Education expenditure: Conceptual framework, data collection, processing and dissemination

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OBJECTIVES

- **Overall**: Contribute to sustainable and harmonized methods for the collection, processing, analysis and dissemination of education expenditure data.

- **Specific**
  - Explain the international concepts of education financing and / UIS questionnaire B
  - Introduce the NEA
  - Describe the various data sources on the financing of education
  - Recall the basic functionalities of the UIS education finance data template
Sustainable Development Goals and Education 2030

• Growing needs for comprehensive and comparable data on education financing at national and international levels including for the monitoring of SDG4
  ➢ Indicator on financing: **Education expenditure per student by level of education and source of funding**

• Current situation: difficulties in making adequate monitoring of education financial flows at the national level and to provide full and regular data to UIS
Why an NEA?

Comprehensive
– All education levels, all sources of funding, all education providers

Systematic
– Cohesive financial flows and accounting framework

Comparable
– Anchored within existing international classifications (ISCED, SNA)
– Classification balances between national and international needs
– Data can easily be transferred to UIS’ Questionnaire on Education Financing with little additional work/estimations

Satellite/sector accounts already exist in other sectors---tested concept, and much can be learned from experience and methodologies of other sectors
Key questions on Education Finance /NEA

- Who finances education? Source of funds/Financing units
- How much do they spend?
- Where do the funds go? Destination/Activities Level of education
- What are the funds being spent on? Nature/Economic transaction
The NEA exercise

- Framework
  - Mapping of financial flows
  - Classification
- Data collection
  - Financing units
- Data processing
  - Financing tables
  - Producing units (education providers)
  - Producing (income & expenditures) tables
- Reconciliation & consolidation
  - Synthesis tables
- Analysis & dissemination
  - National report/brief
  - Reporting data to UIS (international dissemination)
### Allocation of resources within the system
- **Guinea**
- **Zimbabwe**
- **Viet Nam**
- **Côte d’Ivoire**
- **Lao PDR**
- **Senegal**
- **Nepal**
- **Uganda**

### Private expenditure
- **Viet Nam**
- **Côte d’Ivoire**

### External funding
- **Lao PDR**
- **Senegal**

### Full National Education Accounts
- **Nepal**
- **Uganda**

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## Analysis of public expenditure on education for national monitoring and sector reviews

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### Reporting to the UIS of international education finance statistics

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### International expertise on NEA + development of methodology + 1st international guidelines on NEA
To which level of education does the expenditure benefit? (4)

Who funds education? (1)
- Transfers
- Government
- International
- Private
- Households
- Other private entities
- Students abroad

Who produces the education services? (2)
- Central
- Regional
- Local
- Public inst.
- Private inst.
- Outside educational inst.

What is the nature of expenditure? (3)
- Current
- Capital
- Staff compensation
- Teachers
- Non-teachers
- Other
- School books and materials
- Ancillary services
- Admin
- Capital

Domain and coverage: like QA and QC
- Formal education
- Within the borders of the country
### B2: Sources and destination (by ISCED level)

#### GOVERNMENT SOURCES

<table>
<thead>
<tr>
<th>CENTRAL GOVERNMENT EXPENDITURE</th>
<th>ISCED 01</th>
<th>ISCED 02</th>
<th>ISCED 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct expenditure for public institutions</td>
<td>C4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct expenditure for private institutions</td>
<td>C5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total: Direct expenditure</strong></td>
<td></td>
<td>600</td>
<td></td>
</tr>
<tr>
<td><strong>Transfers designated for capital</strong></td>
<td>C5a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental transfers for education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net transfers to regional governments</td>
<td>C6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net transfers to local governments</td>
<td>C7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total: Intergovernmental transfers</strong></td>
<td></td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Transfers and payments for education to the private sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidies to households and students</td>
<td>C10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers and payments to other non-educational private entities</td>
<td>C13</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>Total: Transfers and payments to the private sector</strong></td>
<td></td>
<td>35</td>
<td></td>
</tr>
<tr>
<td><strong>Total: Central government expenditure for education</strong></td>
<td></td>
<td>695</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REGIONAL GOVERNMENT EXPENDITURE</th>
<th>ISCED 01</th>
<th>ISCED 02</th>
<th>ISCED 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct expenditure for public institutions</td>
<td>R1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Expenditure by source/financing unit
- Direct expenditure
- Transfers between levels of government
- Transfers to private entities

