



CIVIL SOCIETY BUDGET ADVOCACY GROUP POSITION PAPER ON THE -EDUCATION SECTOR FY2015/16

1. The third development objective of the NDP II is to enhance human capital development. The education sector plays a key role in fulfilling this objective and therefore adequate funding and implementation of the sector activities will greatly influence the achievement of the NDP II.

Table 1: Education sector allocation by source

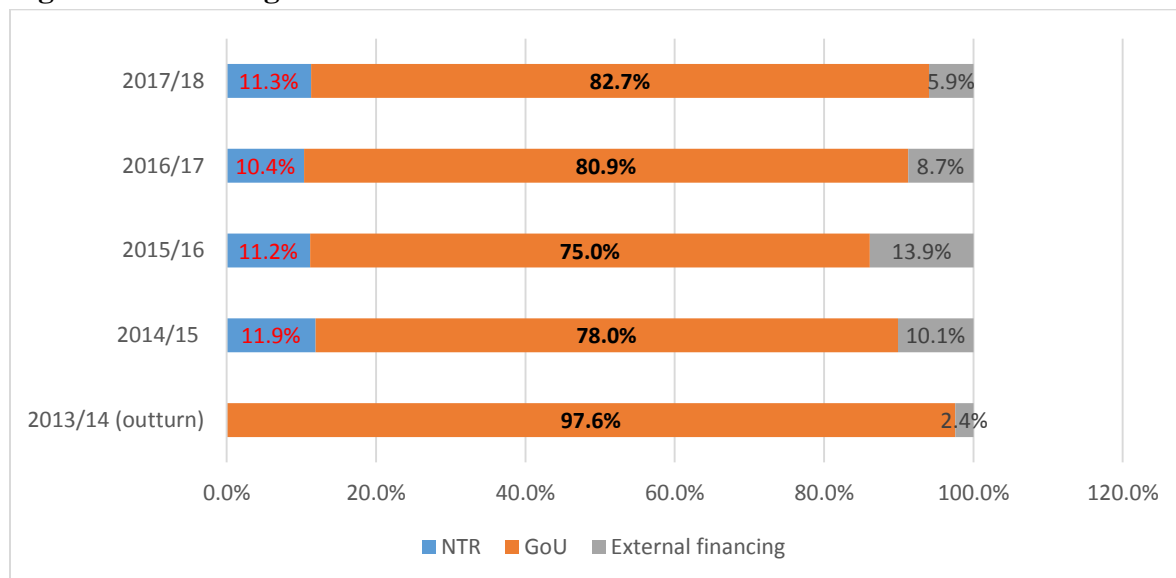
	2013/14 (outturn)	2014/15	2015/16	2016/17	2017/18
GoU	1,441.421	1,794.79	1,731.760	2,065.487	2,057.279
External financing	35.817	232.684	319.983	223.411	147.940
NTR	0	273.297	257.911	265.026	281.248
Total	1,477.238	2,300.771	2,309.564	2,553.923	2,486.467

Source: NBFP 2015/16

2. Table 1 above shows the education sector budget by source looking at the government of Uganda, external financing and the NTR. In the outturn shown in the FY 2013/14, out of the total approved budget for the sector (UGX 2,013.31bn) only UGX 1,477.238bn was realized. This was possibly because; the NTR allocation of UGX 243.74bn was not realised at all and external financing of UGX 35.817bn is what was realized in contrast to the budgeted UGX 288.19bn¹.

¹ Approved budget estimates FY 2013/14

Figure 1: Percentage contribution of various revenue source



Source: CSBAG computations and analysis

- Looking at the FY 2015/16, the GoU commitment to the sector has reduced from UGX 1,794.79bn to UGX 1,731bn i.e. the GoU contribution to the sector has reduced to 75% in the FY 2015/16 from 78% in 2014/15. However, the external financing increased from 10.1% of the total sector budget in the FY 2014/15 to 13.9% in the FY 2015/16. The key questions to be answered are; will the donors honor their commitment more this time around and will the NTR perform better in the FY 2013/4, or better yet will the sector report on the NTR outturns?

