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Fiji	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hong Kong SAR, China	0.16	0.17	0.22	0.23	0.25	..	0.70	0.72	0.73	0.76	0.84	..	..	..	..	..	..	..	1.09	1.08
India	0.09	0.05	0.08	0.07	0.10	..	1.22	1.13	1.14	1.14	1.18	..	0.63	0.60	0.60	0.61	0.63	..	1.06	1.06
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Iran (Islamic Republic of)	0.01	0.01	0.02	0.01	0.01	..	0.97	1.14	1.31	1.24	1.23	..	0.49	0.50	0.73	0.70	0.69	..	0.74	0.75
Japan	0.10	0.10	0.10	..	..	..	1.11	1.10	1.08	..	..	..	0.66	0.65	0.63	..	..	..	0.67	0.66
Kazakhstan	0.35	..	..	..	..	..	..	0.02	0.02	0.02	..	..	1.78	1.64	1.60	1.73	..	..	0.26	..
Kiribati	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyzstan	..	0.80	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lao People's Democratic Republic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Macao SAR, China	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Malaysia	0.16	0.15	0.14	0.13	0.13	..	1.61	1.58	1.52	1.52	1.62	..	..	..	..	..	..	..	..	..
Maldives	0.44	..	0.41	0.44	..	..	1.49	..	1.39	1.49	..	..	0.71	..	0.66	0.71	..	..	0.18	..
Marshall Islands	..	..	..	0.66	..	..	..	..	..	4.95	..	..	..	..	..	0.18	..	..	..	..
Micronesia (Federated States of)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mongolia	1.30	1.07	..	..	..	..	1.49	1.31	..	..	..	..	0.82	0.79	..	..	..	..	0.65	0.40
Myanmar	..	0.01	..	..	..	..	..	0.84	0.85	0.78	..	..	..	0.44	0.51	0.44	..	..	..	0.48
Nauru	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand	0.48	0.46	0.39	..	..	..	1.68	1.62	1.55	..	..	..	1.12	1.14	1.11	..	..	..	1.16	1.12
Niue	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Palau	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Papua New Guinea	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Philippines	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Republic of Korea	0.40	0.38	0.38	..	..	..	1.37	1.40	1.46	..	..	..	0.80	0.80	0.82	..	..	..	0.87	0.90
Samoa	0.04	..	..	..	..	..	1.54	..	..	..	..	..	0.45	..	..	..	..	..	1.33	..
Singapore	..	0.02	..	..	..	..	0.66	0.74	0.72	0.69	..	..	..	0.69	..	..	..	..	..	..
Solomon Islands	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	..	..	..	..	..	..	1.20	0.93	0.64	0.56	0.47	..	0.94	0.77	0.52	0.45	0.42	..	0.80	0.66
Tajikistan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Thailand	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Timor-Leste	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tokelau	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Turkmenistan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tuvalu	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	..	..	..	0.81	..	..	..	2.93	..	3.63	..	..	..	..	..	..	..	..	..
Vanuatu	..	..	..	..	..	..	..	2.02	..	0.48	0.52	..	..	..	..	..	..	..	..	..
Viet Nam	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Data extracted on 15 Aug 2022 from <https://data.uis.unesco.org>

