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Can countries afford their national SDG 4 benchmarks?

The international community has committed to ambitious education targets to be achieved by 2030, including universal secondary completion and at least a minimum level of proficiency in reading and mathematics achieved by all children. The magnitude of the challenge has become clearer since 2015: only about one in two children completed primary school and achieved the minimum level of proficiency.

Progress was slow in the first five years after 2015. Even the goal of universal primary completion –first set to be achieved by 1980 – is not expected to be reached by 2030. As of 2020, one in four children in Africa was not completing primary school, making the objective of universal secondary completion clearly unachievable. The COVID-19 pandemic has caused a major disruption to education systems, creating further obstacles. In countries that experienced long school closures, reversals in key education indicators are expected, although it will take several years to know the magnitude.

Under these circumstances, it is no longer useful to estimate the cost to low- and lower-middle-income countries of achieving the Sustainable Development Goal 4 (SDG 4) targets, as done twice before, in 2015 and 2020. However much money is spent, the targets are no longer achievable. Arguably, they were never achievable but were instead aspirational. However, a notable development in the past two years has been that countries have set national benchmarks for selected SDG 4 indicators to be achieved by 2025 and 2030. This step, which fulfils a commitment that countries made in 2015 as part of the Education 2030 Framework for Action, allows the reformulation of the challenge: what will it take countries to achieve the 2030 targets they have set for themselves rather than the aspirational targets?

This paper reviews the two previous SDG 4 costing exercises and their main assumptions, and speculates about the potential financial impact of COVID-19. It introduces the SDG 4 benchmarking process and how to estimate the cost of achieving these targets set by countries, largely based on their sector plans. Finally, it presents the revised assumptions of the model and the key findings. Despite lowering ambition, there is still an average national financing gap of USD 97 billion per year in the 79 low- and lower-middle-income countries. This is several times the external resources currently being offered.

THE FINANCING GAP FOR ACHIEVING SDG 4 HAS LONG BEEN ESTIMATED TO BE VERY WIDE

In 2015, the *Global Education Monitoring Report* team estimated that the cost of achieving the key SDG 4 targets, that is, ensuring universal pre-primary, primary and secondary education by 2030 in low- and lower-middle-income countries, would cost a cumulative USD 5.1 trillion, equivalent to about USD 340 billion per year from 2015 to 2030. This cost was about 2.3 times higher than the annual total cost in 2012, reflecting a combination of both greater numbers of students (e.g. five times more students in pre-primary and upper secondary education would need to be enrolled in low-income countries) and higher per-student costs, which would mostly be

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the result of falling pupil/teacher ratios in pre-primary education and higher teacher salaries at pre-primary and primary education. In relative terms, the total cost would have to increase from 3.5% to 6.3% of GDP between 2012 and 2030 (UNESCO, 2015a).

In addition to the universal education objective of SDG targets 4.1 and 4.2, these estimates also reflected the cost of achieving other selected SDG 4 targets. The costing model recognized that to fulfil the equity pledge, as reflected in target 4.5, and reach any out-of-school children, a higher cost per student would be incurred than for those already in school.

The model also recognized that core standards would need to be met to fulfil the SDG 4 pledge for quality. With respect to target 4.a, one quarter of recurrent expenditure would be allocated for purposes other than teacher salaries to cover a wide range of quality-improving items. There would also be enough new classrooms constructed spread over 10 years to ensure one classroom per teacher and the replacement of old classrooms.

With respect to target 4.c, the commonly accepted pupil/teacher ratios (e.g. 40 students per teacher in primary education) would not only be achieved but would fall further as countries became wealthier. The assumption was made that countries would gradually converge at a steadily declining global average. It was projected, for instance, that the average ratio in primary education would be 29 students per teacher by 2030.

Teacher salaries tend to be high in GDP per capita terms in poorer countries where relevant skills are scarce. Regardless, they need to be sufficiently high to attract good candidates to the profession. It was assumed that countries would converge towards the teacher salary levels of the highest-paying 50% of countries in GDP per capita terms.

The model did not cost the remaining SDG 4 targets related to tertiary education (4.c), skills for work (4.4), adult literacy (4.6), education for sustainable development and global citizenship (4.7), and scholarships (4.b). Significantly, it did not attempt to cost the achievement of at least a minimum level of proficiency in reading and mathematics, mainly because there are no established models that associate the impact of a dollar spent in education on learning outcomes.

