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LEARNING BRIEF

Education Financing Observatory: Pilot Results - Georgia

This Learning Brief was compiled by the Global Campaign for Education (GCE) to share with members the critical findings identified in the Education Financing Observatory pilot project and the lessons learnt for the future rollout of the observatory. The content presented in this Learning Brief is the summary and recommendations that were generated from the presentations made by panellists and inputs from participants.

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About the webinar

On the 28th of February 2023, the GCE convened a webinar entitled ‘Education Financing Observatory: Pilot Results’. The webinar engaged GCE national and regional members, partners and other stakeholders on the findings and key lessons learnt from the implementation of the pilot project. Drawing on empirical evidence from four countries that participated in the pilot phase, namely Honduras, Georgia, Somalia and Tanzania; the webinar addressed the question of whether and how governments are investing the maximum of resources available to protect and fulfil everyone’s right to education effectively.

The webinar aimed to achieve the following specific objectives:

1. Engage GCE members with its Education Financing Observatory and share lessons and experiences from four countries where the pilot was conducted.
2. Provide evidence of the multiple ways in which the lack of adequate and sustainable financing compromises the right to education for all in general, and those traditionally excluded and marginalised from education systems.
3. Provide evidence of how the lack of investment in education concedes countries of the Global South’s possibility to achieve SDG4.
4. Provide evidence and share good practices of how GCE, specialists in the fields of education and financing, and university students can collaborate to better understand the gaps in education financing and provide recommendations for policy and advocacy work aiming to protect everyone’s right to education.

Audience: GCE national, regional and international members, partners and other stakeholders with a common interest, expertise and passion for issues related to education financing.

Background

In early 2021, the Global Campaign for Education (GCE) launched the Education Financing Observatory (EFO). The overall objective of the EFO is to provide a multi-stakeholder platform to support the GCE movement with generating evidence and strategically guide the use of the evidence and knowledge to inform policy and advocacy on education financing in strengthening and delivering strong public education systems and the implementation of Education 2030 Agenda/SDG4.

In order to test the methodology detailed in the [Research Protocol](#), a pilot exercise was planned and put in place in 2022 in four countries: [Honduras](#), [Georgia](#), [Somalia](#) and [Tanzania](#). By the end of 2022, the pilot countries produced the final research report following the guide and structure provided in the [Research Protocol](#) designed by GCE. All the reports addressed the same question: *whether and how governments are investing the maximum of resources available to effectively protect and fulfil everyone's right to education.*

The pilot project was conducted bringing together three conceptual frameworks: the right to education 4A scheme, SDG4 and the 4S framework which frame the processes of data gathering and analysis focusing on the Share of national budgets that governments invests on education; the Size of budgets; the Sensitivity of public investment on education, in particular considering equity and inclusion criteria; and the Scrutiny of education budgets. This approach provides a structure for national initiatives to improve education through gathering and using strategic information; developing evidence-informed policies; scaling-up provision and use of education services; and strengthening linkages with other sectors such as academia, civil society, international donors, NGOs and other government departments. These intervention strategies all come together to try and address SD4 indicators such as the completion rate (primary education, lower secondary education, upper secondary education), participation rate of youth and adults in formal and non-formal education and training-by sex, and parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated.

Two overarching empirical findings can be found in the reports: (i) Georgia is not investing the maximum of resources available to make progress towards SDG4 and secure the right to education for all; and (ii) Georgia is not fulfilling the 4 to 6% benchmark of government expenditure on education as a % of GDP and none of them are accomplishing at least 20% of investment on education as a % of government social investment either.

In subsequent pages, the learning brief provides the contextual analysis, findings of the pilot project, challenges, lessons and recommendations from the pilot undertaken in Georgia in collaboration with the Georgian Coalition for Education for All (GCEF). GCEF and GCE commissioned a local researcher to support this exercise in Georgia.

Name of Coalition: Georgian Coalition for Education for All (GCEF)

Title of project: Education Financing Observatory

Contextual analysis

To understand the challenges Georgia is experiencing in Education Financing and challenges the country is facing in its education sector, it was reported that:

