Financing Education in the Kingdom of Swaziland

Presentation Outline

- Background to the Structure of Government

- The Education Sector

- The Budget Cycle

- Performance Monitoring and Evaluation

- Challenges facing the country on collection of Finance statistics and education expenditure

Some facts about Swaziland

- A large proportion of the budget is financed through local resources

- Due to the relatively high GDP per capita, Swaziland although with challenges in financing its activities is classified as a

- The country also relies on revenues collected under the South African Customs Union, which includes the RSA, Namibia, Lesotho, Botswana and Swaziland, but these resources are diminishing

- There is no external budget support, a few partners exist in the country, these include, but not limited to EU, Taiwan, Korea, USAID, World Bank, UN agencies

- Some partners do engage directly with the Ministry, but through an work plan which is approved by Government – MOEPD

  - UN agencies such as UNICEF

  - EU which supports primary education

- However, once the work plan has been endorsed its activity is also subject t the Government financial management information system

Structure of Government

- Government finance system is centralized.
  - General administration is at national level
  - Planning, budgeting, monitoring, evaluation, and reporting done at national level
- There are more than 20 ministries with different mandates
  - The Ministry of Education and Training is charged with the Education Sector
- There are three ministries that control the budget allocation of all government
  - The Ministry of Finance –
  - The Ministry of Economic Planning and Development
  - The Ministry of Public Service
- These ministries form a national body call the Public and Budget Committee which is chaired by the Ministry of Economic Planning

The Public Budget Committee (PBC)

- Chaired by the Principal secretary for the Ministry of Economic Planning and Development

- Responsible for the management of the Government purse, includes allocation, supervision, and monitoring

- It is responsible for the Government budget allocation, i.e. national sources

- International sources are controlled by the Ministry of Economic Planning and Development, through the Aid Coordination and Management Systems (ACMS)

- Partner funds are normally integrated into the budget, thus captured in the official statistics on expenditure

- Small proportion of partner funds go directly to ministries, these vary with existing projects that are undertaken and have a life cycle
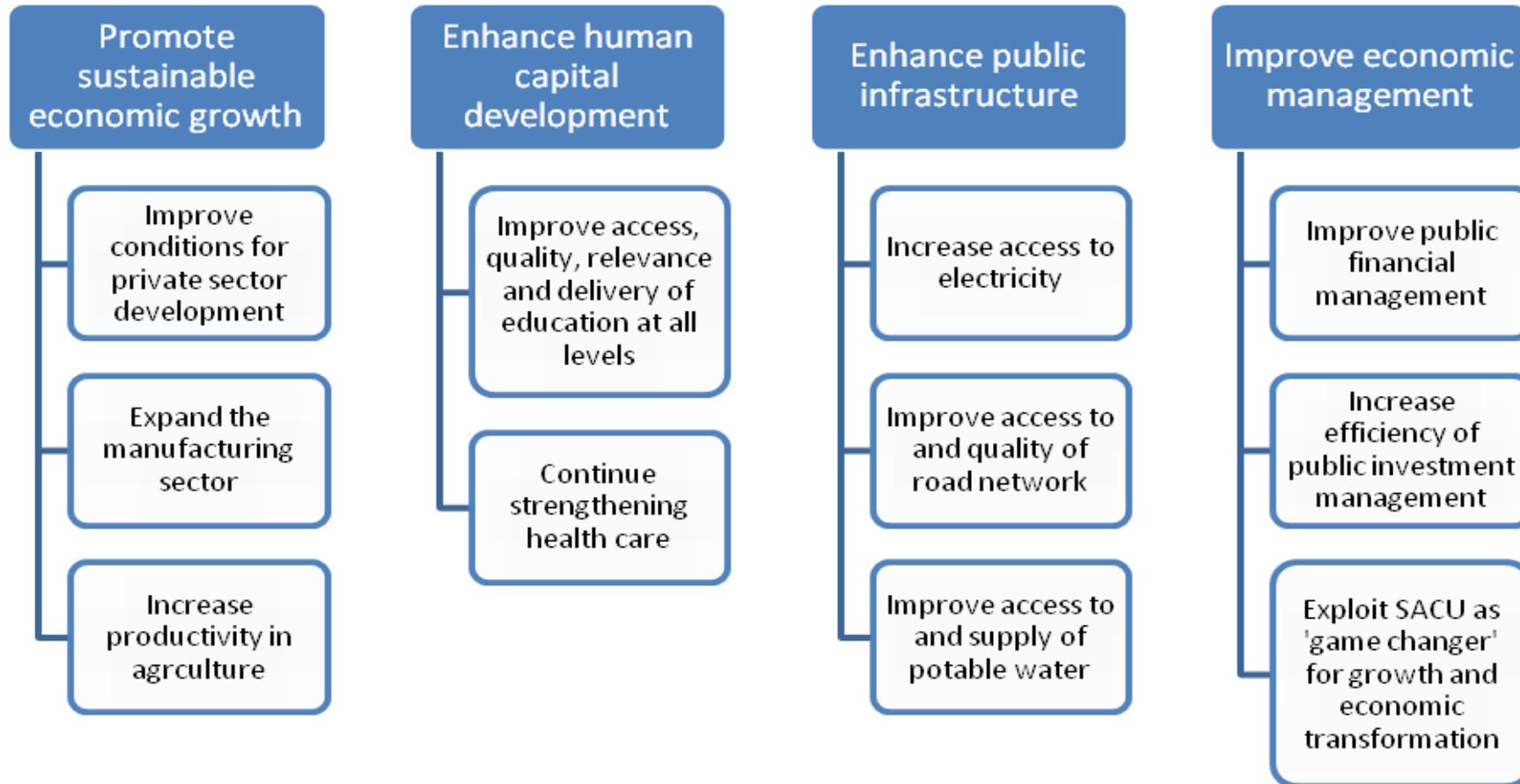
The Macro-Economic Framework