In 2020, maintaining most of these assumptions and slightly adjusting a few of them, the estimates were updated to take into account the progress achieved to date. The cumulative cost to achieve SDG 4 by 2030 in low- and lower-middle-income countries remained the same, but the annual financing need was increased from USD 340 billion to USD 504 billion, mainly because of the shorter time frame. Of that, only USD 356 billion would be covered by available domestic financing resources, increasing the annual financing gap from USD 39 billion to USD 148 billion, or from 12% to 29% of the total cost (UNESCO, 2020).

Adding to the lower-than-expected progress and the shorter timeframe, four other factors accounted for the increased financing gap: lower-than-expected GDP growth in low-income countries; a slight increase in the projected numbers of students by 2030; updated classroom construction cost parameters; and faster-than-expected convergence towards pupil/teacher ratio targets. Moreover, this financial gap excluded the potential cost implications of COVID-19, for which separate calculations were made (**Box 1**).

BOX 1:

A certain impact of COVID-19 on the costs of achieving SDG 4 – but its size is far from certain

At the onset of COVID-19, an extended analysis based on the costing model tried to assess the pandemic's potential impact on the cost of achieving the SDG 4 targets. It focused on four drivers of increased costs. First, a potential fall in learning outcomes could indirectly precipitate early school leaving. Remediation programmes would address learning loss: one day of remedial classes was assumed to be required for each week of school closure at the cost of one day of general education. Second, poverty could directly increase early school leaving and/or exit from private schools. Re-enrolment campaigns would be needed, while additional teachers would need to be hired to absorb students transferring from private to public schools. Third, second chance education solutions would be required for students who would not return to school, at twice the unit cost of general education. Fourth, schools and classrooms would need new or refurbished infrastructure to function in line with public health protocols.

The impact of the four drivers would depend on two exogenous factors, largely outside government control. First, epidemiological developments would affect the duration of school closures. Second, lockdowns and related constraints would affect economic growth. Under a scenario of a 20-week school closure and a small dent on economic growth in 2020, the financing gap would grow from its baseline of USD 148 billion by about USD 30 to 45 billion. However, this effect could be reduced by about USD 5 to 25 billion if early policy action were taken, frontloading the cost of some of the interventions (UNESCO, 2020).

In the end schools remained closed for roughly 20 weeks and partially closed for another 20 weeks, on average, with large variations among countries: in some, schools barely closed; in others, schools closed for almost two years (UNESCO, 2021). Countries also varied greatly in distance learning opportunities available and household capacity to benefit from these opportunities. Internet availability at home is a prerequisite to learning continuity but was available to only one third of households globally.

A full global picture of the short-term impact of school closures on school attendance and learning outcomes is only expected by the end of 2024. The longer-term impact, which several assessments speculate on, will take several more years to be known. Given the uncertainty, it is not possible to attach a precise monetary value to the cost of COVID-19 on the probability of achieving SDG 4 and no such attempt is made in this paper. There is some indication that, despite the massive disruption, the pandemic may not have had a negative impact on school attendance trajectories. But to the extent that such a negative impact happened after all, the actual costs and accompanying financing gap presented in this paper would need to be adjusted upwards. Despite calls to prioritize education, governments in low- and lower-middle-income countries appear to have reduced education spending in 2020–21 (UNESCO and World Bank, 2022).

THE NATIONAL SDG 4 BENCHMARKS SHOW COUNTRIES' CONTRIBUTION TO THE GLOBAL GOAL

In 2015, anticipating that the global targets could not apply equally to all countries, the Education 2030 Framework for Action, which is the roadmap for achieving SDG 4, called on countries to establish benchmarks, i.e. national targets. It provided a clear rationale and a set of principles for doing so:

> The targets of SDG4-Education 2030 are specific and measurable, and contribute directly to achieving the overarching goal. They spell out a global level of ambition that should encourage countries to **strive for accelerated progress.** They are applicable to all countries, **taking into account different national realities, capacities and levels of development** and respecting national policies and priorities. **Country-led action will drive change**, supported by effective multi-stakeholder partnerships and financing. Governments are expected to **translate global targets into achievable national targets** based on their education priorities, **national** development strategies and **plans**, the ways their education systems are organized, their institutional capacity and the availability of resources. This requires **establishing appropriate intermediate benchmarks** (e.g. for 2020 and 2025) through an inclusive process, with full transparency and accountability, engaging all partners so there is country ownership and common understanding. Intermediate benchmarks can be set for each target to serve as quantitative goalposts for review of global progress vis-à-vis the longer-term goals. Such benchmarks should build on existing reporting mechanisms, as appropriate. Intermediate benchmarks are **indispensable for addressing the accountability deficit associated with longer-term targets (**UNESCO, 2015b**,** §28; emphasis added).