Government expenditure on education as a percentage of GDP (%), by level																					
Upper secondary				Secondary						Post-secondary non-tertiary						Tertiary					
2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
..	1.0	1.0	..	..	..	..	0.14	0.08	..	..	..	..	..	..	..	..	..	..
0.63	1.7	1.7	1.7	..	..	..	0.09	0.10	0.09	..	..	..	1.42	1.29	1.18	..	..	..
..	0.48	0.42	..	1.0	..	..	0.8	0.7	..	0.04	..	..	0.03	0.03	..	0.51	..	..	0.46	0.41	..
..
..	2.7	..	..	..	..	..	..	..	..	..	..	..	0.84	..	..	..	..	..
..
..
..	0.50	..	..	..	..	..
..
..
..	1.1	1.1	1.0	1.0	1.1	..	0.13	0.14	0.14	0.12	0.12	..	1.00	0.94	0.98	1.33	1.83	..
1.10	1.13	1.06	..	1.7	1.7	1.7	1.7	1.7	..	0.02	0.02	0.03	0.03	0.02	..	1.23	1.44	1.42	1.43	1.48	..
..
0.63	0.59	0.58	..	1.2	1.3	1.4	1.3	1.3	..	0.15	0.15	0.15	0.14	0.13	..	1.00	1.24	1.12	0.98	0.95	..
0.64	1.3	1.3	1.3	..	..	..	..	..	..	..	..	..	0.62	0.63	0.63	..	..	..
..	2.0	..	..	..	..	..	..	..	..	..	..	..	0.35	0.29	0.25	0.31	..	..
..
..	0.29	..	..	..	..	0.20	0.18	..	..	..	..
..
..	1.22	1.00	1.05	1.22	..	..
..	1.9	2.0	1.9	1.6	1.6	..	..	..	..	..	..	..	1.11	0.98	0.96	0.95	0.60	..
0.17	0.18	..	..	0.9	..	0.8	0.9	..	..	0.02	..	..	..	..	..	0.84	..	..	..	..	..
..	1.78	..	..	..	..	..	2.0	..	..	..	..	..	1.80	..	..	..	..	..	0.21	..	..
..
..	1.5	1.2	..	..	..	..	0.36	0.24	..	..	..	..	0.57	0.26	..	..	..	..
0.37	0.38	..	..	..	0.9	0.9	0.8	..	..	..	0.07	0.06	0.08	..	..	..	0.26	0.32	0.31	..	..
..
..
1.03	2.3	2.3	2.1	..	..	..	0.14	0.12	0.16	..	..	..	1.52	1.49	1.54	..	..	..
..
..	0.67	0.64	..	..	..	..
..
..
..
0.92	1.7	1.7	1.7	..	..	..	..	..	..	..	..	..	0.89	0.85	0.87	..	..	..
..	1.8	..	..	..	..	..	0.42	..	..	..	..	..	0.38	..	..	..	..	..
..	0.7	0.7	0.6	0.6	..	..	0.20	0.31	0.21	0.21	..	..	0.99	0.82	0.87	0.79	..	..
..
0.45	0.39	0.37	..	1.7	1.4	1.0	0.8	0.8	..	0.09	0.07	0.08	0.08	0.01	..	0.42	0.36	0.44	..	..	..
..
..
..
..
..
..	0.05	..	..	..	..	..	0.36	..	..
..
..	0.17	..	..	..	0.66	..	0.28	..
..	1.5	..	0.8	0.9	..	..	0.29	..	..	..	..	..	..	..	0.16	0.30	..
..