- The Government's agenda is coordinated under the National Development Strategy (NDS) which is the country's Vision 2022 - MOEPD

  - National backbone and presents the national plan of action for the country, ie all stakeholders are part and parcel

  - A sector plans are in line with the NDS

- The NDS is operationalized through a national Medium Term Expenditure Framework – (MOF)

- Monitoring and Evaluation done through a National Monitoring and Evaluation Framework – MOEPD

- All sectors (ministries) accountable for managing their own agenda and financing, but accountable to the PBC – Cabinet and nation

  - PBC monitors expenditure and implementation

  - Cabinet through parliament is charged with oversight

  - A Parliament committee, Public Accounts Committee is charged with ensuring that public funds are used for intended purposes – punitive and remedial responsibility

Key priority growth objectives for Swaziland-NDS – selected pillars

Promote sustainable economic growth
- Improve conditions for private sector development
- Expand the manufacturing sector
- Increase productivity in agrculture

Enhance human capital development
- Improve access, quality, relevance and delivery of education at all levels
- Continue strengthening health care

Enhance public infrastructure
- Increase access to electricity
- Improve access to and quality of road network
- Improve access to and supply of potable water

Improve economic management
- Improve public financial management
- Increase efficiency of public investment management
- Exploit SACU as 'game changer' for growth and economic transformation

1. Increase and improve equitable access to quality education at all levels

i. Increase access and equity of primary education

ii. Increase access and equity in secondary education

iii. Increase access and equity of BTVET

iv. Increase equitable access to higher education

v. Increase access and equity of early childhood care and development education

vi. Increase access to and participation in the country's skills development system

Increase of Access and Equity to Primary Education

- State funded primary education Ministry pays on average US $60 per learner from Grade 1 to 7 in public schools
  - Deputy Prime Minister funded OVC in primary before the FPE reached grade 7
- Provides textbooks and stationery to all primary school learners in public schools
- Provides school feeding in all public primary schools
- Provide additional materials for infrastructure in public primary schools
- Curriculum reform to a Competency levels based approach

Ministry of Finance (funds disbursed every 1st quarter of financial year in April – Ends March 31.