In other words, the national SDG 4 benchmarking process was to be based on the following principles:

- *Ambition:* Benchmarks should be set at a level that entails progress faster than what would have been achieved without extra effort ('strive for accelerated progress').
- *Fairness:* Benchmarks should be set relative to countries' starting points ('taking into account different national realities, capacities and levels of development').
- *Ownership:* Benchmarks should build on national and not external processes ('translate global targets into achievable national targets based on ... national ... plans').
- *Learning:* Benchmarks should have a formative purpose, to be achieved through peer learning ('Country-led action will drive change').
- *Accountability:* Benchmarks should lead countries to take responsibility for delivering improved education outcomes ('indispensable for addressing the accountability deficit associated with longer-term targets').

The UNESCO Institute for Statistics and the *Global Education Monitoring Report*, which share the mandate to monitor progress towards SDG 4 according to the Education 2030 Framework for Action, have helped countries fulfil their commitment to establishing national SDG 4 benchmarks (UIS and GEM Report, 2022a; 2022b). The benchmarking process, which began shortly after the SDG 4 monitoring framework was adopted by the UN General Assembly in 2017, has involved three key steps (**Figure 1**):

- In August 2019, the Technical Cooperation Group on SDG 4 Indicators endorsed 7 SDG 4 indicators as suitable for benchmarking (Table 1): most countries had data on the indicators; they either followed a clear historical trend (from 0 to 100%) or a clear target (e.g. gender parity, minimum public expenditure) was associated with them; and they were policy relevant.
- In August 2021, building on the October 2020 Global Education Meeting declaration, which requested UNESCO to 'propose relevant and realistic benchmarks of key SDG indicators' (UNESCO, 2020), an invitation was sent to countries, along with supporting documentation, to submit national benchmark values by 1 October 2021 for 2025 and 2030.
- In February 2022, countries that had not taken part in the process in 2021 were invited to submit national benchmark values by 31 May 2022, while countries that had already submitted benchmarks in 2021 were offered the opportunity to revise them if they wished. About 75% of countries have submitted national targets and another 15% have targets outlined in their sector plans for at least some of the benchmark indicators. In January 2023, the SDG 4 Scorecard was published, the first progress report that evaluates the probability of countries achieving their national targets (UNESCO and GEM Report, 2023).

Two of the seven benchmark indicators are relevant for the costing exercise: the participation rate one year before primary and the out-of-school rate, which is close to if not identical to the gross enrolment ratio that had been used in the past to estimate the cost of achieving SDG 4. These targets are available at the Global Education Observatory. For countries that have not set a national target for these indicators, ambitious but realistic targets were used instead that had been proposed to countries for their consideration as part of the process. These are equal to the level a country could achieve if it progressed at the historic growth rate of the fastest 25% of countries in 2000–15.

If all low- and lower-middle-income countries achieved their national targets, then the participation rate one year before entry into primary school would increase from 71% in 2020 to 85% in 2030. Likewise, during the same period, if all these countries were to achieve their national targets, the out-of-school rate should fall from 12% to 5% among children of primary school age, from 21% to 11% among adolescents of lower secondary school age, and from 44% to 26% among youth of upper secondary school age (**Figure 2**).