Table 2: Sector budget by category over the medium term

	2013/14 (outturn)	2014/15	2015/16	2016/17	2017/18
Recurrent	1,301.369	1,642.963	1,579.842	1,884.302	1,886.706
Development	140.053*	151.828*	151.282*	181.185*	170.573*
	35.817	232.684	319.983	223.411	147.940

Source: National Budget Framework Paper FY 2015/16 *GoU development expenditure

- The education sector is noted to have a high recurrent budget in the FY 2015/16 as a share to the total sector budget. In the period under review (2013/14 – 2017/18), the sector recurrent budget is averages at 75.5% of the total sector budget. Whereas the recurrent budget has reduced from UGX 1,642.963bn in the FY 2014/15 to UGX 1,579.42bn in the FY 2015/16, the total development budget has increased from UGX 381.512 in the FY 2014/15 to UGX 471.265 in the FY 2015/16.
- The increase in the development budget is however explained by an increase in the external financing commitment from UGX 232.684bn to UGX 319.983bn in the FY 2014/15 and 2015/16 respectively. We however note that GoU has not increased its commitment to fund the education development budget meaning that there will be no new classrooms, new laboratories and sanitation facilities. According the UBOS

Statistical Abstract 2014, the primary school enrolment rates are increasing at an average rate of 2.5% per year.

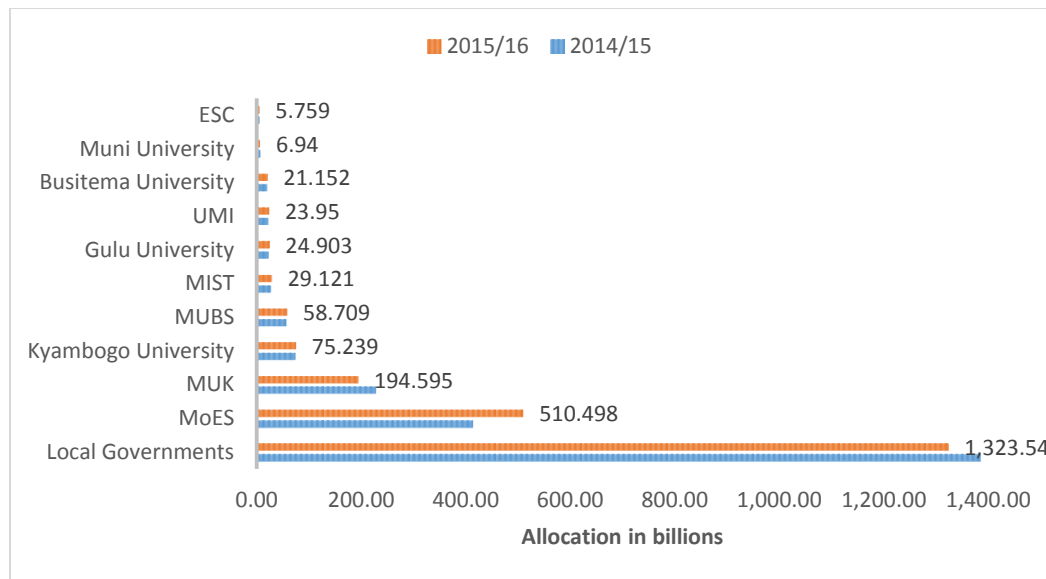
Table 3: Highlights of FY 2014/15 intra sector Budget and Budget Estimates for 2015/16 (Bn. Ugx)

Vote	Approved Budget 2014/15	Budget 2015/16	Estimate	%age
MoES	413.888	510.498		23%
ESC	5.759	5.759		0%
Busitema University	20.196	21.152		5%
UMI	22.260	23.950		8%
Muni University	7.108	6.940		-2%
MUK	228.654	194.595		-15%
MIST	27.809	29.121		5%
Kyambogo University	73.949	75.239		2%
MUBS	57.025	58.709		3%
Gulu University	22.533	24.903		11%
Local Governments	1,384.822	1,323.541		-4%
GRAND TOTAL	2,300.771	2,309.564		0%

Source: National Budget Framework Paper FY 2015/16

- Looking at the intra sector allocations shown in table 1 above, the Local Government, Vote 501 – 850, was allocated 58.2% of the sector budget, followed by MoES taking 22.4% and the rest of the votes sharing the 19.4% of the sectors allocation.

Figure 2: Intra Sector allocations for Education sector FY 2015/16



Source: Authors computations and analysis

7. We are concerned that the figures presented in the NBFP 2015/16 are not consistent particularly in the education sector where the summation of the intra-sector budgets for the FY 2015/16 reflects a budget decrease from UGX 2,309.564bn whereas the correct figure should be UGX 2,274.1bn, which creates a **UGX 35.464bn** anomaly. This casts doubt in the actual sector allocations and erodes public trust in our budgeting system.
8. We are also worried that the LG budget allocation has declined by UGX shs 61.28bn which is -4%. This will affect the implementation of UPE and USE. Considering that we still have issues with supervision of schools and quality of Education. We request government to revise the LG allocation for education upwards.
- 9.