International Sources – External Partners (E.U, UNICEF (directly to gov't) World Vision,

Government of Swaziland

· **Ministry of Education** and Training (Teacher salaries, Pupil Grants, Stationary and Textbooks (up to the end of primary Grade 1 to 7), equipment, desks, infrastructure, classrooms, labs, school feeding,curriculum programme, administrative costs (teaching and non-teaching staff, current and capital expenditure)
· **Subv. Ekululameni, SEBENTA**

Government of Swaziland

· **Deputy prime ministers' office** (Grants (school fees) to students including OVC's) – to continue until year 2016 when FPE will apply.

School

Note: pupil grants are directly transferred from the ministry and the DPM to schools

Government of Swaziland

· **Tinkhundla or the RDF** – **Regional Development Fund) to support community schools** – infrastructure

Note on Free Primary Education Grants:

E.U supports Grade 1 (up to a set ceiling) for each institution following which Government of Swaziland (Ministry of Education) supports Grade 1 to 7

Regional Education Office (not autonomous) Expenditure on teacher salaries (all personnel) for primary schools, training workshops for school management, payment for current expenditure (utilities) Note: All expenditure counted at central level.
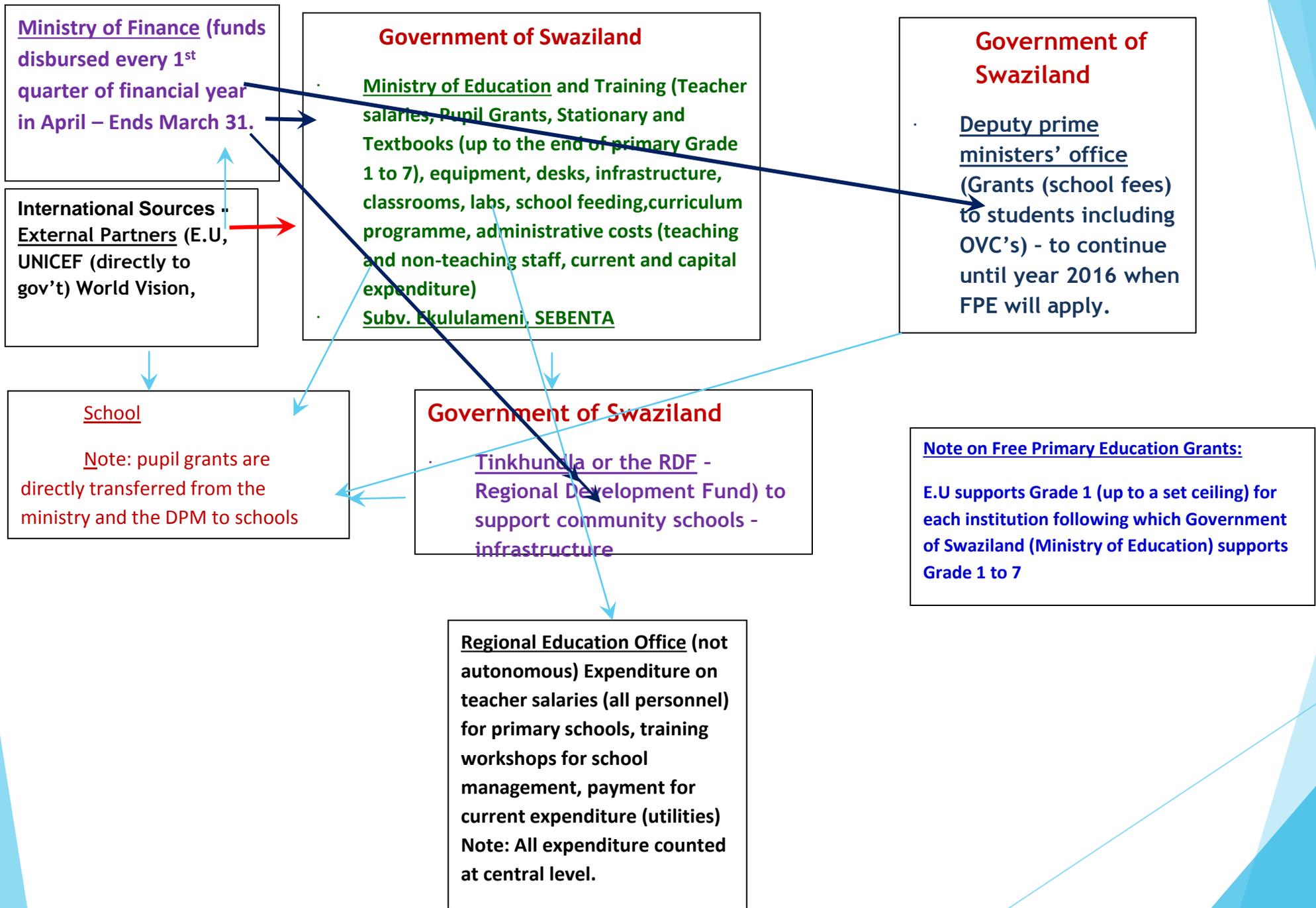
Ministry of Finance - Ministry of Finance (funds disbursed every 1st quarter of financial year in April – Ends March 31.

