

Helpdesk Report: Education Expenditure Reviews

Date: 22 August 2014

Query: How useful are comprehensive policy reviews, public expenditure surveys and public expenditure reviews for identifying the flow of public funds and their use? What factors enable their ability to inform and promote policy priorities that take into account their findings? What helps align policy and expenditure? This review should mainly focus on the education sector, but include other areas. It has a worldwide focus, not any particular countries.

Content

1. Overview
2. World Bank resources
3. Resources from other organisations
4. Examples
5. Expert input
6. Additional information

1. Overview

The majority of the literature on expenditure reviews found within the limited scope of this report come from the World Bank. This should be considered when drawing conclusions.

Expenditure reviews appear to be useful for identifying the flow of public funds and their use. A key finding of most surveys is public resource leakage. They also highlight the problem of delays and bottlenecks, payroll ghosts, equity in resource allocation, information asymmetry and poor record keeping.

Challenges highlighted in the literature include:

- Surveys can be expensive and difficult to conduct.
- Resource flows are often complex and data maybe unreliable or unavailable making leakage difficult to measure.
- In some cases an absence of strict allocation rules make it difficult to design effective techniques to determine the amounts of money allocated to a particular region or facility.
- Translating the findings into policy reforms and institutional changes is seen as a major challenge.

Few countries are found to effectively follow-up on reform suggestions that are identified by tracking surveys. Lack of political will is often a factor behind weak institutional change. There is often lack of policy dialogue, insufficient dissemination of results and discussions to ensure the transfer of information about problems identified in the service delivery system. Surveys

should be assessed on their capacity to induce policy reforms to correct the various governance problems identified.

Suggestions for dissemination and follow-up include:

- Strike a practical balance for making findings from a survey actionable. Help define key priorities and tractable options for addressing weaknesses in prevailing systems.
- Carefully align the timing and dissemination of the survey results with the event schedules of both government counterparts and the wider public.
- Partnerships between the government and civil society or user groups can significantly enhance the capacity of the government and perform an oversight function in ensuring the delivery of services.
- Approach a survey as a routine part of the ongoing monitoring and analysis process.
- Establish a survey monitoring and follow-up mechanism.

A World Bank specialist, warns that comprehensive education sector reviews can have a “cataloguing nature” containing too much information for policy makers to manage. The specialist suggest that reviews should be “rigorous and focus on a few priority issues”. They should be done with “adequate time, the best expertise and solid local participation”. “Once a review is done, there needs to be a great deal of discussion and publicity”. To help align policy and expenditure the specialist suggests “Solid micro evidence for decision makers. Something they cannot sweep under the carpet.”

2. World Bank resources

Public Expenditure Tracking Surveys (PETS) and Quantitative Service Delivery Survey (QSDS) guidebook

Gauthier, B, & Ahmed, Z. (2012). World Bank.

<http://pets.prognoz.com/prod/GetGuidelinesDocFile.ashx?data=1>

Main purpose and key findings

PETS are useful for drilling down for information on resource flows for one or two selected sectors. PETS are usually done in conjunction with other Public Financial Management (PFM) diagnostic reviews and studies. However, there are pros and cons for doing a stand-alone PETS. First of all, PETS usually take longer to undertake than typical PERs, and the timing of the two needs to be sequenced and synchronized which is often not easily done. Information gathered by PETS usually feeds into the Public Expenditure Review (PER) analysis, thus enriching it with sector and micro level details.

PETS and QSDS have proved to be powerful instruments at identifying several bottlenecks, inefficiencies and wastages in service delivery, in particular, problems of leakages, delays, information, record keeping, ghost workers, absenteeism, equity, decentralization, user fees and efficiency.

One of the key finding of tracking surveys has been evidence of public resource leakage which is broadly defined as the share of resources earmarked to specific beneficiaries which fail to reach them. This phenomenon is associated with inadequate incentives and improper monitoring and enforcement within the service delivery system.

PETS have also shed light on the problem of delays and bottlenecks in the allocation of resources through public administrations (e.g., salaries, allowances, financing, material, equipment, drugs and vaccines). These issues could have important effects on the quality of services, staff morale and the capacity of providers to deliver services.

A few studies also quantify the share of ghosts on the payroll, that is, teachers or health workers who continue to receive a salary but who no longer are in the government service, or who have been included in the payroll without ever being in the service.

Another important question studied in QSDS (or combined PETS/QSDS) is the problem of absenteeism among front-line workers.

Another research question examined using service delivery surveys is equity in the allocation of resources and services by location and between income groups. In several countries, variability of health and school spending across geographical areas, regions and districts, as well as within districts, was observed. The considerable difference in resource allocation raises serious issues of equity among socio-economic and demographic groups.