#### Automatic totals
- Split by ISCED 2011 levels

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### B3: Education expenditure by level of education, type of institution and nature

#### EXPENDITURE IN PUBLIC INSTITUTIONS

<table>
<thead>
<tr>
<th>Current expenditure on staff compensation</th>
<th>Early childhood educational development</th>
<th>Pre-primary</th>
<th>Primary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching staff</td>
<td>X1</td>
<td></td>
<td>150</td>
</tr>
<tr>
<td>Non-teaching staff</td>
<td>X5</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>Total: Current expenditure on staff compensation</td>
<td>X6</td>
<td></td>
<td>195</td>
</tr>
<tr>
<td>Current expenditure other than for staff compensation</td>
<td>X10</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>School books and teaching material</td>
<td>X10</td>
<td>included in X12</td>
<td></td>
</tr>
<tr>
<td>Ancillary services</td>
<td>X11</td>
<td>included in X12</td>
<td></td>
</tr>
<tr>
<td>Administration and other activities</td>
<td>X12</td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>Total: Current expenditure other than for staff compensation</td>
<td>X13</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total: Current expenditure</strong></td>
<td>X14</td>
<td></td>
<td>395</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>X15</td>
<td></td>
<td>75</td>
</tr>
<tr>
<td>Total: Expenditure in public institutions</td>
<td>X15</td>
<td></td>
<td>75</td>
</tr>
<tr>
<td><strong>Total: Expenditure in public institutions</strong></td>
<td>X20</td>
<td></td>
<td>470</td>
</tr>
</tbody>
</table>

#### EXPENDITURE IN PRIVATE INSTITUTIONS

<table>
<thead>
<tr>
<th>Current expenditure on staff compensation</th>
<th>Early childhood educational development</th>
<th>Pre-primary</th>
<th>Primary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching staff</td>
<td>W1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-teaching staff</td>
<td>W5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Split by ISCED 2011 levels

Expenditure by institutions and nature

If not possible to disaggregate, please use the ‘X’ and ‘W’ codes
Main challenges in filling QB

• Expenditure from private and international sources often missing
• Difficulties in identifying the nature or destination of some budget lines
• Difficulties in splitting expenditure by ISCED levels, especially for administration expenditures: precision vs complexity
  ➔ Methods for splitting
• Going from national classification to QB ➔ Education Finance Data Template
Key principles for finance data collection

• Sustainability and institutionalisation of processes
• Paint the big picture first to make sure there will not be major gaps in your research
• Focus on priorities--don’t spend too much time on sources likely to be negligible
• Choice of methods for estimations: trade-off between preciseness and simplicity
Data Sources: government expenditure

• Government expenditure
  – Government final accounts: Usually available from the Ministry of Finance. *Must be obtained for all levels of government spending on education (federal, states, local.)*
  – Accounts/details of spending from sector Ministries spending on education
  – Pay scale and number of teachers for splitting assumptions
  – Accounts of autonomous public institutions, ex. universities and technical and vocational institutions

• International expenditure
  – For ‘on-budget’ aid to education: generally recorded in education budgets/accounts
  – For ‘off-budget’ aid to education: donor coordination unit may have this data
  – For international NGOs: often difficult, but they are often associated by theme (ex. education NGO group)

• Private expenditure
  – Household expenditure surveys
Objectives of the Template

• Organize education finance data in one place: multiple sources of funds, multiple years;
• Document the processing of education finance data, particularly assumptions on how to split expenditure on education;
• Produce reliable education expenditure statistics by level of education and nature of spending using transparent estimations;
• Produce analytical outputs for the purpose of national planning and monitoring of education financing;
• Convert national education finance data into international formats and transmit data on UIS QB.
Overview

1. National data sheets
   Education expenditure data from country sources
   Data entry education exp.

2. Transformation sheet
   Template:
   - Drop-down choices for each line-item
   - Assumptions for splitting expenditure
   - Formulas to send data to the right place in QB
   Data transformation

3. Output sheets
   UIS finance questionnaire
   Output1_UIS QB
   Graphs/tables for national analysis
   Output2_graphs

Additional data for assumptions (ex. teacher payroll, enrolment)
Data entry_split assumptions
Thank you

www.uis.unesco.org