Government of Swaziland

· **Ministry of Education** and Training Equipment (desks, chairs , learning materials) procured through grants from the Ministry of Education), administrative costs (inspectorate – tracked at the MoET) – very small.

· Teaching staff and infrastructure from private sources (100%) – tracking expedniture salaries is complicated)

Notes: Grade 0 (formalization of ECCDE covering ages 5 to 6) will be introduced by 2015 – 2016. Teacher Training is on-going . ECCDE is defined as 0 to 8 years whereas pre-primary covers 3 to 5 years. More than 90% of pre-primary institutions are private. Registration fees apply. Several ECCE centres exist which are not coordinated by the Ministry. No budget allocated to MOET. Government has no formal funding mechanism for ECCD.

International Sources:

UNICEF (Teaching and learning materials, allowances for caregivers, school feeding), OSISA (MoU with MoET) (sponsorship of teacher training for ECCD, curriculum development) ROC (Nutrition for ECCDE), World Vision (support to NCP), PACT,UNESCO bridge project

ECCDE Centres (direct transfer from UNICEF(exact amounts to be determined based on MoU between UNICEF and the Gov't). (2012 -MoET catered for about 12 out of 18 ECCDE which are publicly funded)

Note: PACT financing is ad-hoc (not annual) UNICEF funding is also ad-hoc (not annual), Main source of funds for ECCDE: UNESCO, Accounts Department (grants and salaries of inspectors, professional development)