A few PETS have also examined the impact of decentralisation on resource allocations in the social sectors. And other surveys have explored user fees.

PETS can address the question of efficiency of the budget which could have important benefits.

In the Chadian health sector, [Gauthier and Wane \(2009\)](#) show, using a PETS/QSDS that reduction of leakage could have led to an important improvement in utilization rates of health facilities. Indeed, the negative relationship between official public resources and health output is reversed when leakage is taken into account given that effective public resources (i.e., those that reach the regions) have a strong positive impact on health output. In Chad if all public resources officially budgeted for regional delegations in 2003 had reached the frontline providers, the number of patients seeking primary health care would have more than doubled during the year. Public expenditures could therefore contribute to the improvement of the population's health, provided they reach the population.

Another fundamental problem that PETS and QSDS have been able to highlight is the problem of information asymmetry through the service providers' supply chain, associated with budgeting, accounting, reporting systems, supervision and monitoring.

Poor record keeping is one of the major challenges in public financial management that PETS/QSDS have been able to pinpoint.

Process, ownership and policy reforms

It is fundamental to develop collaboration with key ministries and to identify key partners. Policy dialogue, country involvement and country ownership are fundamental in designing and implementing these tools. Not only will this ensure access to the necessary information to conduct the study but it will also promote the use of the study results.

Beyond methodological issues and new applications, the biggest challenge for tracking surveys may be to translate their important findings and contributions into policy reforms and institutional changes to improve service quality and population outcomes. Indeed, tracking surveys are a means to an end. The information on incentives and deficiencies in organisational structures and rules should ultimately be used to identify policy reforms and help implement a reform agenda in client countries.

In Uganda, following the identification in two PETS of fund diversion at the local government level, the government started publishing information in newspapers covering allocations for ministries, regions and local authorities (councils) of budget allocations for the selected pro-poor spending programs. Positive impacts of the campaign have been reported. While a formal impact evaluation has not been conducted, reports indicate that the information campaign has reduced leakage.

While it cannot be denied that many tracking surveys have been very successful at identifying weak links in the service supply chain, as well as areas where reforms should be put forward, in practice, however, few countries have effectively followed up on the diagnosis made by PETS/QSDS and implemented decisive reforms in service delivery.

In several countries, lack of political will to put reforms in practice has certainly been a factor behind weak institutional change. Lack of policy dialogue, insufficient dissemination of results and discussions to ensure the transfer of information about problems identified in the service delivery system are also noteworthy. More emphasis on client outcome would certainly contribute to promoting institutional reforms in recipient countries. This would probably entail reform of incentives on the project supply side. Success in project evaluation should therefore be contingent not only on the survey implementation itself, but more importantly on the capacity to translate and bring about policy and institutional reforms in the client country.

PETS and QSDS seek to improve the efficiency and equity of public service provision. As such, the success of the exercise should be measured by its capacity to bring about improvements in the quality of services at the population level, that is, in its capacity to lead to policy dialogue, policy reforms in areas of weaknesses identified and improvements in the outcome at the client/population level. Ultimately, in addition to devising robust methodologies to collect information and detect corruption in public service delivery, the real challenge and the real yardstick on which PETS/QSDS should be measured are the capacity to induce policy reforms to correct the various governance problems identified.

Implementing Public Expenditure Tracking Surveys for results: lessons from a decade of global experience

Gurkan, A., Kaiser, K. & Voorbraak, D. (2009). The World Bank PREM notes, number 145. <http://pets.prognoz.com/prod/GetGuidelinesDocFile.ashx?data=3>

The best known PETS, particularly for its strong policy impact, remains the Uganda study of 1996. The study was able to trigger a concrete set of policy actions such as publishing intergovernmental transfers of public funds in major newspapers, and replacing the central supply of in-kind materials with school-based procurement. The smart information and communication campaign on the PETS results, combined with strong political interest in reforms, contributed significantly to make real change possible. The work in Uganda was also complemented by a series of robust policy research impact evaluations that demonstrated the impact that information can have on service delivery outcomes.

Feedback by task team leaders and clients suggests that well-designed and implemented PETS can make very powerful contributions to the policy dialogue, including how expenditures are monitored and various program components are held accountable on a day-to-day basis.

PETS are most appreciated for providing additional information to the PFM and sectoral dialogue, and in many cases documenting and systematising weaknesses already sensed by the various counterparts. However, there are some concerns about the impact and actual follow-up effectiveness of PETS. Weak country ownership and political will sometimes limit the achievement of expected results. Few PETS are positioned as instruments for creating more accountability in deficient service delivery systems. Survey results often are not actively disseminated to civil society.

