



Pro – POOR ADVOCACY GROUP

EXPENDITURE ANALYSIS ON THE NATURE AND MAGNITUDE OF RESOURCE ALLOCATION IN THE EDUCATION SECTOR (2000 – 2004)

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EXECUTIVE SUMMARY

The analysis attempts to highlight the trends in the financing of education against the policy quest to attain the Education For All goals as contained in the Dakar Framework of Action to which The Gambia Government remains fully committed.

The share of recurrent expenditure allocations to the sector has fluctuated over the period since Dakar 2000 in nominal terms. However, in real terms, allocations to the sector have been on a steady decline over the years. Whereas there is a nominal increase of 36.7% between 2000 (D164,014) and 2004 (D224,276), in real terms, allocations have declined by 10.2% (from D164,014 to D147,261) over the period.

The sector has maintained its policy priority of increasing access to basic education with a corresponding match of resource allocations; 62.3% on average annually. Of total basic education expenditures, an average of 55.8% is for personnel emoluments.

Expenditures on quality education as a programme area do not match the policy priority it is accorded as the third pillar of the education policy (access, quality and relevance). The standard and quality control, and education services programmes together account for, on average, less than 4% of recurrent allocations; teaching and learning materials and supplies received 1.24% of recurrent allocation. The per pupil expenditure on teaching learning materials at the lower basic levels, reveals that household expenditure per child was more than public recurrent expenditure on these vital inputs.

Recurrent expenditures in real terms have showed a significant reduction in the purchasing power of resource allocation to the sector. For instance the nominal increase of 7.8% in the 2004 estimates is a decline of 6% in real terms.

The variances between planned and actual expenditures do not reflect any consistent pattern over the period and is subject to be either a reflection of a weak planning/forecasting of resource requirements or disbursement capacity problem. Actual expenditures in 2001 and 2002 reflects about 20% and 4% undisbursed funds respectively amidst the acute resource constraints for critical inputs.

By functional classification, the sector spends 62.19% of total recurrent resources on personnel emoluments; much less than the Sub-Saharan average. This implies that the sector has room to utilize the balance on increasing teaching learning inputs for improve quality education services or to increase incentives for staff to combat attrition and keep them motivated. Real changes in personnel emoluments shows a continued decline in purchasing power for staff of 15.4% and 0.9% in 2003 and 2004 whereas the meager proportional allocations to teaching learning materials equally leaves much to be desired of a system poised to deliver quality and relevant education. The challenge, however, is to find the right mix.

Whereas recurrent expenditures are financed principally from Gambia Local Funds (GLF), the development/capital budget is heavily donor dependent and project driven. The bulk of development expenditures are financed from loans (77.2% on average), with grants accounting for about 9.2%. Given the fluctuations and inadequacies of counter part funding from Gambia Local Funds, it is obvious that development expenditures are unsustainable in the absence of donor resources.

The variances between planned and actual expenditures in the development budget does lend itself to easy analysis given the parallel accounting of disbursements by donors for activities captured in the planned estimates. Government accounting system does not capture direct disbursements to beneficiaries/service deliverers albeit the fact that these expenditure are captured in the planned budgetary allocations. A synchrony of the two or a means of reconciliation of the two accounting systems would lend more credence to government actual expenditure figures in the development budget.

Local funds for the development budget have registered a consistent decline in real terms between 2000 and 2003, whereas the loans and grant resources reflect an increase over the period. The implications of this trend, especially given the high dependence on loan resources, is an increased debt service burden which tends to reduce recurrent resource allocations that ironically have a tendency to increase with increased capital expenditures that have recurrent cost implications. For example, new classroom construction can increase access, which would require additional staff and teaching learning materials. The bulk of development resources (82.4% on average) is spent on basic education with a disproportionately large share on classroom construction (77.66%). If only 3.7% of development resources is spent on teaching learning materials, with a much lower proportion of the recurrent budget on the same items, the disparity between access and quality would invariably continue to widen with a tendency to make education less relevant to societal needs thereof.

Although the distribution of teachers is seemingly equitable from the budgetary estimates and the manpower indications, the realities on the ground depicts disparities between rural and urban settings.

SECTION 1.