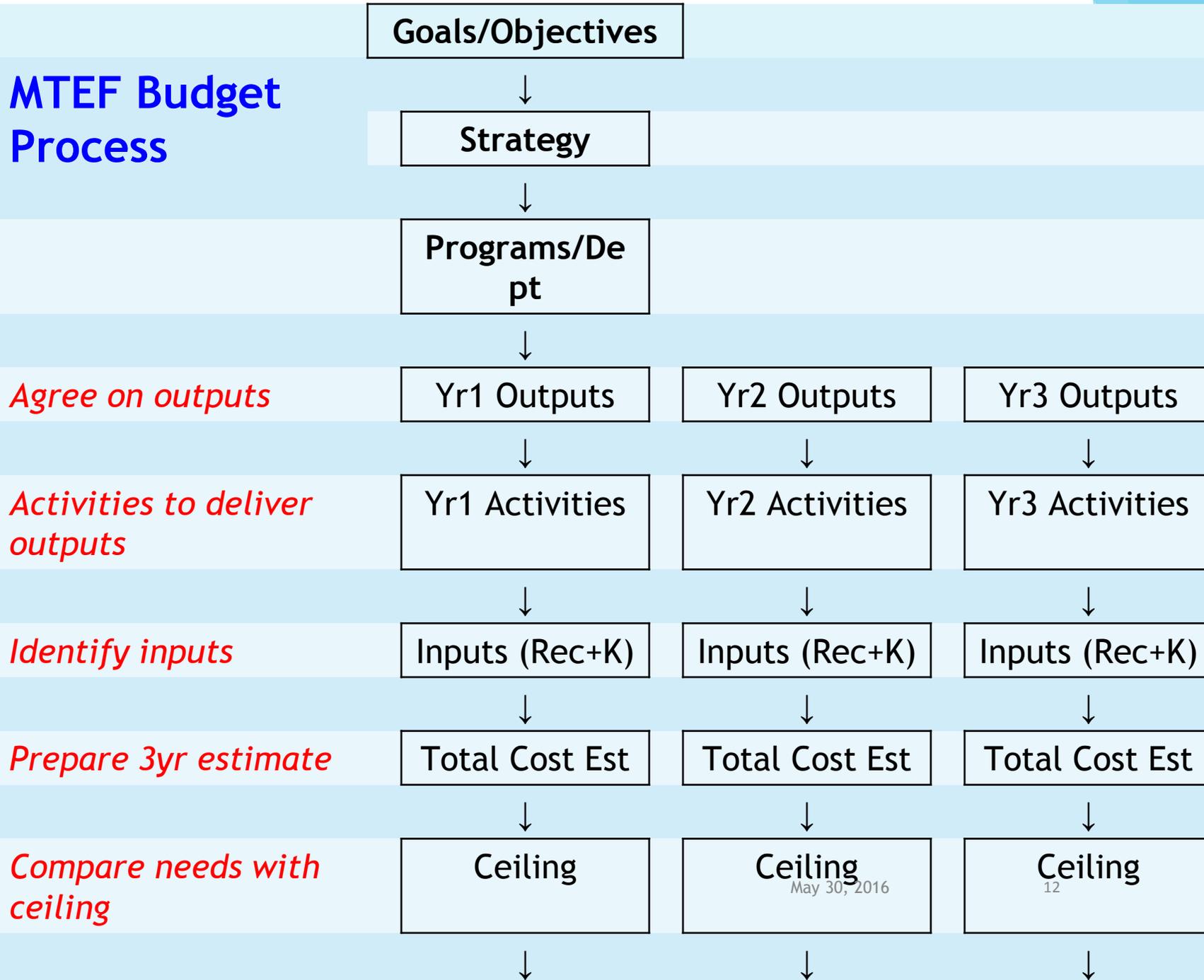Neighbourhood Care Points (NCP): allowance for care givers (non-FORMAL EDUCATION)

MacMillan: 2014 (Support to curriculum development)

Non - Governmental Organizations (national NGO) – Nutrition , teaching and learning materials e.g Bantwana relies on external partners (e.g World Vision for external funding; PACT (early learning and development standards) UNICEF
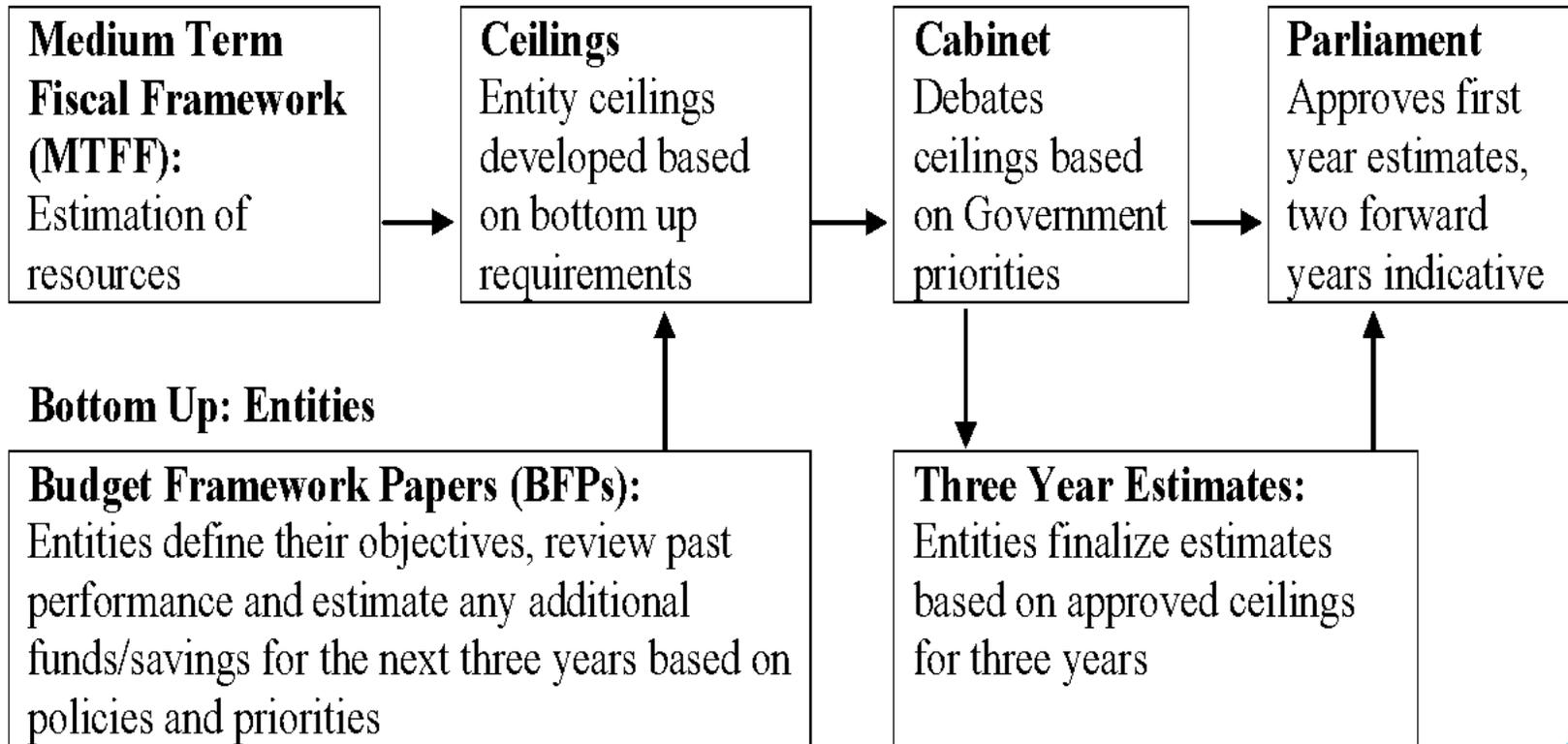
MTEF Budget Process