Challenges

Measuring resource leakages has been difficult in some countries due to the complexity of resource flows, and lack of reliable and available data. Measuring leakage is particularly challenging for in-kind transfers, because often the cost of these transfers is unknown at the facility level, signalling the problem of information asymmetry. Lack of clear allocation rules particularly creates problems if a PETS aims to track resources for several years. Even when the funds do reach the intended beneficiaries, the lack of detailed accounting might lead to erroneous calculations in the books. This has, in some situations, resulted in a flawed perception by the PETS teams that leakage or even corruption has occurred.

National counterparts, even when supportive of the study at inception, can sometimes dispute the validity of findings. In Mali, for example, the government officials disputed the methodology that led to the findings of corruption (school books were being sold in the market). The results of this study subsequently were not released in the public domain and apparently received no follow-up. Tensions can be avoided if the surveyors adequately address political economy considerations upfront and make them an integral part of the PETS process. PETS can be often seen as an instrument imposed from the outside, and consequently civil servants may not necessarily take part in the process. Care must be taken that the PETS is not perceived as a punitive or audit type instrument of one agency or government level in relation to another, but as a contribution to broader reform efforts. Poorly timed completion and dissemination of a PETS with respect to the electoral cycle may also be unconstructive, and therefore needs to be carefully assessed for a given country context.

Lessons learned for planning include:

- PETS have been effective where World Bank time, human resources and funding allocations in the planning phase were sufficient; and where bottlenecks and policy questions were thrashed out and taken into consideration in the PETS design.
- Invest enough time and thought in the planning stage, typically 3–6 months depending on the country context and previous diagnostic work.
- Set appropriate and attainable objectives based on the country context and available information.
- Promote country ownership from the planning stages. The message should be clear from the start that it is not the intention of the World Bank to embarrass and undermine the government by documenting misdemeanors, exposing corrupt deeds, and identifying individuals. PETS are likely to have the best results if key client counterparts believe the study findings would help government to do a better job at effectively managing its funds and provide better services for the people.

Lessons learned for implementation include:

- A well-managed process can unleash additional benefits, for example, consultations, dissemination, and feedback processes created a platform for ministries and individual authorities, who have traditionally been sceptical of each other, to cultivate trust and create the incentive for them to work towards a common goal.
- Understand that it is ultimately the respective sector ministry that needs to be the main actor for the implementation of policy.
- To the extent possible, ensure that the mix of individuals in the PETS team have adequate experience in similar type of surveys and substantial country knowledge.

Lessons learned for dissemination and follow-up include:

- Strike a practical balance for making findings from a PETS actionable. Help define key priorities and tractable options for addressing weaknesses in prevailing systems.
- Carefully align the timing and dissemination of the PETS results with the event schedules of both government counterparts and the wider public.
- Partnerships between the government and civil society or user groups can significantly enhance the capacity of the government and perform an oversight

- function in ensuring the delivery of services. However, involving NGOs/ CSOs in the policy discussions on sector specifics may not always be a useful contribution. It would be better to have a targeted approach, and promote their contributions according to their specific issues of interest.
- Establish a PETS monitoring and follow-up mechanism.

The power of information: evidence from Public Expenditure Tracking Surveys

Reinikka, R. & Svensson, J. (2013). World Bank.

<http://www1.worldbank.org/publicsector/pe/PEAMCourse04/RitvaBackground3.doc>

A well-known survey of primary schools in Uganda revealed that only 13 per cent of student capitation grants made it to schools in 1991–95, and comparable surveys in other countries recently made similar findings. When the Ugandan government launched an information campaign targeting the schools, the level of leakage fell significantly. New research measured the power of information by gauging the extent to which leakage fell when transparency was increased.

An evaluation of the information campaign reveals a large improvement. Not all schools are receiving the entire grant and there are delays. But capture by interests along the way was reduced from 80 per cent in 1995 to 20 per cent in 2001.

A before-and-after assessment comparing outcomes for the same schools in 1995 and 2001 – and taking into account school-specific factors, household income, teachers' education, school size and supervision – suggests that the information campaign explains most of the massive improvement. However, the results of the assessment should be interpreted with care.

See also: Ritva Reinikka and Jakob Svensson (2011) **The Power of Information in Public Services: Evidence from Education in Uganda** Journal of Public Economics, Draft.

<http://people.su.se/~jsven/PIInformation2010.pdf>

Public sector reform: what works and why? An IEG evaluation of World Bank support

IEG. (2008). World Bank.

http://siteresources.worldbank.org/EXTPUBSECRETF/Resources/psr_eval.pdf

The PETS has proven to be a powerful addition to the World Bank's toolkit for identifying problems with (and corruption in) expenditure and financial management, although the cost and time demands have made PETS impractical for universal application.