Initial government funding per student as a percentage of GDP per capita, by level																		
	Pre-primary						Primary						Lower secondary					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
Afghanistan	..	..	..	..	..	..	11.1	11.0	..	..	..	..	13.5	12.5	..	..	..	..
Australia	10.5	10.7	10.1	..	..	..	19.3	18.9	19.5	..	..	..	18.1	18.0	20.3	..	..	..
Bangladesh	..	..	..	..	..	..	..	..	..	..	..	..	6.9	..	..	7.0	6.3	..
Bhutan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Brunei Darussalam	1.0	..	..	..	..	..	8.9	..	..	..	..	..	20.9	..	..	..	..	..
Cambodia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cook Islands	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Democratic People's Republic of Korea	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Fiji	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hong Kong SAR, China	6.2	6.9	8.7	9.9	10.5	..	15.0	14.9	14.8	15.0	16.8	..	..	..	..	..	..	..
India	..	..	..	..	..	..	8.9	..	..	..	..	..	10.0	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Iran (Islamic Republic of)	1.2	..	..	..	..	..	9.5	11.1	..	..	..	..	12.5	12.7	..	..	..	..
Japan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Kazakhstan	7.1	..	..	..	..	..	..	0.3	0.2	0.3	..	..	25.4	23.2	21.6	22.2	..	..
Kiribati	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyzstan	..	22.3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lao People's Democratic Republic	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Macao SAR, China	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Malaysia	5.3	4.7	4.5	4.3	..	..	15.9	15.9	15.7	15.8	..	..	..	..	..	..	..	..
Maldives	9.5	..	10.5	12.0	..	..	16.2	..	15.2	15.9	..	..	19.5	..	18.5	21.4	..	..
Marshall Islands	..	..	..	30.7	..	..	..	..	..	40.3	..	..	..	..	..	4.0	..	..
Micronesia (Federated States of)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mongolia	17.6	13.8	..	..	..	..	16.4	13.1	..	..	..	..	..	13.4	..	..	..	..
Myanmar	..	3.1	..	..	..	..	..	7.4	7.6	..	..	..	..	7.0	7.9	..	..	..
Nauru	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand	18.6	19.9	16.7	..	..	..	20.3	19.8	19.2	..	..	..	21.0	21.5	21.1	..	..	..
Niue	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Palau	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Papua New Guinea	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Philippines	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Republic of Korea	15.5	15.2	15.8	..	..	..	26.2	26.8	27.8	..	..	..	28.0	29.5	31.3	..	..	..
Samoa	1.8	..	..	..	..	..	9.1	..	..	..	..	..	9.2	..	..	..	..	..
Singapore	..	..	..	..	..	..	..	17.5	17.3	16.7	..	..	..	46.4	45.1	..	..	..
Solomon Islands	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	..	..	..	..	..	..	11.3	10.1	6.9	6.7	..	..	11.6	10.7	7.1	6.6	..	..
Tajikistan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Thailand	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Timor-Leste	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tokelau	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Turkmenistan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tuvalu	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	..	..	..	25.9	..	..	..	40.6	..	51.4	..	..	..	..	..	..	..
Vanuatu	..	..	..	..	..	..	..	..	2.6	2.9	..	..	..	..	..	..	..	..
Viet Nam	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Data extracted on 3 Feb 2022 from <https://data.uis.unesco.org>

Initial government funding per student as a percentage of GDP per capita, by level

	Upper secondary						Tertiary					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
Afghanistan	11.9	11.3	..	..	..	..	..	..	..	..	..	..
Australia	11.7	12.5	15.0	..	..	..	17.8	17.9	17.5	..	..	..
Bangladesh	13.2	..	..	10.4	8.6	..	29.9	..	..	19.9	19.1	..
Bhutan	..	..	..	..	..	..	..	..	..	..	..	..
Brunei Darussalam	24.8	..	..	..	..	..	31.9	..	..	..	..	..
Cambodia	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..
Cook Islands	..	..	..	..	..	..	..	..	..	..	..	..
Democratic People's Republic of Korea	..	..	..	..	..	..	..	..	..	..	..	..
Fiji	..	..	..	..	..	..	..	..	..	..	..	..
Hong Kong SAR, China	39.8	41.8	..	..	..	..	24.3	23.0	24.2	33.2	47.2	..
India	14.6	..	..	..	..	..	45.1	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Iran (Islamic Republic of)	22.1	23.6	..	..	..	..	18.1	24.2	24.9	23.8	24.7	..
Japan	..	..	..	..	..	..	..	..	..	..	..	..
Kazakhstan	9.9	..	..	..	..	..	9.9	8.4	7.1	8.4	..	..
Kiribati	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyzstan	..	..	..	..	..	..	4.8	4.9	..	..	..	..
Lao People's Democratic Republic	..	..	..	..	..	..	..	..	..	..	..	..
Macao SAR, China	..	..	..	..	..	..	23.3	19.1	20.0	22.8	..	..
Malaysia	..	..	..	..	..	..	25.5	24.4	23.5	24.8	..	..
Maldives	..	..	19.9	23.6	..	..	..	..	..	..	..	..
Marshall Islands	..	..	..	34.1	..	..	..	..	..	8.0	..	..
Micronesia (Federated States of)	..	..	..	..	..	..	..	..	..	..	..	..
Mongolia	..	..	..	..	..	..	10.7	3.2	..	..	..	..
Myanmar	..	22.3	15.8	..	..	..	..	..	16.3	..	..	..
Nauru	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand	21.1	21.2	15.8	..	..	..	25.2	25.5	28.1	..	..	..
Niue	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	..	..	..	..	..	..	69.9	67.2	..	..	..	..
Palau	..	..	..	..	..	..	..	..	..	..	..	..
Papua New Guinea	..	..	..	..	..	..	..	..	..	..	..	..
Philippines	..	..	..	..	..	..	..	..	..	..	..	..
Republic of Korea	25.4	27.6	30.8	..	..	..	14.4	14.1	14.6	..	..	..
Samoa	15.6	..	..	..	..	..	..	..	..	..	..	..
Singapore	..	..	..	..	..	..	..	23.5	25.1	22.5	..	..
Solomon Islands	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	10.7	9.9	6.4	..	..	..	29.7	26.4	28.4	..	..	..
Tajikistan	..	..	..	..	..	..	..	..	..	..	..	..
Thailand	..	..	..	..	..	..	..	..	..	..	..	..
Timor-Leste	..	..	..	..	..	..	..	..	..	..	..	..
Tokelau	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	..	..	..	..	..	..	..	..	..	..	..	..
Turkmenistan	..	..	..	..	..	..	..	..	..	32.6	..	..
Tuvalu	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	..	..	..	..	..	..	..	76.2	..	22.6	..
Vanuatu	..	..	..	..	51.5	..	..	..	..	..	..	..
Viet Nam	..	..	..	..	..	..	..	..	..	..	..	..