- Georgia achieved some success in eliminating poverty in the last decade. According to the national standards of poverty, the share of the population living under the absolute poverty threshold declined from 34.1% in 2011 to 17% in 2021 (GEOSTAT, 2022c). Using internationally adopted standards to measure poverty, the Georgian situation may look worse. The country is classified as an upper-middle-income economy by the World Bank. Therefore, according to the poverty indicators developed by the WB the threshold of having \$ 5.5 (PPP 1011) per day per capita is applicable for monitoring poverty. According to this measure, in 2020, 46.6% lived under the upper middle income class poverty line (Fuchs, 2022).
- There are 1648 preschools in Georgia, which enrol more than 154 thousand children (GEOSTAT, 2022a). On the general education level, there are 2308 registered schools, among which 2086 are public schools. The schools in Georgia are organized as comprehensive schools serving the population of students in grades 1-12. The general education system currently serves 624, 5 thousand students. The schools are virtually in all municipalities and in many relatively small settlements.
- The Georgian education system inherited a widely developed education infrastructure from the Soviet times. At a first glance the network of preschools, schools, universities, and professional education institutions proves to be covering the whole country. However, when adopting a more nuanced lens, the picture presents more problems than is evident from the first examination as shall be seen below.

Methodology used to collect data

In this project, researchers utilised these data collection approaches in accessing and analysing useful and relevant data:

- The study gathered financial, legal and institutional data on the Georgian education system for years 2015-2021 from various sources, both publicly available and provided upon request for the purposes of the study.
- The acquisition of data consisted of a three step approach. Firstly, researchers analysed what data was available publicly. It was decided on this step, that the data of interest not available in the public domain would be requested from two main governmental bodies: Ministry of Education and Science (MoES) and Ministry of Finance (MoF).
- The second step was to request the data from the MoES. Once it was established that certain data was not available from these sources, or needed further clarification, a third round of data gathering was initiated with further requests of data from MoES and MoF.

- The following data that was used in this report was available publicly: i. overall yearly national budget of Georgia, ii. Overall yearly budget of the MoES, including the breakdown of funds allocated to various sub-sectors such as general education, higher education, vocational education, iii. Municipal budget documents, including allocations to pre-schools in each of the municipalities. All 64 municipalities of Georgia publish their budgets for each year through the government portal for legal documents, and iv. Statistical information on the number of schools, universities, kindergarten, poverty indicators and GDP of Georgia.
- For example, for general education, researchers analysed the data on funds transferred by the MoES to each school for each year during 2015-2021 period. As a first step, researchers disaggregated data by the type of the ownership of the schools, between publicly and privately owned schools. In the next step, they disaggregated the data on the privately owned institutions by the type of the legal status, as some institutions are registered as for-profit and some as not-for-profit schools.

Researchers utilised desktop review to analyse and establish meaning and pattern across all data.

National budget education allocation findings

Through the research, it was established that:

- Even though Georgia has a wide network of the infrastructure of education, including all levels of education, the Georgian government allocates financial resources to education below desirable international benchmarks to ensure the maximum fulfilment of the right of education of its citizens. The government expenditures as a share of GDP in education in the period of 2015-2021 is on average 3.7% (below 4-6% internationally agreed target).
- The share of public expenditures to education as a share of total government expenditure is also low, amounting to an average of 10.5% in the same period (below 15-20% internationally agreed target).
- In Georgia, the share of the total government expenditure on education as a share of the total government expenditure varied between 8, 5-12, 2%. What may be worrying is that in the last two years, there is a notable negative trend on this measure. The share of the total expenditure on education dropped from approximately 12% in 2018 and 2019 to 10% and 8, 5%, respectively in 2020 and 2021.
- From the data analysed, it is evident that the main funding for education in Georgia is allocated at the central level, through the central budget. The second largest funding level of education is for the local municipalities. The regional level of funding is relatively insignificant, in comparison to the central and local levels. The financial gaps in the national, regional or local budgets provide a warning as to the possible deficiency of the government of Georgia to address the educational needs, especially of those living in poverty, in marginalized communities (e.g. mountainous areas in Georgia or of ethnic minorities).
- Fluctuations in the share of the budget, especially the decline in the share of the education expenditures may also indicate shifting priorities of the decision-making bodies away from education.
- 15% of expenditures on higher education is allocated to privately owned universities. Among privately owned universities, most are registered as for-profit legal entities. As much as 83% of funds that were paid to private universities in the 2015-2021 period went to for-profit

universities. In essence, this stifles lifelong learning, and in general makes education very expensive and out of reach for the underprivileged.

- The low expenditures in public education hinder the society to address the educational problems discussed in the introduction of this document. Students of low socio-economic backgrounds lack adequate support to improve their capabilities not only to access the educational institutions on all levels (pre-school, secondary and tertiary levels). There is a definite lack of funded policies, which would address the equity issues in terms of access to high-quality teaching and learning processes. Low funding of education proves to create problems to attract the best possible personnel in the teaching and administration. Costs, including direct and opportunity costs for the young, hinder them to benefit from professional or higher education, thus reducing their capability to realize their rights beyond education, to fully participate in civic development and successfully obtain their means of living and development.