Are you being served? New tools for measuring service delivery

Amin, S., Das, J., & Goldstein, M. (2007). World Bank.

<http://pets.prognoz.com/prod/GetGuidlinesDocFile.ashx?data=5>

It is recognised in micro-level surveys that agents have strong incentives to misreport expenditures. In a PETS, this tendency is countered by collecting data as close to the source as possible. For example, to verify funding, enumerators may use records kept by schools for their own use (such as check receipts) rather than official figures reported by or to education officials. Moreover, information is triangulated in a PETS by comparing data collected from other local, regional, and national providers of education in government, for-profit private entities, and the non-profit sector.

Conducting a PETS may be quite difficult in practice, however, because of poor record keeping on expenditures. Discrepancies in expenditure records may sometimes stem from incorrect data entry rather than from the capture of funds by corrupt officials.

A well-conducted PETS, QSDS, or teacher absenteeism survey offers invaluable insights into the efficiency and quality of schooling, but there are constraints on implementation.

Challenges include:

- They are time consuming and expensive to conduct.
- Innovative ways of circumventing the incentives for providing misinformation must be devised. A well-designed PETS, for example, depends on a thorough understanding of the budget game, the formal and informal rules determining budget allocations and resource flows. If formal or strict allocation rules have not been established (often the case, particularly at the district or facility level), it will be more difficult to design effective techniques to determine the amounts of money allocated to a particular region or facility. Although it gives governments more flexibility in improving the allocation of funds and adapting policy in light of the findings from a PETS, the lack of hard rules makes a PETS diagnosis more difficult in the first place.
- Poor data collection by education officials and poor recordkeeping by schools impede the implementation of facility surveys.

It is important to update surveys every few years to gauge any impact of policy changes on improvements in the quality and governance of the education system.

The first PETS focused on the education sector and was carried out in Uganda in 1995 finding that schools had only received 13% of the capitation grants to which they were entitled. This striking finding and the vigorous policy response by the Ugandan government that ensued led to widespread interest in the PETS approach. One reason for the success of the education PETS in Uganda was the fact that the design and implementation of the capitation grant made it amenable to tracking. Reliable data were available through primary schools; it was easy to establish that the funds had been released by the central level; and there were simple, explicit rules about the amounts the schools were supposed to receive.

PETS/QSDS in Sub-Saharan Africa: a stocktaking study

Gauthier, B. & Montréal, H.E.C. (2006). World Bank.

<http://siteresources.worldbank.org/INTPUBSERV/Resources/477250-1165937779670/Gauthier.PETS.QSDS.Africa.STOCKTAKING.7Sept06.pdf>

The capacity of tracking surveys to measure leakage, absenteeism and achieve overall diagnostic, analysis and evaluation objectives is associated with specific country conditions and differences in methodological choices. The study discusses potential advantages and limitations associated with some of these choices in order to identify lessons and recommendations to favour harmonisation.

Among the main choices facing tracking surveys is the selection of resources to track. Non-existent records or accounts, data inconsistencies and other types of problems make certain flows untraceable or data too noisy to be informative. In choosing flows to track, surveys face a trade-off between wide coverage and feasibility. Successful past surveys (e.g. Uganda and Zambia) have restricted the tracking domain and focused on flows for which good quality and consistent data on least at two levels, including the facility level, were available. In addition to a census approach to tracking certain resource flows, surveys could make use of a sampling approach to track specific resources, in particular in-kind items (medication, material, etc.).

Beyond the methodological issues that need to be resolved and new applications that could be explored (citizen report cards, vignettes etc.), the biggest challenge for tracking surveys is probably to be able to translate their important findings and contributions into policy reforms and institutional changes in order to improve service quality and population outcomes in Sub-Saharan African countries. Indeed, tracking surveys are a means to achieve an end. The information on incentives and deficiencies in organisational structures and rules should ultimately be used to identify policy reforms and help implement a reform agenda in client countries.

While there is no doubt that a good number of tracking surveys have been very successful at identifying weak links in the service supply chain, as well as areas where reforms should be put forward, in practice only a few surveys have been able to translate recommendations into policy reforms in client countries.

In several countries, lack of political will to put in practice reforms has certainly been a determining factor as few countries have effectively implemented institutional change following PETS/QSDS diagnosis in service delivery. Lack of policy dialogue, insufficient dissemination of results and discussions to ensure the transfer of information about problems identified in the service delivery system should also be noted. More emphasis on clients' outcome would certainly contribute to promoting institutional reforms in recipient countries.

