Introduction to financing Education - financial flows

Workshop on Educational Expenditure

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Levels assessed in UIS Questionnaire on Educational Expenditure

<table>
<thead>
<tr>
<th>ISCED 2011</th>
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<tbody>
<tr>
<td>ISCED 01: Early Childhood Educational Development</td>
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<td>ISCED 02: Pre-primary</td>
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<td>ISCED level 1: Primary</td>
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<td>ISCED level 2: Lower secondary</td>
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<td>ISCED level 3: Upper secondary</td>
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<td>ISCED level 4: Post-secondary non-tertiary</td>
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<td>ISCED level 5: Short-cycle tertiary education</td>
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<td>ISCED level 6: Bachelor’s or equivalent level</td>
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<td>ISCED level 7: Master’s or equivalent level</td>
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<td>ISCED level 8: Doctoral or equivalent level</td>
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- Education systems vary across countries;
- ISCED - *International Standard classification of Education* – internationally agreed definitions to enhance the internationally comparability of indicators.
Typical Sources of Education Financing – multiple actors

- **Government/Public** – often the largest contributor to the education sector and/or most sectors of the economy;
- **Income** generated by schools;
- **External** (grants or loans channelled via government accounts or directly to institutions);
- **Households** (mainly parents);
- **Private organizations** (NGO’s) that may directly fund programmes in schools or act as “intermediaries”
- **Local administrations** (local communities) that manage some aspect of education at local levels.
Mapping financial education flows

- How much is allocated to education?
  - What are the sources of the funds? multiple actors?
  - How are funds allocated?
    - Direct transfers to institutions
    - In direct transfers to institutions e.g. via intermediaries

- May not be registered in government accounts and could be disbursed directly to recipients (school or local/regional levels).

- How much funding is available?

- What are the national priorities?
  - Public
  - Private
    - Foreign
    - Nature of allocations (capital/current)

- Type of Expenditure (e.g. salary/non-salary, textbooks, operating costs, teaching and learning materials, others)

- Level of priority of level of Education?
  - Is expenditure decentralized?

- Private foundations
  - NGO's
  - Official development assistance
  - Business/Private individuals
  - Households.
Mapping Private education financial flows

External Partners (“on” or “off” budget support)

Households (including Parents and Students)

Private Entities

Complementary to Government Expenditure

- Often the second largest contributors after government/public expenditure

Government/public support to private institutions

- School fees (paid to public or private institutions);
- Supplies (textbooks and uniforms, transport);
- Parents’ association fees;
- NGO’s
- Associations
- Religious Institutions
- Private Institutions
- Communities

Communities

- Grants, other financial support, payment for the salaries of civil service teachers
UNESCO Institute for Statistics

Mapping several actors in education financing;

MINISTRY OF FINANCE

MINISTRY OF LABOUR (Main data source: Accounts Department)

Government transfers for education to private entities – these denote direct transfers
Subsidies to households and students: mainly at post-secondary education including TVET and tertiary education. These relate to scholarships and loan schemes (scholarship selection board under the Ministry of Public Service)

MINISTRY OF EDUCATION and Training (disbursement of subventions – main data source – accounts department)

External institutions e.g. located outside Swaziland that provide education for students on Scholarship.

OTHER PARENT MINISTRIES (INVOLVED IN THE PROVISION AND EXPENDITURE ON EDUCATION FOR MAINLY TVET)

MINISTRY OF EDUCATION (disbursement of subventions – main data source – accounts department) Funds are earmarked for external grants.

GRANTS/SCHOLARSHIPS: National post-secondary institutions, Teacher Training, Direct transfer for payments of student loans for institutions of higher education e.g. the Universities

SUBVENTIONS: National post-secondary Institutions, Teacher Training Colleges, Direct transfer for payments of student loans for the universities, (adult Education), (TVET institution), Skills Centres (TVET at lower level), Examination Council

Transfers to other private entities (NOT educational institutions e.g. contributions to international organizations involved with education e.g. commonwealth of learning etc

Country Example: Kingdom of Swaziland
Tracking expenditure on education - public and private sources (e.g. EMIS)

- Some administrative data could be sourced directly from institutions e.g. school level (including private institutions); not all survey instruments capture sufficient information on all dimensions requested in UIS QB;
- Some financing that may be directed at institutions may not be recorded in government records (e.g. those channelled by external entities that support education);
- Quality of data collected at the school level may vary;
- Other sources – household surveys, or other sample based surveys
Tracking expenditure on education-
private sources (e.g Household Surveys)

- Often conducted by national statistical offices;
- Often based on “self-reporting” – validity concerns;
- Coverage and frequency of household surveys vary across countries;
- Consistency with UIS definitions not guaranteed;
- It is crucial to determine the extent of private expenditure on education at the HH level in relation to public expenditure. If substantive, additional surveys may be warranted.
Considerations

• Consider **all potential sources** of data; it may not be possible to capture all sources (e.g. private sources);

• Understand the **proportion of expenditure assigned to each level of education**; some are substantive, others “negligible.”;

• **Internal coordination** of data collection may be required to complete UIS questionnaire on educational expenditure - e.g. “formalization” of data collection from entities outside the Ministry of Education/Finance may be necessary to ensure coverage of data reported to UIS.

• Consider cases where certain education levels have been devolved (local administration and financing at these levels (if applicable);
Thank you