	Goals/Objectives		
	↓		
	Strategy		
	↓		
	Programs/Dept		
	↓		
Agree on outputs	Yr1 Outputs	Yr2 Outputs	Yr3 Outputs
	↓	↓	↓
Activities to deliver outputs	Yr1 Activities	Yr2 Activities	Yr3 Activities
	↓	↓	↓
Identify inputs	Inputs (Rec+K)	Inputs (Rec+K)	Inputs (Rec+K)
	↓	↓	↓
Prepare 3yr estimate	Total Cost Est	Total Cost Est	Total Cost Est
	↓	↓	↓
Compare needs with ceiling	Ceiling	Ceiling	Ceiling
	↓	↓	↓

May 30, 2016

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Added value of METF

1. Improved linkage between policy, planning, and budgeting (**expenditure to be driven by policy**)

1. **Better targeting and more efficient utilization of resources by budget entities**; prioritization of expenditures to be based on performance information

2. **Increased responsibility on part of entities; greater emphasis is on delivery of outputs**—entities focus more on achievement of government and entity objectives, on results/outputs, on efficiency and effectiveness, on effective use of public resources)

The MTEF Process in a Nutshell

Top Down: PBC and Cabinet

| Medium Term Fiscal Framework (MTFF): Estimation of resources | → | Ceilings Entity ceilings developed based on bottom up requirements | → | Cabinet Debates ceilings based on Government priorities | → | Parliament Approves first year estimates, two forward years indicative |

Bottom Up: Entities

Budget Framework Papers (BFPs):
Entities define their objectives, review past performance and estimate any additional funds/savings for the next three years based on policies and priorities

Three Year Estimates:
Entities finalize estimates based on approved ceilings for three years

Facts about MTEF in Swaziland

- Although the financing paradigm new, it was based on historic budget, i.e. although budget was under MTEF, allocations were still inclined to existing budget allocation
  - Primary and basic education largest proportion
  - Sizeable budget to scholarship
  - Salaries a major component of expenditure
- SWAp although method of engagement, budget requests were still made based on sub-sector responsibilities
  - Like MTEF Swap affected by historic responsibilities, departments rather programs
- Since the Budget Systems did not change much, allocations still dictated by previous' year budget and expenditure?
  - Although new paradigms in place day to day operations still remain the same cause systems did not all change with the new approaches

The Education and Training Sector

- **Mandate**

  The primary mandate of the Ministry of Education and Training is to provide access to relevant quality education at all levels to all Swazi citizens.