PETS and QSDS seek to improve the efficiency and equity of public service provision in Africa. As such, the success of the exercise should be measured by its capacity to bring about improvements in the quality of services at the population level, that is, its capacity to foster policy dialogue, policy reforms in areas of weaknesses identified and improvement in the outcome at the client/population level. Ultimately, in addition to devising robust methodologies to collect information and detect corruption in public service delivery, the real challenge and the real yardstick on which PETS/QSDS should be measured is their capacity to induce policy reforms to correct the various governance problems identified.

3. Resources from other organisations

Following the money: do Public Expenditure Tracking Surveys matter?

Sundet, G. (2008). CMI. U4 Issue paper.

<http://www.cmi.no/publications/file/3195-following-the-money.pdf>

The first part of this paper takes a closer look at experiences with PETS to date, through a comparison of the Ugandan and Tanzanian experiences with PETS. A recent review by Paul Hubbard on the impact of the public information campaign in Uganda is used to shed additional light on the discussion. Hubbard makes a convincing case that the public information campaign, which had been heralded as the main cause for the dramatic reduction in leakage of funds in Uganda, was only one of many factors, and possibly not even the most important one. The present paper suggests that the Tanzanian experience and Hubbard's revisit of the Ugandan case provide important lessons as to why the Ugandan success has been so difficult to replicate. PETS is only a tool that can identify problems and that actually addressing such problems, or even accepting that they exist, depends first and foremost on the political will to deal with them.

A general lack of documentation and critical investigation of tracking activities, both large-scale, "official" PETS and tracking exercises by CSOs, indicates a significant missed opportunity to learn from what works and what doesn't. Learning requires active sharing of information and critical analysis of results. The incentives are not in place for this to be realised.

The third part of the paper provides a number of strategic recommendations for the different types of actors that engage in various methodologies of 'following the money'. In the public sector, much could be achieved at the national level by establishing a system for more continuous and automatic" monitoring of resources, as this would be less vulnerable to political intervention.

The paper highlights what a PETS can do. And what they cannot do:

- They do not tend to provide a process or strategy by which the technical recommendations that are provided can be implemented.
- They do not necessarily trigger a public debate. Beyond the Ugandan experience, there is little evidence of PETS capturing the public imagination or leading to concerted pressure for reform.

There are at least three types of issues that a PETS is likely to identify:

- 1) Unnecessary complexities in the systems of financial transfers and reporting.
- 2) Lack of transparency in reporting.
- 3) Poor knowledge or access to information on entitlements among target populations.

A PETS is most likely to be useful when there is a strategy in place to act on the findings of the PETS, before the actual PETS is conducted. It could be an issue that PETS are often seen as "add-ons" to the existing reform process, rather than being a more integral part of it.

If instead, PETS were approached as a routine part of the ongoing monitoring and analysis process one might ensure better follow-up. One could, for example, devise an 'expenditure tracking dashboard' that indicates issues that have been identified, action taken to remedy it, and data on leakages. This could also provide information gathered between two PETS, for example polls of school committees, to see if they are aware of their entitlements. The PETS could be repeated at regular intervals, say every two or three years. If the dashboard was openly available to the public, such an instrument would also enable an informed and critical debate on key issues, which would be helpful in terms of mobilising active demand for reform.

This is not to suggest that there is any easy solution. Reform, particularly when it relates to the use of public resources, is notoriously difficult. Apart from having to deal with institutional inertia and capacity constraints at every level of government, there is also the perhaps even more formidable obstacle of vested interests. Whereas the technical solution might be simple, the political challenges are considerably more complex.

The quest to strengthen accountability is about realising a change for the better in accountability systems. This is, first and foremost, a political challenge, while technical challenges are only a secondary concern. There is therefore a need to pay much closer attention to the political context of the various methods of expenditure tracking and budget monitoring and a need to examine how the generated information is being used, and what impact it has on the processes that control and influence the management of public finance and service delivery.

Public Expenditure Tracking Surveys: Lessons from Tanzania

Sundet, G. (2007). CMI. U4 Anti-Corruption Resource Centre Brief No. 4.

<http://www.cmi.no/publications/file/2812-public-expenditure-tracking-surveys.pdf>

Despite anti-corruption having been a growth industry for more than a decade, success stories are relatively few and far between. The dramatic impact achieved by the PETS in Uganda has been one of the most cited successes. It is therefore interesting to note, that despite the apparent replicability of the approach and the considerable number of attempts to reproduce the Ugandan success elsewhere, there are few other examples of PETS having had an appreciable and sustained impact. This brief chronicles the way in which the latest

PETS in Tanzania was negatively received. Although the PETS revealed and documented several systematic weaknesses in the flow of finances to primary schools in the country, resistance to act on those weaknesses means that three years on, the same problems prevail.