1.1 Introduction

This analysis is intended to highlight:

- The various sources and magnitude of public resources made available to the education sector;
- To assess/measure the efficiency of the sector in its internal resource allocation to meet policy objectives with equitable distribution across regions and programmes; and
- To use the information for community sensitization and to build grassroots capacity to monitor resource allocations in education

1.2 Data background/Technical notes

The analysis is based on figures on proposed and actual spending of Government as captured in the annual 'Estimates of Recurrent and Development Expenditure' covering the period 2000 to 2004. Given that there are no forward projections of expenditures in the budget, as would have been the case of a Medium Term Expenditure Framework scenario, the report gives a time series analysis of expenditures from 2000 to 2004. Actual expenditures were obtained for 2000 and 2001, provisional actual expenditures for 2002 and approved estimates and estimates for 2003 and 2004 respectively.

Given the landmark development of the Dakar 2000 Education For All Forum in the evolution of education, the year 2000 has been used as the base year to convert nominal expenditures to real values to capture the effects of inflation over the period. In the absence of updated figures on inflation and deflator figures from the National Accounts of the Central Statistics Department (The Gambia), the inflation figures captured in a World Bank study, "The Gambia Recovering Fiscal Discipline, Public Expenditure Review" June 2004, have been used. However, the inflation figure quoted in that document/study for 2004 is an estimate, and as such the inflation figure used herein is quoted from The Daily Observer Newspaper¹ to provide a more up-to-date picture. It should also be noted that the 2003 expenditures are estimates and not actual expenditures and as such the changes between the provisional actual expenditures of 2002 and the estimates for 2003 must be read and interpreted with this in mind.

SECTION 2:

2.1 Background

Based on the Education sector Public Expenditure Review (PER) of 2001, the sector has seven distinct programme areas, which to a very large extent are used in allocating resources in the sector budget; namely Management, Basic Education, Senior & Tertiary Education, Standard & Quality Control, Skills Centers, Adult Education, and Education Services. Against the background of the 2001 Public Expenditure Review of the sector and its Revised Education Policy 1988-2003, the priority actions² of the sector were identified as:

- Increasing access to Basic Education particularly for girls and children from poor families;

¹ Daily Observer ISSN 0796 – 0832 Vol. 12, No 128 of Tuesday, November 2, 2004

² The Republic of The Gambia Strategy for Poverty Alleviation (SPA II)/(PRSP) 2002

- Improving the quality of teaching and learning;
- Increasing expenditures on teaching learning materials;
- Broadening school targets to include both academic and affective outputs and outcomes; and
- Increase access to Non-Formal Education and Technical Education and Vocational training.

2.2 RECURRENT EXPENDITURE TRENDS

The share of education sector budget of the total government recurrent budget (including debt service charges) has fluctuated over the past years since the Dakar Education Forum with a peak of 22.5% in 2002 and a low of 16.4% in 2001 (table 1). The 2001 allocations shows a decline in funding of 13.4% in nominal terms or 17.2% in real terms (using 2000 as base year). Although the next two years, (2002 and 2003) reflected a nominal increase of 19.5% and 22.7% respectively, in real terms the increases were far less; 10.1% and 4.9% respectively. It would, in fact be observed that in real terms, allocations to the education sector have been lower than the 2000 level over the period. Indeed the upward

Table 1: Education's share of total recurrent budget (in '000' Dalasis)

	2000	2001	2002	2003	2004
	Actual	Actual	Provisional Actual	Approved Estimates	Estimates
Nominal values					
Total recurrent budget	939,764	868,442	753,033	1,100,384	1,253,083
Education	164,041	141,997	169,753	208,255	224,276
Year-on- year changes		-13.4%	19.5%	22.7%	7.7%
Real terms					
Total recurrent budget	939,764	831,045	663,541	828,729	822,781
Education	164,041	135,882	149,579	156,842	147,261
Year-on- year changes		-17.2%	10.1%	4.9%	-6.1%
% Share	17.5%	16.4%	22.5%	18.9%	17.9%

trend/increase (nominal terms) recorded in 2002 and 2003 has started a sharp decline to 7.7% in 2004 which effectively translates to a real decline of 6.1%. The commitment to the Dakar Framework of Action on Education For All cannot be attained with dwindling government recurrent funding.