Teaching staff compensation as a percentage of total expenditure in public institutions (%)						
	2016	2017	2018	2019	2020	2021
Afghanistan
Australia
Bangladesh	59.5	..	..	44.9	..	..
Bhutan
Brunei Darussalam	44.0	..	..	..	..	..
Cambodia
China
Cook Islands	63.3	..	..	..	..	..
Democratic People's Republic of Korea
Fiji
Hong Kong SAR, China
India
Indonesia
Iran (Islamic Republic of)	64.8	68.5	65.3	64.6	..	..
Japan
Kazakhstan
Kiribati
Kyrgyzstan
Lao People's Democratic Republic
Macao SAR, China
Malaysia	47.3	52.0	52.1	48.1	..	..
Maldives
Marshall Islands	89.9	..	..
Micronesia (Federated States of)
Mongolia
Myanmar	..	53.6	..	45.8	..	..
Nauru
Nepal
New Zealand
Niue	82.6	..	..	..	..	..
Pakistan
Palau
Papua New Guinea
Philippines
Republic of Korea	..	45.0	44.6	..	..	..

Teaching staff compensation as a percentage of total expenditure in public institutions (%)						
Samoa	..	..	..	..	..	..
Singapore	..	..	..	..	..	..
Solomon Islands	..	..	..	..	..	..
Sri Lanka	..	..	..	..	..	..
Tajikistan	..	..	..	..	..	..
Thailand	..	..	..	..	..	..
Timor-Leste	..	..	..	..	..	..
Tokelau	..	..	..	..	..	..
Tonga	..	..	..	..	..	..
Turkmenistan	..	..	..	..	..	..
Tuvalu	..	..	..	..	..	..
Uzbekistan	..	..	64.3	..	55.8	..
Vanuatu	..	68.3	..	72.0	69.5	..
Viet Nam	..	..	..	..	..	..