Three general lessons drawn by contrasting the Ugandan and Tanzanian stories:

- To assist the success of initiatives to improve public expenditure efficiency and accountability, it would be beneficial to anticipate potential resistance to reform.
- Development Partners need to consider their own incentives for engaging in an open and informed dialogue on the strengths and weaknesses of existing systems. It has to be accepted that supporting mechanisms which publicise serious policy problems may jeopardise the relationship with Government partners.
- As well as learning from 'best practice', being informed about 'poor practice' is also important when learning from previous experiences.

Public Expenditure Tracking in education

Winkler, D.R. (2005). Equip2.

http://www.equip123.net/docs/e2-PETS_PB.pdf

The impact of PETS findings depends critically on the government's commitment to resolve problems. The most striking impact occurred in Uganda where, after receiving the PETS findings, the government launched a publicity campaign to inform citizens about how much money should be spent on education. A subsequent, follow-up PETS determined that the campaign helped decrease education funding leakage from 78 to 20 percent. The Peru PETS saw the least significant impact, due to frequent changes in Ministry of Education staff, which undermined ownership of the PETS results and diminished incentives to change policy.

PETS is a potentially powerful tool for revealing leakage and corruption in education finance. The survey and analysis must be undertaken by local, independent researchers not affiliated with the ministry of education to ensure the credibility of results. Conversely, education and finance ministry personnel must serve on the advisory committee overseeing PETS to guarantee ownership and follow-through on the results. Collaboration with the press to disseminate results is also essential.

The cost of conducting PETS varies with the number and complexity of the questions being asked and the size and population of the country. To date, costs have ranged from US\$50,000 to well over US\$100,000. However, these costs are very small relative to the magnitude of resource leakage uncovered in most countries. Most PETS have been carried out with the technical assistance of The World Bank, but a growing number of developing country survey firms and nongovernmental organisations have acquired experience in sampling, survey instrument development, survey administration, and resulting data analysis. PETS can be carried out more quickly and at lower cost as local experience and expertise grow.

4. Examples

At a glance, Uganda 1996 – PETS education

Reinikka, R. (1996). World Bank.

<http://pets.prognoz.com/prod/documents.axd/Uganda%201996%20PETS%20Education%20At%20a%20glance.pdf?attach=0&data=962&survey=224&zipName=Uganda%201996%20PETS%20Education%20At%20a%20glance>

The study was motivated by the observation that despite substantial increase in public spending on basic services since the late 1980s, several officially reported output and outcome indicators remained stagnant, in particular official reports of primary enrolment.

Main findings include that on average only 13% of the annual capitation grant (per student) from the central government reached schools in 1991-1995. There was a slight improvement in the last years of the survey period, but still in 1995 only 20 cents of each dollar spent reached the schools. Large variations in grant received across schools (schools in better-off communities experienced a lower degree of capture). Large variations in leakage across schools: larger schools appear to receive larger share of the intended funds (per student); schools with children of better off parents experience lower degree of leakage and schools with higher share of unqualified teachers experience more leakage. Asymmetric information has adverse effects on the flow of funds to frontline providers and service delivery and schools with greater capacity to influence local officials are granted higher shares. Other than corruption in the procurement system, the common explanation of the diversion of funds was that districts reallocate capitation grants to other activities unrelated to education, but there is no evidence that spending in other sectors increased, quite the contrary.

At a Glance, Democratic Republic of Congo 2007 – PETS education

Verhaghe, J. (2007) World Bank

<http://pets.prognoz.com/prod/documents.axd/Congo.%20Dem.%20Rep.%202007%20PETS%20Education%20At%20a%20glance.pdf?attach=0&data=911&survey=29&zipName=Congo.%20Dem.%20Rep.%202007%20PETS%20Education%20At%20a%20glance>

DRC faced key frontline education financing challenges. Despite uniform instructions applicable to all provinces, the payroll system was still incoherent and not implemented in the same way across the country. Information concerning the structure of teacher payroll expenditure was lacking.

The study provides a comprehensive picture of the functioning of the payroll mechanisms and a rationale for a rethink of the payroll process. The study also gives recommendations to tackle major impediments for the implementation of a more effective system.

The analysis of the payroll structure suggests some recurrent inconsistencies, with their inevitable negative impact on the payroll system, such as the absence of a strong central authority; the recourse to improvisation because of imprecise, ill-defined implementation rules and a local interpretation of texts obviously biased by underlying motives of personal gain and/or abuse of power.