2.2.1 Recurrent Expenditure Trends By Programme Area

Using the program areas identified above, table 2 shows the trend in recurrent expenditure allocations from 2000 to 2004. The basic education programme has the highest priority as reflected in its average proportional share of recurrent expenditures of 62.3%. On average 55.8% of this allocation is spent on personnel emoluments (including salaries of qualified and unqualified teachers, double shift and other allowances); albeit some fluctuations that ranged from a low of 44.1% (actual expenditure) in 2001 to a peak of 66.7% (provisional actual expenditure) in 2002. In terms of priority actions related to poverty reduction, senior and tertiary education was not listed, however, it would be observed that it ranks second (on average 24.94%) in terms of share of recurrent allocation. These allocations, mainly for the grant-in-aid to senior secondary schools and subventions to tertiary institutions largely cover personnel emoluments.

While improving the quality of teaching and learning and increasing expenditures on teaching learning materials are ranked high in the sector's priority actions, allocations for these activities/programmes receive low budgetary allocations. Together, the standard and quality control, and education services programmes received an annual average of less than 4% of recurrent allocation (table 2). By functional classification, teaching and learning materials and supplies received 1.24% of recurrent allocation. By comparison,

Table 2: % Share Of Recurrent Budget By Programme Type 2000 - 2004

	2000	2001	2001	2002	2002	2003	2004	Average
	Actual	Approved Estimates	Actual	Approved Estimates	Provisional Actual	Approved Estimates	Estimates	
Management	7.80%	6.83%	16.89%	7.11%	6.18%	6.22%	6.59%	8.73%
Basic Education	64.13%	63.64%	51.46%	64.31%	72.71%	59.81%	63.21%	62.26%
Senior & Tertiary Education	24.65%	26.37%	28.42%	26.38%	19.39%	26.49%	25.78%	24.94%
Standard & Quality Control	1.60%	0.93%	1.22%	0.46%	0.31%	1.67%	1.46%	1.25%
Skills Centers	0.22%	0.28%	0.33%	0.37%	0.19%	0.32%	0.30%	0.27%
Adult Education	0.11%	0.17%	0.15%	0.08%	0.08%	0.07%	0.06%	0.09%
Education Services	1.50%	1.79%	1.55%	1.29%	1.13%	5.43%	2.60%	2.44%
Total Recurrent Budget	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

this allocation is about three times (2.77) less than allocations for operations and maintenance. In 2001, D10.52 was spent per pupil on teaching and learning materials and supplies in the public schools³. This could hardly buy a student, four exercise books (for the four core subjects) and a pencil. It would therefore appear that poor households are expected to spend more per pupil in a year than Government under this cost sharing arrangement.

A comparison of real expenditure figures and the nominal expenditures (table 3) shows a different story. It would be observed that due to inflationary effects on nominal expenditure allocations, real expenditures (having factored inflation) are less; implying that a 'Dalasi last year is worth less this year'. For example the total budget allocation for education in 2004 (D224,547,523) is only worth the value of D147,439,169 at 2000 prices, thus reflecting a loss in value of D16,602,209.

Whereas budget allocations for 2001 showed a 13.4% reduction in nominal value, it represented 17.2% reduction in real terms (table 4). In 2004 the 7.8% nominal increase over the 2003 estimates reflects a further decline of 6% in real value. The huge increases in standard and quality programme in 2003 were as result of two budget line items on

³ Public enrolment at the Lower Basic School was 154,046 and actual expenditures were D1,621,198 on these items in 2001.

Table 3: Nominal and Real allocations by programme area 2000 - 2004

	2000	2001	2001	2002	2002	2003	2004
	Actual	Approved Estimates	Actual	Approved Estimates	Provisional Actual	Approved Estimates	Estimates
<i>Nominal allocations by programme area</i>							
Management	12,792,006	12,176,595	23,978,031	12,631,870	10,494,990	12,950,740	14,794,148
Basic Education	105,192,179	113,466,223	73,066,983	114,228,100	123,430,411	124,547,540	141,925,480
Senior And Tertiary Education	40,429,425	47,016,024	40,350,685	46,853,300	32,914,005	55,159,520	57,896,055
Standard & Quality Control	2,619,683	1,655,000	1,725,577	810,000	531,700	3,468,000	3,268,000
Skills Centers	366,065	506,260	467,431	648,900	327,778	669,460	676,340
Adult Education	177,590	297,000	209,565	144,500	133,310	142,500	142,500
Education Services	2,464,430	3,190,000	2,199,023	2,297,000	1,920,603	11,317,000	5,845,000
Total Recurrent Budget	164,041,378	178,307,102	141,997,295	177,613,670	169,752,797	208,254,760	224,547,523
<i>Real allocations by programme area</i>							
Management	12,792,006	11,652,244	22,945,484	11,130,676	9,247,746	9,753,548	9,713,921
Basic Education	105,192,179	108,580,118	69,920,558	100,653,026	108,761,718	93,800,073	93,189,070
Senior And Tertiary Education	40,429,425	44,991,411	38,613,096	41,285,169	29,002,445	41,542,105	38,014,876
Standard & Quality Control	2,619,683	1,583,732	1,651,270	713,738	468,512	2,611,843	2,145,787
Skills Centers	366,065	484,459	447,302	571,784	288,824	504,188	444,089
Adult Education	177,590	284,211	200,541	127,327	117,467	107,321	93,566
Education Services	2,464,430	3,052,632	2,104,328	2,024,020	1,692,355	8,523,134	3,837,860
Total Recurrent Budget	164,041,378	170,628,806	135,882,579	156,505,741	149,579,068	156,842,212	147,439,169