Data extracted on 3 Feb 2022 from <https://data.uis.unesco.org>

Recurrent expenditure as a percentage of total expenditure in public institutions (%)												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Afghanistan	81.7	82.6	84.9	81.1	80.7	80.4	..	..	..	..	..	..
Australia	..	..	..	..	91.6	92.3	..	..	..	..	..	..
Bangladesh	..	99.5	99.5	..	..	..	85.8	..	..	71.0	..	..
Bhutan	..	..	..	..	..	86.0	..	..	..	..	..	..
Brunei Darussalam	..	..	..	..	..	..	96.8	..	..	..	..	..
Cambodia	100.0	100.0	100.0	100.0	99.5	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..
Cook Islands	..	..	..	..	100.0	98.7	97.4	..	..	..	..	..
Democratic People's Republic of Korea	..	..	..	..	..	..	..	..	..	..	..	..
Fiji	..	..	..	99.9	..	..	..	..	..	..	..	..
Hong Kong SAR, China	87.3	84.1	81.8	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	88.1	87.4	86.6	87.9	88.3	88.1	..	..	..	..	..	..
Iran (Islamic Republic of)	..	..	..	95.3	93.5	95.8	95.9	95.7	95.1	94.1	..	..
Japan	86.7	87.5	89.0	88.1	86.1	..	88.7	88.8	89.7	..	..	..
Kazakhstan	90.6	93.3	91.8	94.9	94.6	96.5	95.9	95.8	95.5	100.0	..	..
Kiribati	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyzstan	93.5	93.9	94.6	90.1	86.7	84.3	82.2	85.1	87.3	89.9	..	..
Lao People's Democratic Republic	81.7	81.3	72.6	85.4	85.0	..	..	..	..	..	..	..
Macao SAR, China	58.5	43.4	32.8	73.3	87.8	90.8	91.9	92.6	81.2	79.4	..	..
Malaysia	..	94.4	89.5	90.5	94.2	94.4	91.9	92.1	93.4	92.4	..	..
Maldives	98.7	98.6	98.8	99.4	99.3	99.1	99.3	..	..	..	..	..
Marshall Islands	..	..	..	..	..	..	..	..	..	100.0	..	..
Micronesia (Federated States of)	..	..	..	..	..	..	..	..	..	..	..	..
Mongolia	..	..	100.0	100.0	100.0	100.0	86.0	91.1	..	..	..	..
Myanmar	..	86.6	..	..	..	..	..	79.7	..	74.6	..	..
Nauru	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	87.2	86.1	86.5	87.9	87.3	89.0	..	..	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Niue	..	..	..	..	..	..	100.0	..	..	..	..	..
Pakistan	..	..	..	75.4	..	..	..	..	..	..	..	..
Palau	..	..	..	..	..	..	..	..	..	..	..	..

Recurrent expenditure as a percentage of total expenditure in public institutions (%)

Papua New Guinea	..	..	..	..	..	..	..	..	..	..	..	..
Philippines	..	..	..	..	..	..	..	..	..	..	..	..
Republic of Korea	..	..	..	..	..	..	..	85.0	84.7	..	..	..
Samoa	..	..	..	..	..	..	..	..	..	..	..	..
Singapore	90.8	92.3	89.6	91.8	..	..	..	..	..	..	..	..
Solomon Islands	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	85.4	83.2	81.4	78.3	80.2	80.7	71.0	80.0	74.7	..	..	..
Tajikistan	..	..	..	..	..	86.0	..	..	..	..	..	..
Thailand	96.7	94.0	95.1	95.0	94.3	..	..	..	..	..	..	..
Timor-Leste	90.3	86.3	95.0	97.2	96.0	..	..	..	..	..	..	..
Tokelau	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	..	..	..	..	..	..	..	..	..	..	..	..
Turkmenistan	..	..	66.3	..	..	..	..	..	..	..	..	..
Tuvalu	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	..	..	..	..	..	..	..	100.0	..	100.0	..
Vanuatu	..	..	..	..	..	..	..	98.8	..	99.7	99.4	..
Viet Nam	74.7	76.9	79.7	78.1	..	..	..	..	..	..	..	..