Public financing of education in Mongolia: equity and efficiency implications

Aruajo, M.C. & Nesmith, K. (2006). World Bank.

<http://www.bnpp-kd.org/sites/default/files/A71F9d01.pdf>

The main source of data used in this report is the 2005 PETS. PETS included detailed interviews of 118 schools in urban and rural areas.

PETS showed:

- urban schools have more teachers and students than rural schools
- there are no differences in the age and maintenance of school buildings across urban and rural areas, but that there are structural disparities in the types of costs they bear
- students in rural schools obtained significantly lower test scores than those from urban schools
- reallocations during the budget process are larger in magnitude and more frequent at approval stages than they are at budget disbursement and expenditure.

Mongolia centralised education finance in 2002 after an attempt to decentralize the sector. The centralist structure of education finance entails a host of government resolutions and ministerial decrees. This report summarises those related to the structure of school budgets. The empirical analysis done with the PETS data illustrates how these regulations are interpreted and implemented at the school and at the provincial-levels.

Public Expenditure Tracking Survey, tracking Capitation Grant in primary schools in Ghana

Ampratwum, E. & Armah-Attah, D. (2010). CDD-Ghana.

http://tap.resultsfordevelopment.org/sites/tap.resultsfordevelopment.org/files/resources/CDD_Analytical_Report_Final_0.pdf

This survey was undertaken to track possible leakages and inefficiencies in the disbursement and usage of the Capital Grant (CG) in 30 public primary schools in Ghana in the 2008/09 academic year. In particular, the study provides empirical evidence on leakages from the Ghana Education Service (GES) through the District Education Units to the service delivery points. In carrying out the study, researchers combined both primary and secondary research methods to gather necessary information from different respondents.

Generally, researchers found leakages² in course of the transfer of CG from GES to districts and from the districts to beneficiary schools. However, leakages tend to be more pervasive with the transfer between districts and schools. The level of leakages cut across both endowed and underprivileged schools.

Key findings:

- General enrolment levels have increased after the introduction of the capitation grant.
- Challenges to education in communities persist in spite of the implementation of the CG for the past 5 years.
- The releases of the grant have been quite irregular, irrespective of the releasing agent (i.e. Ministry of Finance and Economic Planning or District Director of Education).
- The CG implementation is dogged by poor record keeping by schools, which made retrieval, especially in schools with newly appointed or transferred school heads very difficult.
- Most of the schools still charged levies/fees as a result of inadequacy and delays in release of CG.
- It appears both the SMCs and PTAs are well-informed on the CG and are involved in monitoring grant usage.
- Only 17% of schools submitted their SPIPs very timely for each of the three terms of the 2008/09 academic year.
- Schools never displayed their SPIPs on school notice boards in accordance with the guidelines for implementing the CG.
- CG is mainly expended on sports/cultural activities, hygiene/sanitation facilities, furniture/fixtures/fittings, infrastructural works and teaching/learning materials. It is also clear that schools actually spend some portions of the CG on unapproved procurements.
- In general, all stakeholders interviewed assessed a select number of facilities to be available but inadequate.
- Generally, the current condition of school facilities was assessed as good.
- The condition of most of the facilities and the academic environment generally improved with the implementation of the CG policy.
- In general, majorities of the stakeholders believe the CG per pupil is inadequate.

- Only a small proportion of respondents concluded that the CG had significantly reduced the financial burden of parents.
- The overall satisfaction with the use of the CG by school authorities in the districts (or schools) was quite encouraging.

Policy recommendations:

- The fact that challenges to education seems indifferent to the policy interventions is problematic and calls for critical policy review to align policy with expected outcomes.
- There's a need to evaluate the equal distribution of the GH¢4.5 cedis per pupil per year. The formula may be revised to reflect regional differences especially the special needs of schools in remote and poor regions.
- There is the need for timely release of the grant to all districts and schools; funds should be released according to the CG implementation guidelines. Even though actual release of funds from the Ministry of Finance (MOF) to GES has been smooth and effective, the timely release of funds from GES to the districts and school remains problematic and must be implemented according to the guidelines.
- The spending pattern of CG needs to be evaluated by education experts to see whether it is conducive to improving education outcomes.
- There is the need for gradual shift from enrolment explosion to improved quality outcomes in the education sector. Furthermore, there is the need for continued and intensified monitoring support and improvement in the internal management and implementation processes of the capitation grant.
- PTAs should be made joint signatories with SMC to the CG account, given the dynamics of power between school heads and SMCs to increase demand for accountability by actors outside of the school and to ensure the CG's flow is transparent by developing a consistent reporting system that makes reconciliation of information between districts offices and schools an easy and routine task. This should include the amount of CG distributed, the date of disbursement and the receiving schools.
- The system must be computerised at the district and school levels. The computerized data of the CG would no doubt ensure that schools publicly display CG distribution information at DEOs as well as at schools in a standard format. Similarly, the amount received and used would be easily verified and thus encourage SMC/PTA and public interest in CG accountability issues.