library and local training expenditures, which together accounted for 76.6% of the 2003 allocations. Notwithstanding, the real value of estimate allocations for 2004 is D473,896 less than the 2000 allocations. Similarly, the jump in allocations for the education services programme were accounted for by huge allocations for specialized technical materials and transportation of goods that account for 91% of allocations for the programme. It is important to note these significant changes as they skew the distribution.

Table 4: Nominal & Real changes in recurrent allocations by programme area 2001-04

	2001 Actual		2002 Provisional Actual		2003 Estimates		2004 Estimates	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
Management	87.4%	79.4%	-56.2%	-59.7%	23.4%	5.5%	14.2%	-0.4%
Basic Education	-30.5%	-33.5%	68.9%	55.6%	0.9%	-13.8%	14.0%	-0.7%
Senior And Tertiary Education	-0.2%	-4.5%	-18.4%	-24.9%	67.6%	43.2%	5.0%	-8.5%
Standard & Quality Control	-34.1%	-37.0%	-69.2%	-71.6%	552.2%	457.5%	-5.8%	-17.8%
Skills Centers	27.7%	22.2%	-29.9%	-35.4%	104.2%	74.6%	1.0%	-11.9%
Adult Education	18.0%	12.9%	-36.4%	-41.4%	6.9%	-8.6%	0.0%	-12.8%
Education Services	-10.8%	-14.6%	-12.7%	-19.6%	489.2%	403.6%	-48.4%	-55.0%
Total Recurrent Budget	-13.4%	-17.2%	19.5%	10.1%	22.7%	4.9%	7.8%	-6.0%

The variance between planned and actual expenditures reflects both the accuracy and reliability of budget estimates on the one hand, and the disbursement capacity of the sector. Using 2001 and 2002 figures, it would seem there is no pattern or consistency.

Table 5: Variance between expenditure estimates and actual expenditures

	2001	2002
Management	96.9%	-16.9%
Basic Education	-35.6%	8.1%
Senior And Tertiary Education	-14.2%	-29.8%
Standard & Quality Control	4.3%	-34.4%
Skills Centers	-7.7%	-49.5%
Adult Education	-29.4%	-7.7%
Education Services	-31.1%	-16.4%
Total Recurrent Budget	-20.4%	-4.4%

Total recurrent expenditures for both years, shows that actual expenditures were less than planned estimates by 20.4% and 4.4% for 2001 and 2002 respectively (table 5). The variance of 96.9% for management expenditures in 2001 was indeed an ‘outlier’ caused by huge variances between actual expenditures on salaries and allowances, and planned estimates. Whereas planned approved estimates were D4.995,960 and D518,600 for salaries and allowances respectively, actual expenditures were D8.356,330 and D12,615,949 respectively. These variances are usually a result of expenditure being charged from the wrong budget line. Given the relatively low allocations to the standard and quality control programme, under spending its meager allocation by over 34% can hardly be explained or justified.

2.2.2 Functional Trends In Recurrent Expenditures

In terms of functional allocation, recurrent expenditures could be classified into three broad classifications namely personnel emoluments, transfers (including subventions and or subsidies to institutions and households) and goods and services.