Data extracted on 3 Feb 2022 from <https://data.uis.unesco.org>

Capital expenditure as a percentage of total expenditure in public institutions (%)												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Afghanistan	18.3	17.4	15.1	18.9	19.3	19.6	..	..	..	..	..	..
Australia	..	..	..	..	8.4	7.7	..	..	..	..	..	..
Bangladesh	..	0.5	0.5	..	..	..	14.2	..	..	29.0	..	..
Bhutan	..	..	..	..	..	14.0	..	..	..	..	..	..
Brunei Darussalam	..	..	..	..	..	..	3.2	..	..	..	..	..
Cambodia	..	0.0	..	..	0.5	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..
Cook Islands	..	..	..	..	..	1.3	2.6	..	..	..	..	..
Democratic People's Republic of Korea	..	..	..	..	..	..	..	..	..	..	..	..
Fiji	..	..	..	0.1	..	..	..	..	..	..	..	..
Hong Kong SAR, China	12.7	15.9	18.2	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	11.9	12.6	13.4	12.1	11.7	11.9	..	..	..	..	..	..
Iran (Islamic Republic of)	..	..	..	4.7	6.5	4.2	4.1	4.3	4.9	5.9	..	..
Japan	13.3	12.5	11.0	11.9	13.9	..	11.3	11.2	10.3	..	..	..
Kazakhstan	9.4	6.7	8.2	5.1	5.4	3.5	4.1	4.2	4.5	..	..	..
Kiribati	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyzstan	6.5	6.1	5.4	9.9	13.3	15.7	17.8	14.9	12.7	10.1	..	..
Lao People's Democratic Republic	18.3	18.7	27.4	14.6	15.0	..	..	..	..	..	..	..
Macao SAR, China	41.5	56.6	67.2	26.7	12.2	9.2	8.1	7.4	18.8	20.6	..	..
Malaysia	..	5.6	10.5	9.5	5.8	5.6	8.1	7.9	6.6	7.6	..	..
Maldives	1.3	1.4	1.2	0.6	0.7	0.9	0.7	..	..	..	..	..
Marshall Islands	..	..	..	..	..	..	..	..	..	..	..	..
Micronesia (Federated States of)	..	..	..	..	..	..	..	..	..	..	..	..
Mongolia	..	..	0.0	0.0	..	..	14.0	8.9	..	..	..	..
Myanmar	..	13.4	..	..	..	..	..	20.3	..	25.4	..	..
Nauru	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	12.8	13.9	13.5	12.1	12.7	11.0	..	..	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Niue	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	..	..	..	24.6	..	..	..	..	..	..	..	..
Palau	..	..	..	..	..	..	..	..	..	..	..	..

Capital expenditure as a percentage of total expenditure in public institutions (%)												
Papua New Guinea	..	..	..	..	..	..	..	..	..	..	..	..
Philippines	..	..	..	..	..	..	..	..	..	..	..	..
Republic of Korea	..	..	..	..	..	..	..	15.0	15.3	..	..	..
Samoa	..	..	..	..	..	..	..	..	..	..	..	..
Singapore	9.2	7.7	10.4	8.2	..	..	..	..	..	..	..	..
Solomon Islands	..	..	..	..	..	..	..	..	..	..	..	..
Sri Lanka	14.6	16.8	18.6	21.7	19.8	19.3	29.0	20.0	25.3	..	..	..
Tajikistan	..	..	..	..	..	14.0	..	..	..	..	..	..
Thailand	3.3	6.0	4.9	5.0	5.7	..	..	..	..	..	..	..
Timor-Leste	9.7	13.7	5.0	2.8	4.0	..	..	..	..	..	..	..
Tokelau	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	..	..	..	..	..	..	..	..	..	..	..	..
Turkmenistan	..	..	33.7	..	..	..	..	..	..	..	..	..
Tuvalu	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	..	..	..	..	..	..	..	..	..	..	..
Vanuatu	..	..	..	..	..	..	..	1.2	..	0.3	0.6	..
Viet Nam	25.3	23.1	20.3	21.9	..	..	..	..	..	..	..	..

Data extracted on 3 Feb 2022 from <https://data.uis.unesco.org>

Education Financing in Asia-Pacific

This report captures the situation in education financing in the Asia-Pacific region since the adoption of the Education 2030 Agenda in 2015. Using quantitative as well as qualitative analyses, recommendations for governments are formulated to help them adopt, adjust or improve financing measures to support the achievement of SDG 4.

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