FIGURE 1:
Timeline of SDG 4 benchmarking process

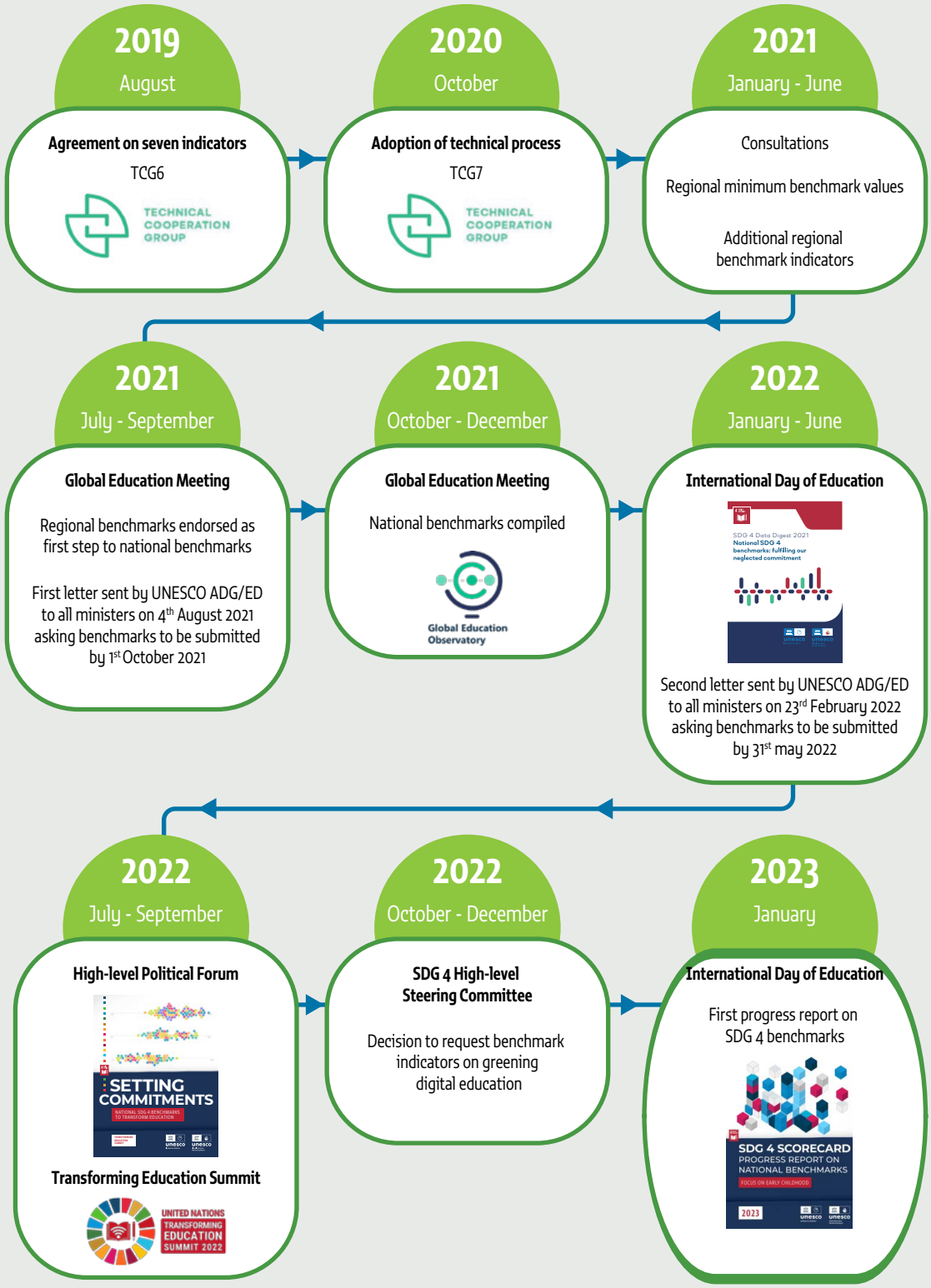
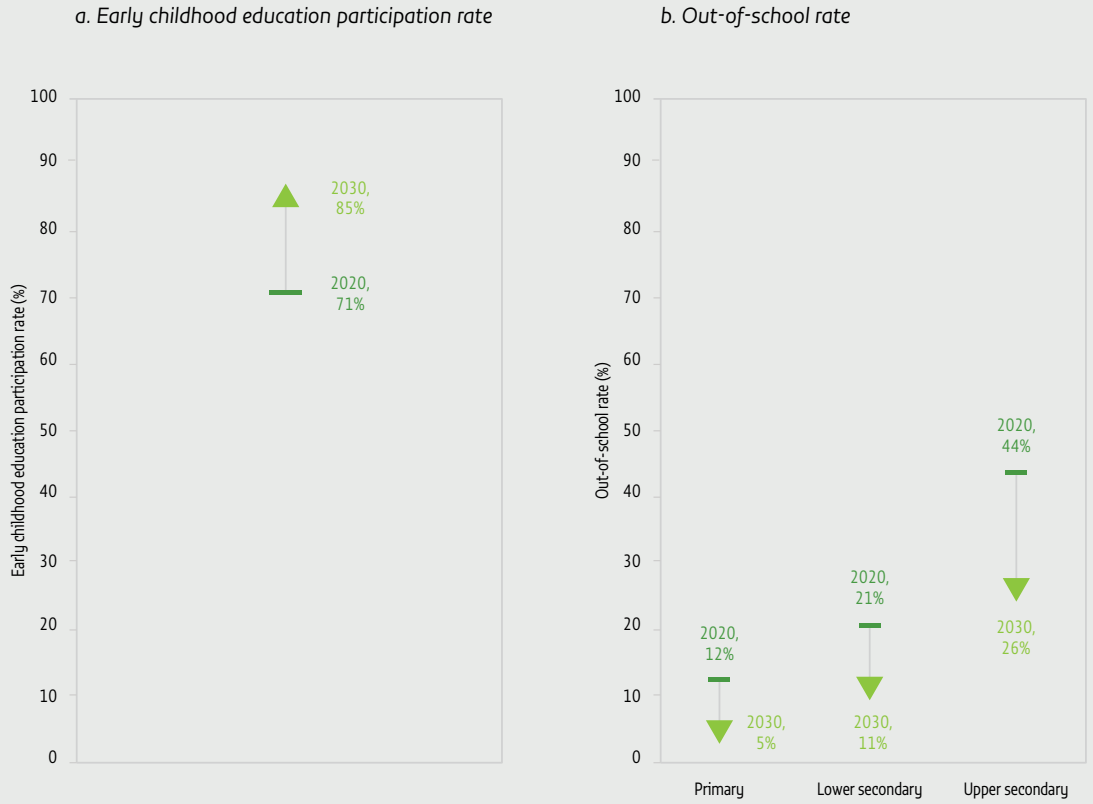