The average share of personnel emoluments, 62.19% (table 6) is much below the Sub-Saharan average of about 90% of allocations to education. Given the low allocations to quality inputs, this shows that even though there is, on average about 38% of recurrent resources available after personnel emolument expenditures, the education sector is not spending these resources wisely. On the one hand, more resources are available for other vital inputs for effective teaching and learning in schools, while on the other hand, it signifies that there is room to allocate more resources to personnel emoluments to motivate and retain qualified teachers in the public schools. Finding the right mix between the two competing extremes to ensure quality and relevant education for all, however, is the challenge.

Table 6: Functional allocation of recurrent expenditures

	2000	2001	2001	2002	2002	2003	2004	
	Actual	Approved Estimates	Actual	Approved Estimates	Provisional Actual	Approved Estimates	Estimates	Average
Personnel Emoluments	64.01 %	61.99%	59.37 %	61.65 %	70.56 %	56.95 %	60.04 %	62.19 %
Basic Salary	50.85%	49.38%	38.52 %	49.85%	52.70%	47.06%	50.46%	47.92%
Unqualified teachers	3.58%	3.70%	2.76%	3.10%	3.78%	1.92%	1.78%	2.76%
Double shift allowance	4.23%	4.20%	5.03%	3.94%	6.14%	3.36%	3.56%	4.47%
Wages	0.24%	0.28%	0.32%	0.28%	0.29%	0.26%	0.29%	0.28%
Allowances	5.11%	4.43%	12.74 %	4.48%	7.65%	4.35%	3.95%	6.76%
Transfers	29.41 %	30.79%	35.86 %	31.45 %	23.14 %	29.58 %	30.24 %	29.65 %
Subsidies/Subventions to Institutions	29.30%	27.06%	27.56 %	27.38%	19.28%	26.39%	26.84%	25.87%
Grant-in-aid	4.48%	5.36%	7.13%	6.45%	5.25%	6.62%	15.69%	7.83%
Subventions	24.82%	21.70%	20.43 %	20.92%	14.03%	19.77%	11.16%	18.04%
Subventions to Households	0.11%	3.72%	8.29%	4.07%	3.86%	3.19%	3.40%	3.77%
Scholarships	0.11%	3.59%	4.14%	3.99%	3.84%	3.12%	3.34%	2.91%
Bursaries	0.00%	0.13%	4.16%	0.08%	0.02%	0.07%	0.06%	0.86%
Goods and services	6.58%	7.23%	4.77%	6.90%	6.29%	13.47%	9.71%	8.17%
Teaching Learning Materials	0.95%	1.17%	0.50%	0.85%	0.69%	1.16%	1.07%	0.88%
Supplies	0.10%	0.00%	0.64%	0.46%	0.31%	0.40%	0.37%	0.36%
Operations & Maintenance	2.90%	2.34%	2.45%	1.24%	0.91%	7.04%	3.84%	3.43%
Other goods & services	2.63%	3.71%	1.18%	4.35%	4.38%	4.87%	4.43%	3.50%

Of the average 8.17% of resources allocated to goods and services, only 1.24% is expended on teaching learning materials and supplies inputs, compared to 3.43% on operations and maintenance (table 6)). This low share questions the adequacy of expenditure allocation for this vital quality input against the policy pillar of quality education.

In terms of transfers to households to offset the high cost burden of education on household, an impeding factor to increasing access, an average 3.77% of which 2.91% is on scholarships is significant.

It is important to note the changes is proportionate share of budget allocations by functional classification, particularly the real changes; to provide a comparative picture of the price variations over time and its impact.

