Strengthening Costing and Financing of SDG 4.2 in the Asia-Pacific Region

UNESCO Bangkok
Kyungah Kristy Bang, Programme Officer

12-13 July 2021 at 1:30 pm – 3:30 pm (Bangkok time/ GMT+7)
Outline

1. Current Status of ECE in the Asia-Pacific Region
2. Regional efforts to expand quality ECE
3. Strengthening Costing and Financing of SDG 4.2 in Asia-Pacific Region
4. Next steps to increase financial investments in ECE in the Region

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Current Status of ECE in the Asia-Pacific Region (1/3)

Access to Early Childhood Education in the Asia-Pacific Region

👀 ECE has expanded in Asia-Pacific, yet there are regional disparities exist.

Gross enrolment ratio, pre-primary (%) across region and in Asia-Pacific

Source: UIS

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Early Childhood Education Finance in the Asia-Pacific Region

❖ ECE remains a chronically underfunded sub-sector in the Asia-Pacific region.

Government expenditure on ECE in Asia-Pacific region (2018 and most recent year)

Minimum benchmark

Source: UIS
Donors spend less than 1% on pre-primary education, which is the lowest level across region.

Proportion of donors’ aids to education sector by sub-educational level (2018)

Africa
- ECE: 1.8%
- Primary: 43.5%
- Secondary: 23.4%
- Post-Secondary: 24.7%

Asia
- ECE: 0.9%
- Primary: 34.4%
- Secondary: 17.3%
- Post-Secondary: 31.3%

Central and South America
- ECE: 1.2%
- Primary: 55.8%
- Secondary: 18.3%
- Post-Secondary: 24.7%

Source: OECD CRS Database
Regional efforts to expand quality ECE (1/3)

SDG 4.2

By 2030 ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

<table>
<thead>
<tr>
<th>International Efforts</th>
<th>Regional Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>First Regional Policy Forum (Seoul, Republic of Korea)</td>
</tr>
<tr>
<td>2015</td>
<td>Education 2030 Agenda (SDG 4)</td>
</tr>
<tr>
<td>2016</td>
<td>Second Regional Policy Forum (Putrajaya, Malaysia)</td>
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<tr>
<td></td>
<td>-&gt; Putrajaya Declaration</td>
</tr>
<tr>
<td>2018</td>
<td>Third Regional Policy Forum (Kathmandu, Nepal)</td>
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<tr>
<td></td>
<td>-&gt; Kathmandu Statement of Action</td>
</tr>
<tr>
<td>2019</td>
<td>Regional guidelines on innovative financing mechanisms and partnerships for early childhood care and education (ECCE)</td>
</tr>
<tr>
<td>2020</td>
<td>Virtual Regional Workshop on Education Costing and Financing</td>
</tr>
<tr>
<td>2022</td>
<td>Fourth Regional Policy Forum (Tashkent, Uzbekistan)</td>
</tr>
</tbody>
</table>
Regional efforts to expand quality ECE (2/3)

Asia-Pacific Regional Policy Forum on Early Childhood Care and Education

To provide a platform for high-level policy-makers of Asia-Pacific countries to share knowledge and discuss strategies to expand access to and improve the quality of comprehensive ECCE.

Regional action plan to operationalize and monitor SDG target 4.2

[Action Plan]
- Recognize importance of investments in young children.
- Increase financial investments.
- Prioritize targeted investment for marginalized children.
- Adopt innovative financing policies.
- Encourage development partners to increase assistance.
- Promote public-private partnership.
- Build an effective and transparent accountability system.

Priority Area

I. Financing
II. Education sector planning
III. Equity in access for all
IV. Quality improvement
V. Monitoring 4.2 indicators

Putrajaya Declaration
Kathmandu Statement of Action
Regional efforts to expand quality ECE (3/3)

Regional guideline on innovative financing:

Guideline on innovative ECE financing mechanisms and partnerships that can provide solutions to overcoming the financing challenges currently hindering the achievement of Target 4.2.

- To mobilize domestic as well as international financing.
- To include innovations in service delivery as well as in resource mobilization.
- To involve multilateral management and partnerships with private entities.
- To generate substantial and stable flows of funds for development.
- To help to enhance the efficiency of financial flows.
How much would it cost to achieve SDG4 Target 4.2 (universal pre-primary) in the Asia Pacific Region?