TABLE 1:
SDG 4 benchmark indicators

Thematic area	Indicator	
Early childhood	**Global indicator 4.2.2**	**Participation rate one year before primary**
Work with others	**Thematic indicator 4.1.4**	**Out-of-school rate**
Basic education - Equity	Global indicator 4.1.2	Completion rate
	Global indicator 4.5.1	Gender gap, completion rate in upper secondary
	Global indicator 4.1.1	Minimum learning proficiency
Quality	Global indicator 4.c.1	Trained teachers
Financing	Global indicator 1.a.2 and Education 2030 benchmarks	Public expenditure

Note: The two indicators in **bold** are being used in the costing model.

FIGURE 2:
Baseline (2020) and national benchmarks (2030), low- and lower-middle-income countries



Sources: GEM Report team analysis based on: UNESCO Institite for Statistics SDG 4 benchmark database (benchmark values); VIEW website (out-of-school rates); UIS database (early childhood education participation rates); and World Population Prospects 2022 (population weights).

SOME ASSUMPTIONS OF THE COSTING MODEL HAVE BEEN UPDATED

With the SDG 4 goal of achieving quality education for all by 2030 less than seven years away, and therefore out of reach, this updated edition of the costing model focuses on the cost of achieving the targets that countries have set for 2030, which fall short of the universal global SDG 4 aspiration. A few other assumptions have also been revised, notably those related to the calculation of classroom costs (**Table 2**).

The costing model covers the period 2023–30 and has been calculated for the 79 low- and lower-middle-income countries classified by the World Bank in 2019. Figures are expressed in constant 2019 US dollars. While post-secondary education costs are recorded, they are not included in the costing model, which would add about 0.8% of GDP to current education budgets.

IMF projections for GDP are used for each year up to 2026; beyond then, GDP is assumed to grow at the average rate of the last three years in each country. IMF projections are also used for tax revenue as a share of GDP up to 2026; beyond then, tax revenue is expected to grow at a decreasing rate from the starting values (e.g. by 1 percentage point per year if they are between 10% and 12.5% but by 0.5 percentage points per year if they are between 20% and 25%). Similar assumptions are used for the share of education in the budget.

A portion of official development assistance (ODA) by Development Assistance Committee (DAC) member countries is already directed at government budgets: it is assumed that 60% of ODA to education should be deducted from each recipient country's public education expenditure. It is further assumed that ODA will remain constant until 2030, based on recent trends, at just over 0.3% of gross national income. The model also assumes that about 8% of total ODA is allocated to education or 10% of the ODA that is allocated to specific sectors. Finally, DAC donor allocations per low- and lower-middle-income country in 2016–19 are assumed to be replicated up to 2030.