Table 7: Comparison of Nominal and Real changes by functional classification

	Nominal changes				Real Changes			
	2001	2002	2003	2004	2001	2002	2003	2004
	Actual	Provisional Actual	Estimates	Estimates	Actual	Provisional Actual	Estimates	Estimates
Personnel Emoluments	-19.7%	42.1%	-1.0%	13.7%	-23.2%	30.8%	-15.4%	-0.9%
Basic Salary	-34.4%	63.6%	9.5%	15.6%	-37.3%	50.6%	-6.4%	0.8%
Unqualified teachers	-33.2%	63.7%	-37.6%	0.0%	-36.1%	50.7%	-46.7%	-12.8%
Double shift allowance	3.0%	45.9%	-32.9%	14.3%	-1.4%	34.3%	-42.6%	-0.4%
Wages	15.6%	5.9%	12.7%	18.2%	10.6%	-2.5%	-3.6%	3.0%
Allowances	115.9%	-28.2%	-30.3%	-2.0%	106.6%	-33.8%	-40.4%	-14.5%
Transfers	5.5%	-22.8%	56.8%	10.3%	1.0%	-28.9%	34.0%	-3.9%
<i>Subsidies/Subventions to Institutions</i>	<i>-18.6%</i>	<i>-16.4%</i>	<i>67.9%</i>	<i>9.7%</i>	<i>-22.1%</i>	<i>-23.0%</i>	<i>43.5%</i>	<i>-4.4%</i>
Grant-in-aid	37.5%	-11.9%	54.7%	155.4%	31.6%	-18.9%	32.2%	122.6%
Subventions	-28.7%	-17.9%	72.9%	-39.1%	-31.8%	-24.4%	47.7%	-46.9%
Subventions to Households	6205.5%	-44.3%	1.3%	15.1%	5933.9%	-48.7%	-13.4%	0.3%
Scholarships	3045.0%	11.0%	-0.4%	15.4%	2909.6%	2.2%	-14.8%	0.6%
Bursaries	NA	-99.4%	327.4%	0.0%	NA	-99.5%	265.3%	-12.8%
Goods and services	-37.2%	57.6%	162.7%	-22.3%	-39.9%	45.2%	124.5%	-32.2%
Teaching Learning Materials	-54.6%	64.2%	106.9%	0.0%	-56.6%	51.2%	76.9%	-12.8%
Supplies	471.7%	-41.6%	56.1%	0.0%	447.0%	-46.2%	33.4%	-12.8%
Operations & Maintenance	-27.0%	-55.5%	848.0%	-41.3%	-30.2%	-59.0%	710.3%	-48.8%
Other goods & services	-61.0%	342.7%	36.5%	-2.0%	-62.7%	307.6%	16.6%	-14.5%
Total Recurrent Budget	-13.4%	19.5%	22.7%	7.8%	-17.2%	10.1%	4.9%	-6.0%

The value of nominal expenditures changes when inflationary effects are captured over time. For example, the 1% reduction in nominal allocations for personnel emoluments translates to a 15.4% reduction in value in 2003 when compared to 2000 price levels; and this further reduces by 0.9% in 2004 (table 7). Where both the nominal and real changes are positive, it reflects significant increases in allocations that are above the inflationary effects.

A factor that is seemingly plaguing the teaching service and resulting in high attrition amongst teachers and/or demotivating staff is the salary levels and the incentives attached particularly for those in rural areas against the increasing cost of living. Table 7 above shows the changes in real income earnings i.e. personnel emoluments and grant-in-aid transfers. Real income levels (basic salary) reduced by 37.3% between 2000 and 2001. The positive real change in 2002 of 50.6% was, however, due to an increased nominal allocation of about 64%. Its depreciation in 2003 by 6.4% reflects the impact of price inflation on nominal income.

2.3 DEVELOPMENT EXPENDITURE TRENDS

2.3.1 Development Expenditure Trends By Programme Area

Whereas recurrent expenditures are financed from Gambia Local Funds (GLF), the development/capital budget is heavily donor dependent and project driven. Before the advent of Highly Indebted Poor Countries (HIPC) resources in 2002, the traditional funding sources were grants, loans and local funds. It would be observed from table 8 that on average 77.2% of development expenditures in education are funded from loans, and 9.2% from grants. GLF financing, usually to meet counter part funding, accounted for an average of 5.9% compared to 7.7% from HIPC resources. Given the fluctuations of GLF financing ranging from a peak of 10.9% in 2000 to a low of 4.5% in 2003, it is obvious that development

activities are unsustainable in the absence of donor inputs/resources.

Table 8: Sources of funding for development expenditures in education 2000-2004

	2000	2001	2001	2002	2002	2003	2004	Average
	Actual	Approved Estimates	Actual	Approved Estimates	Provisional Actual	Approved Estimates	Estimates	2000-2004
GRANTS	6.6%	25.7%	3.2%	39.5%	0.8%	24.3%	8.2%	9.2%
LOANS	82.5%	68.4%	89.8%	44.6%	70.3%	59.1%	81.4%	77.2%
GLF	10.9%	5.9%	6.9%	4.0%	6.9%	4.5%	4.8%	5.9%
HIPC	0.0%	0.0%	0.0%	11.8%	22.0%	12.0%	5.7%	7.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table 9 below shows the resource envelopes by source for the development budget. It provides a picture of the trends in resource allocation (in real terms) and the disbursement levels or variance between planned and actual expenditures for 2000 to 2002. Grant resources in particular leaves more questions than answers as it would appear that even though estimated grant resources for 2001 and 2002 are significantly more than the combined GLF and HIPC resources, the opposite is the case in actual disbursement levels. It should be noted, however, that some grant resources are disbursed directly to beneficiary service providers and such transactions are not captured in the government accounting system. For the purposes of transparency and synchrony of plan estimates and actual expenditures, a reconciliation of this seeming anomaly should be addressed.