UNESCO – Korea Funds-in-Trust (KFIT) Project:

Strengthening costing and financing of SDG 4.2 in the Asia-Pacific Region
Strengthening Costing and Financing of SDG 4.2 in Asia-Pacific Region

Project Objective

To strengthen national capacities for systematic review and analysis of costing and financing of SDG4.2 to ensure that national education sector plans become truly sector-wide.

Activities

- National ECE Costing and Financing Models
- Regional and national workshops to strengthen financial capacities.

Outcome

Member States in the region will have increased government investment in ECE and expanded partnerships with all relevant stakeholders for equitable access to quality ECE.

Three pilot cases from low-middle income countries in

Cambodia
Bhutan
Kiribati
Methodology to develop ECE Costing Model

Data sources
UIS, WB EduStat, OECD Stat, and national education statistic document (Ex: Cambodian Education Statistics & Indicators Preschool and General education)

Summary of ECE statistics
Population
• ECE-aged population

ECE enrollment
• GER by age and gender
• Enrollments by PP school type

Number of existing resources
• # of teaching/non-teaching staff
• # of PP school

Economic conditions
• GDP and GDP growth
• International aid trends

National Education system

Costing Model for SDG 4.2
Access and Quality Targets from SDG 4.2 indicators and national targets

Economic Variables

Estimation Results
Population
• ECE-aged population

Pupils
• GER, pre-primary
• Enrollments by PP school types
• Marginalized pupils

Human and Physical resources
• Teachers needed
• Classrooms needed
• Teaching/learning materials needed

Financial requirements
• Recurrent costs
• Non-recurrent costs
• Investment

Expenditure framework
• Financial source (Government, donor, household.)
• Total expenditures

Historical data and Scenario Setting

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To estimate financial impacts of COVID-19 on ECE provision

Set scenarios and assumptions to estimate financial impacts

<table>
<thead>
<tr>
<th>Epidemic Period</th>
<th>Remediation Period</th>
<th>Post-pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2021</td>
<td>2022</td>
</tr>
</tbody>
</table>

**<ECE provision>**
- Length of school closure
- Length of epidemic period
- Length of remediation period
- % of pupils affected by school closures
- Drop-out ratio during epidemic situation

**<Teaching>**
- Additional teacher training during school closure and remediation
- Annual unit cost of teacher training

**<Sanitation facility>**
- # of students per additional sanitation facility
- Unit cost of sanitation facility
- % of sanitation facilities need to be repaired

**<Cost and Finance>**
- GDP scenario
- Unit cost for quantile measures
- Unit cost for remediation measures
- Unit cost after epidemic period
- Financial supports to non-government PP school.
Cambodia Pre-Primary Education Cost and Finance Simulation Model (1/5)

Access Target

<table>
<thead>
<tr>
<th>Targets</th>
<th>Baseline 2019</th>
<th>2030 Target</th>
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</thead>
<tbody>
<tr>
<td>Target of Cambodian Education 2030 Roadmap</td>
<td>25.1 %</td>
<td>51.8 %</td>
</tr>
<tr>
<td>(National Target)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target of Sustainable Development Goal 4.2</td>
<td></td>
<td>100 %</td>
</tr>
<tr>
<td>(International Target)</td>
<td></td>
<td></td>
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</tbody>
</table>

Financial Target

<table>
<thead>
<tr>
<th></th>
<th>Target of Cambodian Education 2030 Roadmap</th>
<th>International Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government expenditure for</td>
<td>2.5 %</td>
<td>4 %</td>
</tr>
<tr>
<td>education (as % of GDP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government expenditure for PP</td>
<td>9 %</td>
<td>10 %</td>
</tr>
<tr>
<td>education (as % of government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>educational expenditure)</td>
<td></td>
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</tr>
</tbody>
</table>

Cambodia needs to scale up investments to ECE section to achieve the national access targets (51.8 % from Cambodia’s Education 2030 Roadmap) and the international access targets (100 %: universal access from SDG 4.2).
Cambodia Pre-Primary Education Cost and Finance Simulation Model (2/5)

ECE Provision

Required number of physical and human resources to achieve national and SDG 4.2 scenarios.