THERE IS AN ANNUAL FINANCING GAP OF ALMOST USD 100 BILLION

Achieving the national targets in low-income and lower-middle-income countries will cost a cumulative USD 3.7 trillion between 2023 and 2030, or USD 461 billion per year on average. Of that, the average annual cost will be USD 52 billion in low-income and USD 408 billion in lower-middle-income countries. There averages out to USD 97 billion per year. The cost of pre-primary education will more than triple during the period.

Despite optimistic budget projections, many countries will not manage to increase their budgets sufficiently because of low tax revenues. As a result, the annual average financing gap between 2023 and 2030 is estimated to be USD 97 billion or 21% of the total cost of achieving the national targets. The average gap is USD 26 billion (50% of the total cost) in low-income countries and USD 71 billion (17% of the total cost) in lower-middle income countries. (**Table 3a**). This annual financing gap is equivalent to 2.3% of GDP during the period (**Table 3b**).

Sub-Saharan African countries represent half of the low- and lower-middle-income countries (41 out of 79) but account for the largest share of the financing gap: USD 70 billion per year on average. While the annual average total budget is expected to increase from 3.4% of GDP in 2023 to 4% by 2027 and 4.6% by 2030, it remains limited due to the low tax base, which accounts for only 20% to 25% of total government spending, and falls short of meeting growing financing needs. As a share of GDP, the total cost is expected to increase from an average of 5.7% in 2023 to 7.4% in 2027 and 9.7% in 2030 – and 11.9% if post-secondary education financing needs are also taken into account. Sub-Saharan Africa has the highest education exclusion rates, with 20% of primary schol age children and almost 60% of upper secondary school age youth not in school.

TABLE 2:
SDG 4 costing model assumptions

	2015 and 2020 models	2023 model
4.1: Primary and secondary education	Universal transition to upper secondary education achieved by 2030	National out-of-school rate benchmarks
4.2: Pre-primary education	100% pre-primary gross enrolment ratio by 2030	National early childhood education participation benchmarks
4.5: Equity	20% to 40% markup on the per student cost to capture the additional costs expected for out-of-school students to address socio-economic barriers	As before; the proportion of the population considered disadvantaged has been adjusted from the global (USD 2 per day) to the national poverty line
4.6: Youth literacy and numeracy	Costs of second-chance education incorporated for young people who missed out on formal education	The target for youth literacy and numeracy has been absorbed into primary education
4.a: Learning environments	■ One classroom per teacher ■ Old classrooms replaced ■ New classroom construction spread over 10 years ■ Cost of each classroom equal to a base cost multiplied by a furniture cost ■ Countries will gradually allocate one quarter of recurrent expenditures for purposes other than teacher salaries (e.g. textbooks, teacher training) ■ Maintenance cost of 5% ■ Utility cost of 6%	As before, except for the following adjustments: ■ Classroom construction multipliers linked to GDP per capita have been recalculated based on data on construction labour costs, a proxy for material costs and average construction costs per square metre, as per the COVID-19 cost analysis. ■ 30% teacher classroom sharing rate to fully utilize the available classrooms ■ Classroom depreciation based on a useful life of 30 years, with value at the end of this period at 10% of the original value ■ 20% markup cost for classrooms constructed in poor and rural areas at all levels of education
4.c: Qualified teachers	■ Target pupil/teacher ratios: pre-primary (20:1), primary (40:1) and secondary (30:1) education ■ Long-term relationship between teacher salaries and GDP per capita: countries will gradually converge at the salary level of the 50% of countries that pay teachers more to ensure pay is sufficient to attract the best candidates to the profession.	As before, except for the following adjustment: ■ A 30% increase to teacher salaries was applied to those teaching disadvantaged students.

TABLE 3:
Average annual total budget, cost and financing gap, by education level, 2023–30

a. In USD Billion

	Low income			Lower middle income			Total		
	Budget	Cost	Gap	Budget	Cost	Gap	Budget	Cost	Gap
Pre-primary	2	5	3	21	39	17	23	44	20
Primary	14	25	10	169	188	19	183	213	29
Lower secondary	5	13	7	88	104	16	93	117	23
Upper secondary	4	9	5	59	78	19	63	87	24
Total (USD)	26	52	26	337	408	71	363	461	97
Share (%)			50			17			21

TABLE 3:
Average annual total budget, cost and financing gap, by education level, 2023–30 (continued...)

b. As a share of GDP (%)

	Low income			Lower middle income			Total		
	Budget	Cost	Gap	Budget	Cost	Gap	Budget	Cost	Gap
Pre-primary	0.4	0.9	0.5	0.3	0.5	0.2	0.3	0.7	0.4
Primary	2.3	3.7	1.4	2.2	2.5	0.3	2.2	2.9	0.7
Lower secondary	0.8	1.9	1.1	1.1	1.4	0.3	1.0	1.6	0.6
Upper secondary	0.7	1.5	0.8	0.7	1.1	0.4	0.7	1.3	0.6
Total	4.2	8.0	3.8	4.3	5.6	1.3	4.2	6.5	2.3

Note: Reported estimates are unweighted country averages.

