EFW

EDUCATION FINANCE WATCH 2024

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The Education Finance Watch (EFW) is a collaborative effort between the World Bank, the Global Education Monitoring (GEM) Report, and the UNESCO Institute for Statistics (UIS). The EFW aims to provide an analysis of trends, patterns, and issues in education financing around the world.

Countries must invest more—and better—in their education systems:

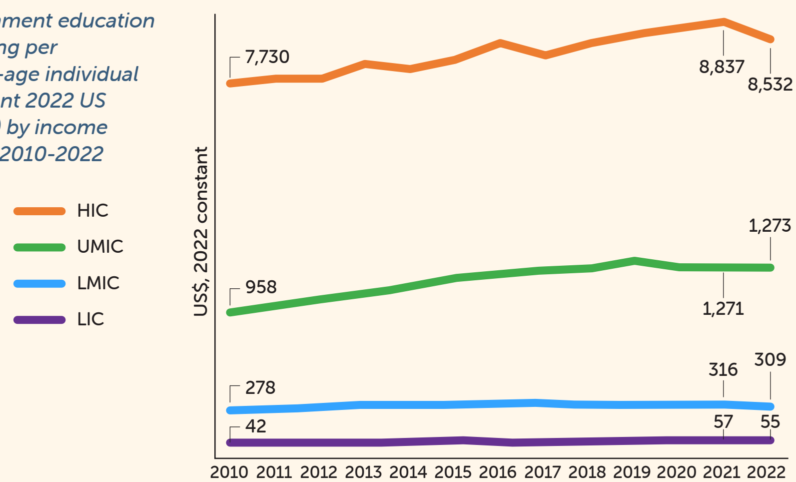
- **To improve** learning outcomes in the wake of the digital and green transitions.
- **To meet** national and global education goals.
- **To ensure** inclusive, equitable and quality education for all.

Key Findings about Education Financing:

1 Total education spending has increased, but significant gaps persist. Funding in many low-income countries (LICs) and lower-middle-income countries (LMICs) remains low. In 2022, LICs and LMICs, on average, spent just US$55 and US$309 per child[1] annually respectively — far below what is needed to ensure quality education and address learning crisis.

In LICs and LMICs financial resources for education are limited and often used inefficiently

Government education spending per school-age individual (constant 2022 US dollars) by income group, 2010-2022



Source: Author estimates using the EFW 2024 database.
Note: The number is the mean of government education spending per child by income group. Estimates of spending as a percentage of GDP include interpolated values to fill in missing data and ensure that there is a comparable sample of countries in all periods.

1 EFW 2024 uses "per child" referring to those aged between 5 and 24 years old. HIC: high-income countries, UMIC: upper-middle-income countries

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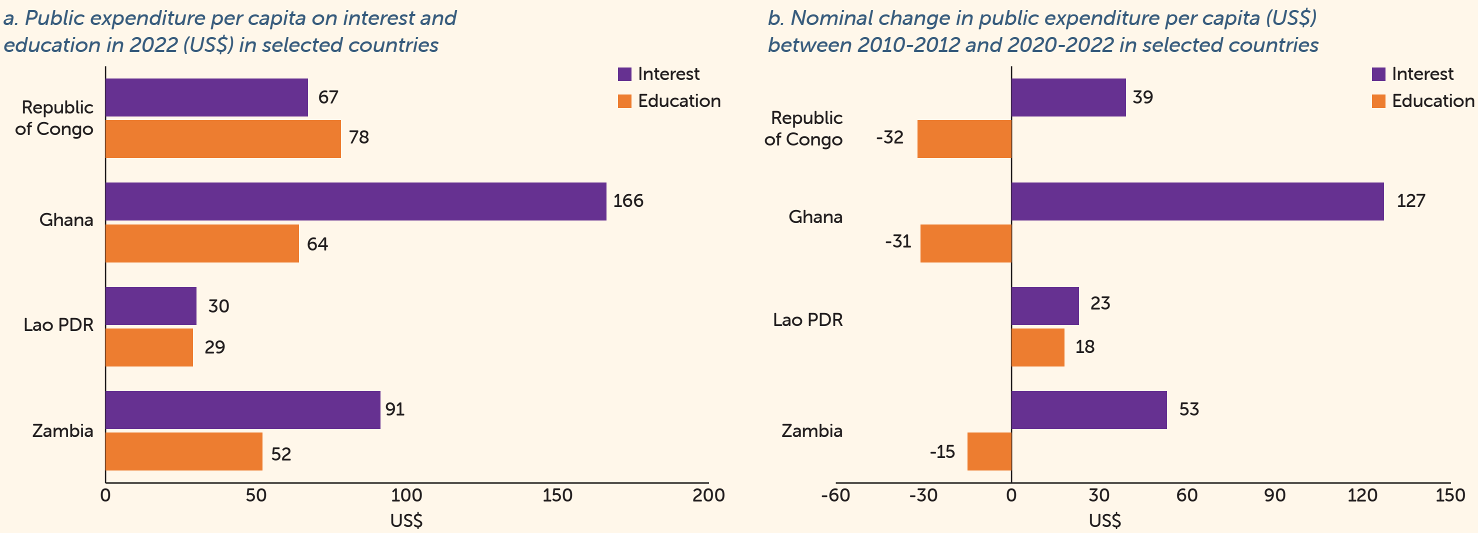
2 **Countries must focus on increasing the adequacy, efficiency, and equity of their educational expenditures.** Financial resources are often used inefficiently. Governments must focus on better public financial management, improving school management and teacher performance, strengthening governance, and directing resources toward cost-effective policies and programs.

3 **Aid for education in LICs has increased in absolute terms but decreased in relative proportion.** Aid accounts for about 12.2 percent of education funding in LICs. Yet, the share of aid allocated to education has decreased from 9.3 percent in 2019 to 7.6 percent in 2022, as donors shifted priorities to other sectors.

4 **Interest payments on public debt outpacing education spending, posing serious concerns.** Some countries are now spending nearly as much per capita on debt servicing as they are on education.[2] The growing fiscal burden, particularly in Africa and South Asia, is squeezing education budgets.

Poorer countries' interest payments have been growing faster than their education spending



Source: Author estimates using EFW2024 database and United Nations Conference on Trade and Development (UNCTAD) data.

5 **Timely data is critical to inform forward-thinking policymaking.** To maintain a clear global picture of education financing trends, it is imperative for countries to report their education funding data in a timely and consistent manner, with more disaggregation.

2 In EFW 2024, "per capita" refers to the total population. In other words, a country's per capita debt servicing burden is determined by dividing the total debt servicing burden by the country's total population.