Ensuring Adequate, Effective and Equitable Financing in Schools:

Expert Meeting on School Finance in the Asia-Pacific Region

31 March – 1 April 2016

Anantara Riverside Bangkok Resort, Bangkok, Thailand

Concept Note

Background:

The global education community launched the Education 2030 agenda at the World Education Forum 2015.¹ This new education agenda is captured in the Sustainable Development Goal 4² and its corresponding targets. Chief among the education targets is “By 2030, to ensure all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.” Achieving this and other Education 2030 targets will require enabling financing strategies; sustained, innovative and well-targeted financing; and efficient implementation arrangements.³

In this regard, education financing systems in the Asia-Pacific region are varied and complex, differing in level and target of spending, extent of private sector provision of education, modalities of financing, and degree of decentralization. Given a number of decentralization reforms in the Asia-Pacific region, responsibilities for the provision of basic education are being shifted from the central government to subnational governments and/or to the schools themselves.⁴ School finance, concerned with the mobilization and allocation of resources to schools and with management and use of budget/funds at school level, differs in complexity across the region.

What determines adequacy, effectiveness and equity of school finance? Research indicates that an inclusive national system on school finance and fund allocation mechanisms with comprehensive criteria/guidelines, design geared towards education quality and efficient implementation can lead to an impact on outcomes. The way resources are invested and used is more important than the amount of resources since it has more impact on student learning outcomes.⁵ Per capita funding formulae and school grants are examples of financial allocation mechanisms often considered effective. According to

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² United Nations. Transforming our World: The 2030 Agenda for Sustainable Development
the World Bank, “per capita financing has led to improvements in transparency and accountability of general education expenditures, regardless of whether the funding formula is simple or complex.” In addition, per capita funding formulae’s design can address incentives (e.g. teaching process) which can lead to improved learning outcomes. On the other hand, school grant programmes have been initiated to improve financing, delivery, equity and quality of education in the following ways: 1) reducing bureaucratic procedures in receiving materials and funds from higher administrative levels; 2) implementing an appropriate decision of grant use by school level stakeholders who understand the needs at school level; 3) preventing leakage by transferring the funds directly to schools; and 4) using funds efficiently by allocating to more disadvantaged people.

In practice, education policy-makers and planners are faced with challenges related to the relationship between adequacy, effectiveness and equity of school finance and to establishing synergies among education planning, financing, budgeting, and financial management processes at different levels, particularly at school level. Given the global focus on financing as the Education 2030 implementation modality and the growing trend in introducing school finance policies, it is important to guide governments and schools in the Asia-Pacific region in order to allocate and utilize available resources efficiently and effectively to deliver quality education. This will require strong efforts in data collection and analysis, decision-making, capacity development, implementation and monitoring of school finance. Unfortunately, at present, there is a lack of practical guidance on developing and implementing a successful school finance system.

Against this background, UNESCO Bangkok undertook a regional study on school finance in 2015. The study was built on UNESCO International Institute for Education Planning (IIIEP) and UNICEF’s data collection and analysis on school grants in Indonesia, Mongolia, Timor-Leste and Vanuatu, the World Bank’s Systems Approach for Better Education Results (SABER) in school finance and other research. The first phase of the regional study on school finance involved Kobe University and UNESCO Bangkok, with financial support from Japan’s Ministry of Education, Culture, Sports, Science and Technology (MEXT), conducting three country pilot studies on school finance in Cambodia, Lao PDR and Viet Nam. During the second phase, six more country case studies on school finance were conducted in China, Bangladesh, Myanmar, Nepal, Pakistan and Uzbekistan, and a comprehensive regional report was prepared. Based on the research findings, practical guidelines on school finance were developed which will become a module of the Education Microplanning Toolkit in the Asia-Pacific, a practical tool to build capacities in education planning at the local level.

**Description:**

Experts from the Ministries in Education and Finance and universities, researchers and international development experts will gather for a two-day regional meeting to examine policies and practices of school financing in the context of decentralization in the Asia-Pacific region and to identify recommendations on strengthening the effectiveness of school finance. The feedback from the

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7 UNESCO-IIEP and UNICEF. Improving school financing: the use and usefulness of school grants Lessons from East Asia and the Pacific. Draft version.
8 UNESCO-IIEP and UNICEF. Improving school financing: the use and usefulness of school grants Lessons from East Asia and the Pacific. Draft version.
participants will contribute to finalizing nine country studies, the regional report and guidelines on school finance which aim to improve policy dialogue in countries and the region and facilitate capacity development at a local level.

**Objectives:**

- To facilitate the sharing of experiences in school financing with regard to adequacy of resources for school financing, efficiency of school finance in terms of resource mobilization and management, and how school financing serves equity objectives in the Asia-Pacific region
- To review findings of the country case studies, regional report and guidelines on school finance
- To agree on common issues in school finance and to formulate recommendations for strengthening school finance policies and practices in the region

**Outputs:**

- Finalized country reports
- Finalized Regional report on school finance
- Finalized module on school finance for the Education Microplanning Toolkit

**Participants:**

Education/school financing experts, including policy makers from the Ministries of Education and Finance, academics and researchers from nine target countries of the Regional Study on School Finance; Kobe University; UNESCO Bangkok, International Institute for Education Planning (IIEP) and Global Education Monitoring Report (GMR); and international and regional development partners such as the World Bank, UNICEF, civil society, etc.

**Contact:**

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