Compared to the 2015 costing model, with an annual average cost of USD 340 billion between 2015 and 2030, the 2023 model has an annual average cost of USD 461 billion, even though the financing gap doubles to an average gap of USD 97 billion. As a share of GDP, the 2015 model predicted a cost increase from 3.5% to 6.3% between 2012 and 2030, while the 2023 model predicts an increase from 5.4% in 2023 to 7.9% in 2030. The increase is explained by the fact that slow past progress implies a much faster increase in student and teacher numbers, even though the targets are more modest.

Compared to the 2020 costing model, with an estimated annual average cost of USD 504 billion between 2020 and 2030, the 2023 costing model has both an estimated lower cost and a lower financing gap despite the shorter time frame, thanks to the less ambitious nature of the targets. Based on estimates made before the COVID-19 pandemic, the model predicted that domestic financing could cover USD 356 billion of the total annual financing need, which is almost the same as the average financing capacity of low- and lower-middle-income countries predicted for the period 2023–30.

The number of teachers in the model is about equal to the number of students per level of education divided by the pupil/teacher ratios. In total, it is estimated that 5 million more teachers will be needed between 2023 and 2030 for low- and lower-middle-income countries to achieve their targets in pre-primary, primary and secondary education. Pre-primary education will bear the brunt of this increase. Relative to the 2023 baseline, the number of pre-primary educators needs to triple in low-income countries and double in lower-middle-income countries by 2030. Additionally, the number of primary school teachers will need to increase by nearly 50% in low-income countries in the same period.

As the assumptions have made clear, the model focuses on the essential needs for low- and lower-middle-income countries to accelerate their progress and set them on course to achieving SDG 4. Arguably, this is not enough as the world is changing rapidly. Digital transformation is one of the additional demands that education systems need to engage with. But there are formidable cost implications and real trade-offs facing governments and development agencies (**Box 2**).

BOX 2:

It would cost USD 183 billion to prepare schools in low- and lower-middle-income countries for digital education

As education technology has been evolving rapidly, at a pace which only accelerated during the COVID-19 pandemic, digital learning and transformation featured as one of the Transforming Education Summit five thematic action tracks in September 2022. Governments around the world do not want to be excluded from the changes that new technologies are bringing to economies and societies; many believe they can leapfrog some of the challenges that have marred their development in the past. Understanding the cost implications of bringing forward digital transformation in education – as well as which elements are transformative – is a key current policy issue. Estimates vary by the items being costed, the unit costs employed, and the time period over which investments are expected to materialize.

One global estimate, which takes into account the capital costs of ensuring universal electricity, internet connectivity and affordable data usage, and the recurrent costs of digital learning over a 10-year period, found that USD 1.4 trillion would be needed, with each of the four components accounting for some one quarter of the total cost (UNICEF, 2021). The 2023 *Global Education Monitoring Report* on technology and education will be revisiting these estimates, examining the cost implications of three alternative scenarios in increasing order of cost: a basic offline approach with solar-powered schools and no connectivity, a fully connected schools approach and a fully connected schools and homes approach. Each scenario involves capital and recurrent spending.

The second approach involves all schools being connected to the electricity grid and to the internet, while students and teachers share school devices and tailored digital learning takes place in schools. Assuming a unit cost of USD 15,000 to introduce internet to each unconnected school (USD 35 billion); the cost of connecting schools to the grid (USD 35 billion), a unit cost of USD 300 to ensure all teachers and one in five students have access to a device (USD 70 billion) and a range of digital learning set-up costs (from upskilling teachers to data services for schools) (USD 43 billion), it would cost USD 183 billion for the foundations for digital transformation in low- and lower-middle-income countries.