Challenges/limitations that were identified through the research project:

- The data that researchers found through the study was limited in other aspects. The Ministry of Education and Science was not able to provide detailed yearly allocation data of the donor funds spent on education projects, other than those that were publicly accessible through the National Budget documents. Therefore, researchers contacted the Ministry of Finance of Georgia with the request of such information. The MoF shared a note on project agreements between the government and donor agencies that were signed in the period under review. This did not add significantly to the information on the amount of financial resources provided by donor funded projects on a year-by-year basis.
- When local and central budgets are aggregated in Georgia, it results in a slight discrepancy that should be accounted for. The transfers from the central budget to the local area appear in the education financing calculation twice. Therefore, resulting in a higher amount of total government expenditure, possibly playing a negative effect on calculation of the share of the total government educational expenditure as a % of the total government expenditure on education. The issue should be investigated further to ensure more robust findings.
- Not much information was available in the budget documents on the policies related to the education of ethnic minorities. Moreover, those students of ethnic minorities that go through the preparatory programs are not eligible to apply for those programs that are fully funded by the government.
- The problem with the analysis of the finances of international aid in Georgian education is that there is no systematic data collected by any agency, including the Ministry of Education and Science or Ministry of Finance. Even for those projects that are accounted for by the national budget, financial reports that would enable disaggregation of funds by various levels of education are not available. The lack of financial data may be problematic from the perspective of transparency and the public accountability on the projects funded by international aid and cooperation agencies.

Learning aspects/best practices of the project:

- Despite some setbacks in terms of data gathering, especially with the line Ministries, researchers remained resilient and continued liaising with the responsible persons until the information required for the study was acquired.
- All financial data was converted from Georgian Lari to USD. Official exchange rates by the National Bank of Georgia were used. The conversion rate of 31 December 2021 was used for each year of interest. This approach to data transformation created ambiguity for the analysis. When looking at the financial data in USD, in some periods it may seem that there is a significant change of funding. However, when looking at the same financial data expressed in the local currency, change in the same period is less dramatic. Here, significant fluctuations of conversion rates during the period of 2015-2021 influenced researchers' perception of improvement, when in reality there was not any significant change. Other countries implementing the same project should bear this pitfall in mind.
- Even though Georgia has a wide network of the infrastructure of education, after conducting a thorough examination of the data, researchers found that there are deep seated inequalities, disparities in education financing, and other problems which impede the right to education and need urgent attention.

Way forward

- The findings of this research should be used beyond this pilot exercise to influence and call for more attention and funding towards the promotion of education. This resource should be shared and engaged with universities, government departments, and other stakeholders in Georgia showing where the gaps are in terms of Education Financing, PWDs, gender, children, lifelong learning, teacher's welfare, among other things raised in the report.

Recommendations

- The government of Georgia should establish and fund educational institutions in the country to fulfil the 4 to 6% benchmark of government expenditure on education as a % of GDP and try to achieve at least 20% of investment on education as a % of government expenditure.
- Georgia should ensure the availability of the adequate infrastructure, teaching and learning materials, educational programs and qualified teachers as key dimensions of the Agenda 2030.
- Georgia should provide compulsory education free of charge. Education should be accessible not only for the general population, but also for those living in the marginal geographical areas and for those who are otherwise disadvantaged due to their social or other conditions.
- Another area of the needs-based funding at the Georgian universities concerns funding for ethnic minority students. Those students that take entrance examinations either in Azeri or Armenian languages, are eligible to enter universities on different terms than those that take the examinations in Georgian.
- Georgia should adhere to the acceptability criteria which relates to the quality of the education provided by the education systems and adaptability criteria which focuses on the arrangements made to address education for all groups requiring special attention. Among those who should be considered preferentially are the cultural, ethnic and linguistic minority groups and children with disabilities.

- Schools in Georgia should be allocated adequately trained personnel to address special educational needs of students as parents are often expected to act as assistants to the teachers.

In conclusion:

- The GCE looks forward to the development of similar strategies and rolling-out of the EFO project in other countries so as to promote data collection and evidence-based interventions on Education Financing.
- GCE members should use such tools for advocating for the right to education, share their findings of the EFO respective report with strategic partners such as the government and engage with other stakeholders to secure more funding for education.

Resources:

You can access the webinar recording: [here](#).

You can access the project presentation: [here](#).

You can access the detailed report: [here](#).