- **Vision**

  'Attainment of equality in educational opportunity for all pupils of school going age and adults irrespective of their socio economic background, with the ultimate goal of enhancing their productive capacity, thus improving the quality of their lives'

- **Mission**

  'To provide relevant, quality and affordable education and training opportunities for the entire populace of the Kingdom of Swaziland in order to develop all positive aspects of life for self-reliance, social and economic development and global competitiveness'.

Education Sector's Agenda

- The sector's agenda has been defined in the National Education and Training Improvement Programme (NETIP) –a Sector Development Strategy structured from a Sector Review that was done 2010.

- The NETIP outlines Sub-Sector objectives, strategies, activities and programmes for all sub-sectors, i.e. more than 16 from ECCDE to Tertiary and including support sectors

- The NETIP was costed under the MTEF and consolidated for the sector, includes even entities which receive subventions from the Ministry

- Currently other ministries budget for their education and training activities, which are integrated into the Sector budget proposal that is submitted to the PBC.

- The country's scholarship budget is in another ministry, i.e. Ministry of Labour and Social Security, and in most cases caters for Tertiary level grants to students

- Other sector activities also spread out in different ministries, i.e. Agriculture, Rural Development Fund, Deputy Prime Minister's office etc.

Budget Cycle

- All sub-sectors and their relevant stakeholders harvest their annual work plans from the NETIP

- These are prioritized and submitted to the Sector's Budget Committee which consolidates all contributions into one Sector Budget proposal

- Budget proposal submitted to the PBC (bottom up approach)

- PBC with ceiling in mind makes decision on the budget proposal which is dependent on resources that are available to the country

- After adjustments (if any) the budget is tabled before a committee of ministers (Cabinet level)

- Budget then taken to Ministry of Finance for finalization, after which the Budget is presented in Parliament by the Minister of Finance (budget speech)

- Sector's including that of education and required to present an annual performance report, i.e. of the last financial year in Parliament after which the budget is released.

Budget Cycle

- Sectors are then given opportunity to review the approved budget, which in most cases is 'reduced allocation', from the MTEF proposed budget – ceiling

- Sectors and sub-sectors adjust their programmes and activities based on the approved budget and implement activities

  - Spending is strictly controlled through a centralized Financial Management System, a number of bureaucratic steps before any activity is financed

  - Expenditure monitored by office of the Financial Controller, and Principal Secretary who approves expenditure, i.e. budget, activity has to be in approved budget

  - Purchase orders issued after all steps have been satisfied, no payment is made outside this system

- Budget is released in quarters, and after each quarter the Ministry is expected to produce a Quarterly Performance Report, which the Minister defends in Parliament

  - Sub-sectors report on all their activities and indicators for implementation in the report

Budget Cycle

- Procurement of good and services coordinated under the Procurement Act of 2015 and is also centralized

- Centralized Tender Process, in charge of procurement that is above a threshold E20 000, which is about US $1 200.

- Tender process, either 'Open tender', or 'limited tender', which is also strictly controlled
  - Internal controls through sector tender committees

- Very stringent controls for checking authencity of purchase orders, vendors, through internal systems such as "Checking department", and ensuring that all payments above E100 000 are done electronically
  - Limit 'tenderpreuners
  - Ensure that businesses are registered and pay appropriate taxes

- Actual expenditure produced two years after the financial year, i.e. collection financial statistics
  - Collection and analysis from final accounts

Key indicators on education financing

- Government expenditure on education as % of total government expenditure, 17 – 21%

- Government expenditure on education as % of GDP, 7%

- Expenditure on primary (secondary, tertiary) as % of expenditure on education

- Share of spending on teacher salaries, other current expenditure, capital expenditure