Table 9: Development resources by source in real terms

	2000	2001	2001	2002	2002	2003	2004
	Actual	Approved Estimates	Actual	Approved Estimates	Provisional Actual	Approved Estimates	Estimates
GRANTS	4,506,627	29,346,731	2,598,584	61,328,449	645,216	20,515,170	15,801,215
LOANS	56,654,989	78,249,097	72,355,224	69,246,988	54,795,084	49,873,677	156,832,996
GLF	7,502,664	6,783,094	5,579,862	6,260,542	5,363,828	3,788,226	9,192,479
HIPC	-	-	-	18,299,893	17,181,525	10,144,616	10,906,220
Total	68,664,280	114,378,922	80,533,670	155,135,872	77,985,653	84,321,690	192,732,909

It can be observed also from table 9 above, that GLF development resources constantly declined in real terms between 2000 and 2003⁴. Using 2000 as a base year, GLF allocations declined by 26% in 2001, with a further decline between 2001 and 2002, and 2002 to 2003 of 4% and 29% respectively.

Disbursement procedures for development funds vary in procedure. Whereas loan disbursements are tracked and reflected in the actual expenditures of government accounts, not all grant funds are disbursed through the government accounting system. Consequently, there are variances in the planned estimates versus actual expenditures as reflected in the table below.

⁴ Real actual expenditures for 2001 and 2002, and estimates for 2003.

Table 10: Variance in planned and actual expenditure by grant source

	2001	2002	Average
DFID	-100.0%	-100.0%	-100.0%
EDF	-90.1%	-99.4%	-94.7%
FRF	-100.0%	NA	-100.0%
NGOS/COMM	-100.0%	-100.0%	-100.0%
UNICEF	-100.0%	32.5%	-33.7%
WFP	3.0%	-100.0%	-48.5%
Total	-91.1%	-98.9%	-95.0%

It would be observed that, on average, there is a 95% variance between planned estimates and actual expenditures in 2001 and 2002 (table 10). This seemingly reflects a low disbursement capacity; that funds allocated only 5% was disbursed. For example, it would appear that in 2001, no funds were disbursed by DFID and UNICEF, and EDF disbursed only 10% of allocated resources. However, it would be noted that most of these grant donors directly disburse funds to the sector and as such it is not captured by central government accounting system. It would greatly help if these actual expenditures disbursed directly to sectors by respective grant donors were featured in the Government Budget Estimates.

Development funds for the sector have been deliberately targeted to basic education as the key pillar of the education policy. On average, 82.4% (table 11) of development resources were expended on basic education. However, it would be observed that a critical complementary programme to basic education, standard and quality control has had a rather low proportionate share of 0.96% on average. This brings to question the adequacy role of relevant quality education to access for all.

Table 11: Share of development expenditures by programme area

	2000 Actual	2001 Approved Estimates	2001 Actual	2002 Approved Estimates	2002 Provisional Actual	2003 Approved Estimates	2004 Estimates	Average
Management	20.6%	29.4%	11.9%	7.5%	2.0%	2.9%	2.0%	7.88%
Basic Education	73.2%	56.2%	72.9%	78.3%	96.6%	83.9%	85.2%	82.39%
Senior And Tertiary Education	3.7%	7.1%	12.3%	10.8%	1.3%	12.9%	7.6%	7.53%
Standard & Quality Control	1.7%	3.2%	2.8%	1.4%	0.1%	0.3%	0.0%	0.96%
Skills Centers	0.9%	2.5%	0.0%	2.1%	0.0%	0.0%	5.2%	1.23%
Adult Education	0.0%	1.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.02%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The variance between planned estimates and actual expenditures can again be clearly observed in table 8 for 2001 and 2002 figures. Whereas planned estimates for the management programme were significantly lower than actual expenditures (about 60% and 73% less for 2001 and 2002 respectively) compared to the basic education programme in which actual expenditures were 30% and 23% more than planned estimates for 2001 and 2002 respectively.