**Access target and Required number of PP school buildings**

**Quality Target (PTR:25) and Required number of pre-primary teachers**

<table>
<thead>
<tr>
<th>Year</th>
<th>Public PP</th>
<th>Private PP</th>
<th>Community PP</th>
<th>GER</th>
<th>Pupil-Teacher Ratio (PTR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>8,889</td>
<td>5,853</td>
<td>1,755</td>
<td>38.5%</td>
<td>31.1</td>
</tr>
<tr>
<td>2022</td>
<td>12,930</td>
<td>8,321</td>
<td>2,930</td>
<td>55.2%</td>
<td>30.3</td>
</tr>
<tr>
<td>2026</td>
<td>17,782</td>
<td>10,755</td>
<td>4,772</td>
<td>77.6%</td>
<td>28.2</td>
</tr>
<tr>
<td>2030</td>
<td>22,215</td>
<td>13,100</td>
<td>6,932</td>
<td>100.0%</td>
<td>25</td>
</tr>
</tbody>
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Cambodia Pre-Primary Education Cost and Finance Simulation Model (3/5)

Financial Requirements to Achieve ECE targets in Cambodia (Pre-COVID-19 Estimation)

Financial requirements would rise to US$ 133.5 million for national target and US$ 306.6 million for SDG 4.2 target in 2030. Government needs to scale up its spending on Pre-Primary Education to compensate the financial shortfall, especially if the government provided free pre-primary education by 2030.

Costs to achieve ECE targets

Expenditure framework by stakeholders (USD$ million)
Cambodia Pre-Primary Education Cost and Finance Simulation Model (4/5)

Financial Requirements to achieve ECE targets in Cambodia during COVID-19 pandemic

- During the COVID-19 pandemic, costs to ECE sector would be increased (ex: new sanitation facilities, additional training for remediation measures, and/or re-enrolment strategy).
- Given estimations the government lose national income due to low GDP growth rate, the budget to ECE would be decreased and shortfall would be **US$ 10.3 million for national target** and **US$ 232.6 million for SDG 4.2 target** in 2030.

**Costs to achieve ECE targets (USD$ million)**

**Expenditure framework by stakeholders (USD$ million)**
Cambodia Pre-Primary Education Cost and Finance Simulation Model (5/5)

To compensate for financial shortfall

- To compensate for financial shortfall, government need to increase government expenditure on education as % of GDP or government education expenditure on pre-primary education as % of education expenditure by 2030.

Financial shortfall in case the government allocate 2.5 % of GDP to educationa and 9 % of educational expenditure to ECE in 2030

<table>
<thead>
<tr>
<th>in 2030 (USD million)</th>
<th>Projected budget</th>
<th>Financial Requirements</th>
<th>Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Target (Pre-COVID19 Projection)</td>
<td>130.9</td>
<td>133.5</td>
<td>- 2.6</td>
</tr>
<tr>
<td>National Target (COVID-19 Projection)</td>
<td>121.3</td>
<td>141.3</td>
<td>- 19.9</td>
</tr>
<tr>
<td>SDG Target (Pre-COVID19 Projection)</td>
<td>101.3</td>
<td>306.6</td>
<td>- 205.2</td>
</tr>
<tr>
<td>SDG Target (COVID-19 Projection)</td>
<td>91.7</td>
<td>324.3</td>
<td>- 232.6</td>
</tr>
</tbody>
</table>

![Diagram showing required amount of government expenditure to compensate for shortfall.](image)

- Required amount of government expenditure to compensate for shortfall.
Next steps to increase financial investments in ECE in Asia-Pacific Region

Limitations of the Model

Without comprehensive data, calculated projections will not be reliable. Adequate and quality data are essential.

→ Strength data collection capacities to monitor SDG 4.2 indicators adequately and effectively.

To address financial challenges to achieve SDG 4.2 and National ECE targets

- Identify most disadvantaged area and/or population at regional and national level, then prioritize targeted financial investments for marginalized children.
- Explore and adopt alternative and innovative financing policies and mechanisms to support governments' limited fiscal capacity.
- Develop costing and financing tools with reliable national data and apply estimation results to policy development.
- Sensitize all relevant stakeholders to compensate national income lose and increased educational costs during epidemic and remediation period of COVID-19.
Thank you

Learn more: www.unesco.org/education

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