- % capital budget, about 5%

- Absorption rate, varies

Cost by Level of Education

ISCED Level	Level	% Public Spending
0	ECCD	0
1	Primary	35.4
2	Lower Secondary	25.3
3	Senior Secondary	9.3
4B and 5B	TVET/Tech. College	1.9
4C	TVET	0.5
5B	Teacher Education	2.2
5A	Under-Graduate	16.2
6	Post-Graduate	0.2
	Other Support	8.9

Financial Statistics

- Actual expenditure figures normally finalized two years after expenditure, after all expenditure figures have been resolved
    - Swaziland reports usually two years behind time because of this situation
    - These have to be consolidated in partnership with the MOF before publication
- These are presented in the Government Estimates Books, by the Ministry of Finance, these are the figures that are submitted to the UIS
- The MOET, currently the office of the Financial Controller, Planning and EMIS then analyze the figures for purposes of reporting, i.e. breaking it into the ISCED levels
    - Includes collecting data spent on education from other ministries
- Some of the national indicators such as expenditure per GDP are then calculated by the Central Statistics Office
- These figures are largely public expenditure on education except for those partners that report the contribution to the Government, through annual work plans, the include
    - UN agencies, especially UNICEF (although now under UN-framework)

Challenges to collection of Financial Statistics

- Budget allocation not linked to ISCED levels, some level expenditure cannot be broken down as such an estimation is used based on enrolment patterns

- Some expenditure especially in other ministries cuts across to many ISCED levels, especially skills training

- 2 year delay because waiting for final accounts, wait for all ministries to finalize data

- Some private entities do not give such data easily, report largely on public expenditure

- Household data only through surveys and varies depending on sample

- Some school expenditure not captured by Ministry, e.g. support staff paid from school coffers

- Need to analyze all expenditure, some expenditures not explicitly

- Data on temporary teachers difficult to ascertain as they are not captured in main establishment register

HEAD

HEAD	RESPONSIBILITY CENTRE	PROGRAM SPECIFIC OBJECTIVE	OUTPUT	ACTIVITY	INPUT	DETAIL ITEM	UNIT OF MEASURE
	1001: Minister's Office	To ensure smooth running of the minister's office	B1Q1: Improved delivery of the	Pay Ministers utilities	water	046: UTILITY SERVICES	month
	1001: Minister's Office	To ensure smooth running of the minister's office	B1Q1: Improved delivery of the	Pay Ministers utilities	electricity	046: UTILITY SERVICES	month
	1001: Minister's Office	To ensure smooth running of the minister's office	B1Q1: Improved delivery of the minister's office	Procure Ministers chauffer and support stuff uniforms	uniform for staff	066: UNIFORMS CLOTHING AND TEXTILE PRODUCTS	people
	1001: Minister's Office	To ensure smooth running of the minister's office	B1Q1: Improved delivery of the minister's office	Procure Stationery and office supplies for the Ministers Office	stationery	067: PRINTED MATERIALS AND OFFICE SUPPLIES	year
	1001: Minister's Office	To ensure smooth running of the minister's office	B1Q1: Improved delivery of the minister's office	Pay Ministers Bank Charges	Bank charges	047: FINANCIAL AND INSURANCE FEES	trips
	1001: Minister's Office	To ensure smooth running of the minister's office	B1Q1: Improved delivery of the	Pay Fuel	fuel	002: CTA VEHICLE CHARGES	YEAR
	1001: Minister's Office	To ensure smooth running of the minister's office	B1Q1: Improved delivery of the	Pay Salaries	salaries	011: PERSONNEL COSTS	YEAR
	1001: Minister's Office	To ensure smooth running of the minister's office	B1Q1: Improved delivery of the	Print Ministers letterhead stationery and file folders	Printing	044: CONTRACT PRINTING SERVICES	year
	1102: Principal Secretary's Office	To improve service delivery and efficiency of the MoET	B1Q3: New posts created	Recruit Procurement Officer	Personnel	011: PERSONNEL COSTS	person
	1102: Principal Secretary's Office	To improve service delivery and efficiency of the MoET	B1Q4: Access control, security system and car ports installed	Install Access control and security system	Advertisement	041: PROFESSIONAL SERVICES	days
	1102: Principal	To improve service delivery and	B1Q4: Access control,			041: PROFESSIONAL	