2.3.2 Development Expenditure Trends By Function

Like recurrent expenditures, development expenditures can be classified by function; personnel emoluments (of project staff), transfers (to households through scholarships), goods and services (including teaching learning materials and op-

erational expenses) and capital investments (construction and equipment).

Table 12: Development expenditure shares by functional classification

	2000	2001	2001	2002	2002	2003	2004	Average
	Actual	Approved Estimates	Actual	Approved Estimates	Provisional Actual	Approved Estimates	Estimates	
Personnel Emoluments	2.37%	1.16%	1.59%	0.28%	0.45%	0.85%	0.31%	1.11%
Transfers	1.19%	0.91%	2.38%	2.46%	6.58%	0.00%	3.03%	2.64%
Goods and services	23.34%	22.53%	16.78%	24.05%	13.71%	13.57%	8.73%	15.22%
Teaching Learning Materials	1.56%	2.64%	4.38%	2.49%	10.11%	1.16%	1.29%	3.70%
Supplies	0.00%	0.21%	0.05%	0.20%	0.06%	0.004%	0.002%	0.02%
Operations & Maintenance	4.60%	5.71%	3.30%	3.95%	1.68%	0.48%	0.63%	2.14%
Other goods & services	17.18%	13.96%	9.06%	17.42%	1.85%	11.92%	6.81%	9.37%
Capital Investments	73.10%	75.41%	79.25%	73.20%	79.26%	85.59%	87.93%	81.03%
Buildings	70.56%	74.06%	71.55%	72.03%	79.26%	83.94%	82.97%	77.66%
Equipment	2.54%	1.35%	7.70%	1.18%	0.00%	1.64%	4.97%	3.37%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

It would be observed (from table 12 above) that development resources are largely utilized on capital investments (81.03% on average) with an emphasis on building/classroom construction (77.66% on average). Whereas 1.24% of recurrent budget was on average spent on teaching learning materials and supplies, an average of 3.72% of the development budget is allocated for the same items. It would appear that there is a deliberate attempt to shift expenditures on key inputs from the recurrent to the development budget. The implication or drawback, however, is the issue of sustainability as most development expenditures are project related and hence its continuity after the project period is never guaranteed. Expenditures on quality inputs are recurrent in nature and resource allocation to meet their demand must not be left to chances.

2.4 TEACHER DISTRIBUTION

The distribution of qualified teachers amongst the six educational administrative regions in an equitable manner is necessary to ensure that children, irrespective of geographical location, have access to quality education. The basic principle behind staff distribution at the national and regional levels are supposedly guided by student populations to ensure an equitable pupil teacher ratio.

Table 13: Distribution of Qualified Teachers by Region 2003- 2004

	Lower Basic School				Upper Basic School			
	Nominal Allocation		% Share		Nominal Allocation		% Share	
	2003	2004	2003	2004	2003	2004	2003	2004
Region 1	540	540	22.0%	19.5%	150	150	16.5%	12.7%
Region 2	601	641	24.5%	23.2%	193	254	21.3%	21.5%
Region 3	383	428	15.6%	15.5%	202	252	22.2%	21.4%
Region 4	238	273	9.7%	9.9%	165	201	18.2%	17.0%
Region 5	386	441	15.7%	16.0%	75	150	8.3%	12.7%
Region 6	308	440	12.5%	15.9%	123	173	13.5%	14.7%
	2,456	2,763	100%	100%	908	1180	100.0%	100.0%

The manpower budget of the recurrent and expenditure estimates provides an indication of the number of established positions for each category of public officers. It would be observed from table 13 above that in nominal terms, the number

of personnel/teachers allocated per region is either held constant or has increased between 2003 and 2004. Indeed this is true for previous years implying that in general teacher numbers should increase to commensurate enrolment growth. In terms of share of total available teachers, it would appear that there is a deliberate attempt to increase teacher availability in the rural regions. Educational statistics for the above years (2003 and 2004) are not available to compute the pupil teacher ratios and establish the equitable distribution of teachers. However, a 'Fact Finding Mission' fielded by the Education Sub-Committee of the National Assembly⁵ revealed that schools in the provinces had fewer numbers of qualified teachers compared to those in urban and semi urban settlements.

Anecdotal evidence also supports these findings.