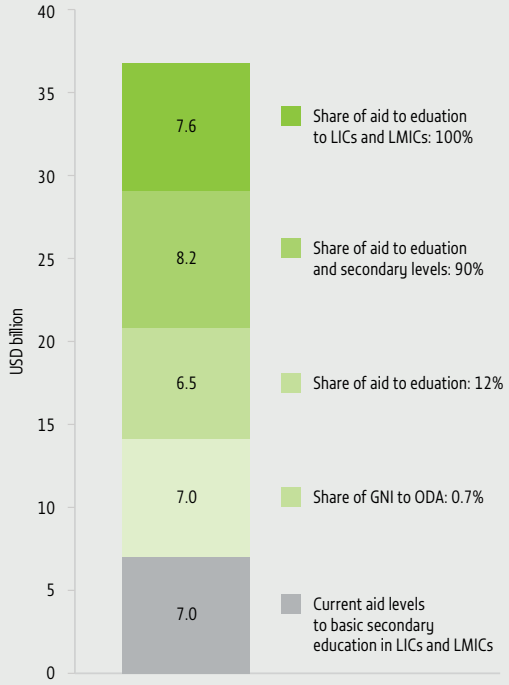
How such a capital investment cost would be spread over time is an important policy decision. Most of this investment would not come out of education ministry budgets but out of the budgets of other infrastructure-oriented ministries. Still, assuming it is spread over the period of eight years between 2023 and 2030, it would add USD 23 billion per year or almost a quarter to the financing gap estimated in this paper for achieving national SDG 4 targets. For any government, this presents a difficult set of choices when stacked against deficits in teachers, teacher support, teaching and learning materials and other essential inputs to the education process.

THERE IS SCOPE FOR MORE EQUITABLE, MORE EFFECTIVE AND MORE EXTERNAL FINANCING TO CLOSE MUCH OF THE GAP

This paper's costing model incorporates realistic but ambitious domestic resource mobilization projections up to 2030. By contrast, its ODA projections rely on historical trends and are therefore modest. A significant question is how far ODA can go to fill the financing gap and help low- and lower-middle-income countries achieve their national benchmarks. To answer this, the implications of four adjustments were calculated. First, DAC donors increase their ODA spending as a share of gross national income from the current level of about 0.35% to the declared target of 0.70%. Second, ODA allocations to education increase from the current value of 8% to 12%. Third, the share of aid to education that goes to basic and secondary education increases from about 60% to 90%. Fourth, the share of aid to education that goes to low- and lower-middle-income countries increases from about 60% to 100%.

Currently, about USD 7 billion is directed at low- and lower-middle-income countries to support basic and secondary education. Doubling the level of ODA as a share of donor countries' gross national income would also double this amount to USD 14 billion. If the share that goes to education increased from 8% to 12%, the amount of ODA for low- and lower-middle-income countries would increase by USD 6.5 billion. Reducing the share of aid to education that goes to the post-secondary level to 10% would further increase the amount to be spent for basic and secondary education to low- and lower-middle-income countries by USD 8.2 billion. Finally, ensuring no aid to education goes to upper-middle-income or high-income countries and territories would mean that low- and lower-middle-income countries would have USD 36 billion available to spend on achieving their national SDG 4 targets (**Figure 3**). This increase would help reduce the total financing gap by one third.

FIGURE 3:
Impact of alternative scenarios on aid to basic and secondary education in low- and lower-middle-income countries, 2023–30



Sources: GEM Report team analysis based on OECD DAC CRS data.

CONCLUSION

Slow progress between 2015 and 2020, further challenged by the COVID-19 pandemic, has put the world off track from achieving the global SDG 4 targets of universal pre-primary, primary and secondary education by 2030. The estimated costs of achieving these targets, as the *Global Education Monitoring Report* has tried before, in 2015 and 2020, are no longer relevant, as the targets are unattainable by the original deadline. However, in the past two years, countries have established more realistic targets on selected SDG 4 indicators, albeit still ambitious. Such benchmarks would see low- and lower-middle-income countries increase participation rates in early childhood education from 71% to 85% and more than halve their out-of-school rates between 2020 and 2030.

Achieving these national targets over the few years remaining to 2030 involves rapid cost increases, which even optimistic assumptions of domestic revenue mobilization cannot match. This paper has estimated that there will be an average annual national financing gap of USD 97 billion in the 79 low- and lower-middle-income countries. One third of this gap could be covered by donor countries if major policy changes increase the level of their ODA. However, the long-term stagnation of aid in donor countries' budgets is not promising. Countries will also need to weigh how to finance quality education for all children relative to other emerging priorities such as digital transformation.

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