Public Expenditure Tracking (PET) in Tanzania at district-level: effects on local accountability

de Graaf, K. (2005). Paper for presentation at the European Conference of African Studies organised by the Africa-Europe Group for Interdisciplinary Studies, London: 29 June – 2 July, 2005

<http://www.tzonline.org/pdf/publicexpendituretrackingpetintanzania.pdf>

PETS are increasingly used at district level as a tool to make budget flows transparent from local government to service delivery agents. Comparing different methodologies used by NGOs in Tanzania, the paper examines whether accountability is enhanced and responsiveness is increased of local governments through these surveys.

Findings

Effectiveness is analysed in relation to 5 key outcomes.

1) *Community empowerment to demand accountability, enforceability.*

The majority of surveys proved to have little effect on community empowerment. One of the surveys was successful in achieving this outcome. Community ownership was key.

2) *Accountability of elected leaders to citizens, informing.*

There is little evidence that the tracking surveys have contributed to increased accountability by elected leaders to citizens. Though leaders appreciate and use information provided by the surveys, this does not seem to change their attitude and behaviour towards informing the community, rather they put this information to use in their relationship with organisational providers.

3) *Empowerment of elected officials to demand accountability from organisational providers, enforceability.*

All tracking surveys rendered success in empowering councilors. Information generated by the survey was welcomed by the councilors and street leaders and used to raise questions and demand explanations from organisational providers, sometimes in formal settings, but especially by village and street leaders also in an informal way.

4) *Accountability of organisational providers to councilors and communities, informing.*

This proved to be the weakest link in the accountability relationships. Not only is there little evidence of any change in attitude and behaviour in terms of accountability, the willingness by organisational providers to engage in a survey or even provide information is minimal

5) *Responsiveness of frontline providers, performing.*

Rather than leading to improvement of services, the PETS contributed to better appreciation by citizens of the situation of service providers by providing clarity on the role and limitations of service providers. Frontline service providers are delegated to provide service but lack the accompanying financial (or material) means. Citizens appreciate the situation of frontline providers as being caused by poorly functioning service organisations leaving frontline providers short of staff, supplies and funds.

Public Expenditure Tracking Survey report. Flow of textbook delivery for upper-secondary schools in Cambodia

KIND and ANSA-EAP Cambodia. (2013). KIND.

<http://kindcambodia.org/wp-content/uploads/2014/02/PETS-report-final.pdf>

To measure the effectiveness in textbook management, the government developed a textbook mechanism in 2012 to ensure the transparency in procurement of textbooks, as well as to monitor the efficient distribution of textbooks to students.

The authors planned to conduct research at 33 high schools across all target areas but one high school's representative in Phnom Penh did not allow the interviews to take place and another high school in Kampot province was too far to reach. In addition, all six schools in Phnom Penh did not show the exact number of textbooks they received for 2012-2013 as a result of the librarians' absence and the sensitivity regarding the textbook information. At the same time, PETS field team work also encountered some threats by teachers as they demanded to take photographs of our research team members.

With the absence of a Right To Information Law in Cambodia, all research or investigations that aim to help promote good governance in public expenditure face a big challenge and prevents the government from being able to measure its achievement by independent group.

More examples

Public expenditure tracking of secondary education bursary scheme in Kenya

Oyugi, L.N. (2010). Institute of Policy Analysis and Research.

http://ansa-africa.net/uploads/documents/publications/IPAR_Bursary_Scheme_November2010.pdf

Tracking public expenditure and assessing service quality in Early Childhood Development in South Africa

The Department of Social Development, Department of Basic Education and UNICEF. (2011). Department of Basic Education, Department of Social Development, South Africa/UNICEF

http://www.unicef.org/southafrica/SAF_resources_pets.pdf

Cambodia. Public Expenditure Tracking Survey (PETS) in primary education.

World Bank. (2005). World Bank.

<http://www->

wds.worldbank.org/servlet/WDSContentServer/IW3P/IB/2006/03/30/000012009_20060330143624/Rendered/PDF/349110KH0rev0P10ed0P08501501PUBLIC1.pdf

Reviews of National Policies for Education

http://www.oecd-ilibrary.org/education/reviews-of-national-policies-for-education_19900198;jsessionid=1110em763jg39.x-oecd-live-01

6. Additional information

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