

Public Expenditure Tracking in Education

Developing countries have increased spending on primary-secondary education in recent years to fulfill their commitment to quality education for all. However, several countries have been disappointed in the results of their additional investments and have begun to explore the reasons for the meager gains. The Public Expenditure Tracking Survey (PETS) has been an important tool in these investigations.

Objectives

PETS is a method to study the flow of public funds and other resources, with the aims of measuring how much government funding actually reaches the classroom and identifying the major points of resource leakage and misuse. All public education funding has financial auditing mechanisms to ensure accountability for its appropriate use. PETS can also help policymakers diagnose how these accountability systems are working in practice and how they can be improved. Accountability systems often work best when information on financial and resource flows is easily available to all stakeholders in the system. Thus, dissemination of PETS results may in and of itself help improve accountability and set in motion the steps required to reduce inefficient use of funds. Governments and other stakeholders are responsible for making administrative reforms and mobilizing civil society to render PETS recommendations a reality.

Data

PETS obtains data through a series of sample-based surveys and interviews carried out at every point at which decisions are made about education resources. The most important of these, the school survey, documents the source and use of education resources. The school survey is complemented by questionnaires that accurately determine the flow of funds at the national, regional, and local levels. In many cases, education finance is so complex and lacking in transparency that simply showing the flow of funds contributes to an understanding of the incentives and opportunities to prevent leakage in the system. The major questions a country wishes to answer about its education system determine the specific data collected by PETS—some are comprehensive while others mainly focus on a particular resource or leakage.

The Quality of Service Delivery Survey (QSDS) is an especially comprehensive school-level survey that goes beyond the measurement of resource flows to evaluate characteristics of service delivery. Most PETS include QSDS, although a school-level survey like QSDS can be carried out independently of PETS.

Results

PETS results may include leakage estimates, information about the percentage of funds spent at each level of the education hierarchy, and descriptions of how funding is targeted among different schools and subpopulations. School survey questionnaires can

also provide information about school facilities, teacher quality and absenteeism, drop-out rates, test scores, and school governance.

PETS has, to date, been carried out in approximately 35 countries in Africa, Asia, and Latin America. Uganda conducted the first PETS in 1996, finding that only 22 percent of the total non-wage funding intended for schools actually reached the classroom. A Ghana PETS found that only 51 percent of funding for books and other instructional materials ever reached schools. A Zambia PETS found that increased government spending on education had no effect on outcomes because parents reduced household spending on education by an equivalent amount. In Peru, PETS revealed the poorly understood complexity of the flow of funds from the national government through regional governments and down to the schools.

Several PETS have included investigations into teachers who are employed and paid but absent from the classroom. Teacher absenteeism rates can be as high as 27 percent in Uganda, 25 percent in India, and 19 percent in Indonesia. Other teachers are paid but have no classroom assignment, varying from 5 percent in Honduras to 35 percent in Ghana.

Impact

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.

Social Sector PETS and QSDS Studies Completed Through 2004		
Country	Type of Survey	
	PETS	QSDS
Albania	X	
Algeria		X
Benin		X
Bolivia		X
Burkina Faso		X
Cambodia	X	
Cameroon	X	
Chad	X	X
Colombia		X
Ethiopia		X
Ghana	X	
Honduras	X	X
Laos		X
Macedonia	X	X
Madagascar	X	X
Mozambique	X	X
Namibia	X	
Nicaragua	X	
Nigeria		X
Pakistan		X
Papua New Guinea	X	X
Peru	X	
Rwanda	X	
Senegal	X	
Sierra Leone	X	
Tanzania	X	
Timor-Leste		X
Uganda	X	X
Yemen	X	
Zambia	X	X

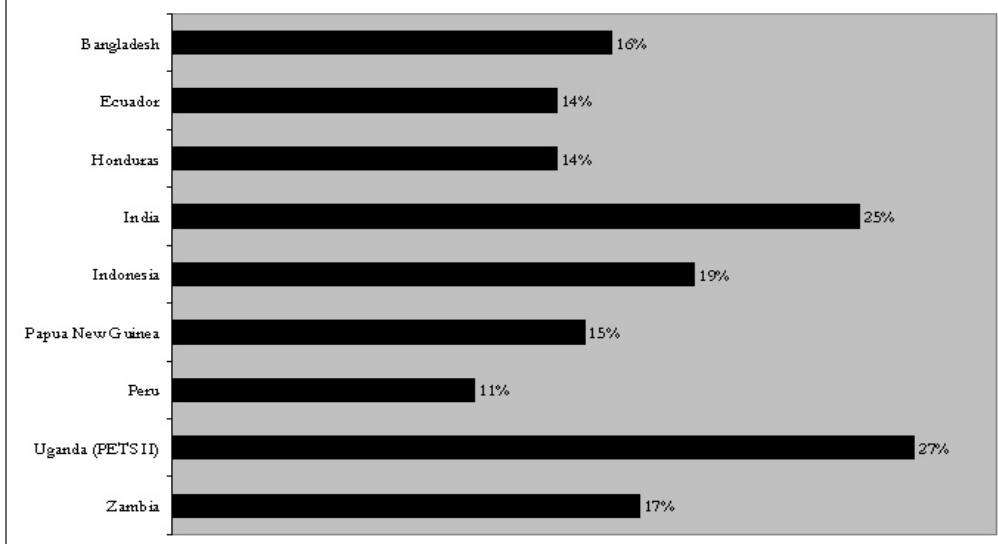
Lessons Learned

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 organizations 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.

Rates of Teacher Absenteeism



References

Consistent with the transparency of information that is the objective of PETS, the sampling frame, questionnaires, and analyses of data from each of the PETS carried out under the auspices of The World Bank can be found at <http://www1.worldbank.org/publicsector/pe/trackingsurveys.htm>. Additional information can be found in *Public Expenditure Tracking Surveys in Education* by Ritva Reinikka and Nathanael Smith, published by the United Nations Educational, Scientific and Cultural Organization (UNESCO) International Institute of Educational Planning (IIEP) in 2004. IIEP and The World Bank Institute have jointly developed an annual training course on PETS, conducted in East Asia in 2004 and Southern Africa in 2005.

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