Sector Specific issues

10. As we head to the FY 2015/16 we observe and note the following sector concerns but also endeavor to propose ways to have them resolved.
 - **UPE Capitation grant and conflicting enrolment projections.**
11. In the FY 2015/16, we observe that the UPE capitation is projected to be UGX 49.684bn, a reduction from UGX 66.245bn approved in the FY 2014/15 budget.² We note with concern that the sector is not sure how many pupils will be enrolled in the FY 2015/16. The enrolment for UPE pupils is projected to increase to 8,459,767 pupils in the FY 2015/16 from 8,098,177 pupils in the FY 2014/15 (S2.1 pg. 266). This development implies that the capitation per pupil is set to reduce from UGX 8,180.2 in the FY 2014/15

² National Budget Framework Paper 2015/16 pg 689

to UGX 5,872.9 in the FY 2015/16. We however note table S4.1 on page 299, where a funding gap of UGX 15.481bn has been identified because of the proposal to increase the capitation to UGX 10,000 from the UGX 7000 currently offered. The projected enrolment that causes this funding gap is 6,515,016 pupils, far below the 8,459,767 pupils that are set as the target in table S2.1 on page 266.

12. Further still, taking the 6,515,016 enrolment number given in table S4.1, the capitation grant allocation should be UGX 45.6bn assuming the per capita capitation to be UGX 7000, in contrast to the UGX 49.684bn that has been requested for in the sector budget.

Recommendation:

13. Whereas we support the initiative to increase the capitation grant from 7000 to 10000, the sector should come out clearly on the enrolment figure to minimize instances of ghost pupils being hosted in their budget.

- **The School Inspection grant budget is grossly insufficient.**

14. The inadequate monitoring and evaluation budget of the sector has over the years defeated its purpose. At local government level where the bulk of the services are delivered, the school inspection grant averaged UGX 2.4 billion (see Table 2). If apportioned evenly across the 134 local governments (including Municipalities) it amounts to UGX 17.9 Million for the entire financial year. This translates into UGX 940 only to monitor a primary school per FY.

Table 4: School Inspection Grant Transfers to Local Governments (Billion UGX)

Grant	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
School Inspection Grant	2.48	2.11	2.5	3.1	4.688	4.699

Source: Budget Performance Reports and Approved Estimates

To note, is that school inspection does not only target primary but also secondary schools and other tertiary institutions and this makes the given allocation very unrealistic. Failure to fund the inspection of schools is a strong contributing factor to poor education results and performance.

Recommendation

15. The sector should endeavor to increase the schools inspection grant to at least UGX 10bn as this will increase the learning outcomes. This would translate into UGX 530,000³ only.

- **Special Needs Education (SNE)**

16. Currently, Uganda only has nine (9) SNE schools. While the emphasis has recently been

³ UBOS Statistical Abstract 2014 put number of primary schools at 18,079 in 2013.

placed on inclusive schools, the infrastructural and human resource challenges cannot allow for the effective delivery of SNE. In 2011, about 10% of Ugandan children of school going age required SNE. In the same year, the primary subsector alone had about 197,200 pupils (2.4% of the enrolled number) that required special needs education.

17. It also worth noting, that SNE forms a very important component of the equitable delivery of education services. However, the financing of SNE over the years is extremely inadequate (see Table 4). Further, considering that the available funding remains at the center (MoES), there is no SNE funding at local government level where the service is actually delivered.

Table 5: Special Needs, Guidance and Counseling Expenditure (UGX Billion)

Expenditure Line	FY 2011/12	FY 2012/13	FY 2012/13	FY 2014/15	FY 2015/16
SNE and career Guidance	1.2	1.2	1.2	3.078	3.078

Source: Budget Performance Reports

18. We would like to however appreciate the additional UGX 2.061bn that was allocated in the FY 2014/15 as a development project called Development & Improvement of SNE and the project has continued to receive funding in the FY 2015/16.

Recommendation:

19. There an urgent need to increase the level of funding for SNE to at least UGX 5bn as this will enhance the existing efforts to teach the special children.

- **Teachers' Housing**

20. We would like to acknowledge government effort to improve teacher's welfare by allocating UGX 5.440bn in the FY 2015/16 tagged to building teachers houses. We also appreciate the effort to provide teachers housing to the worst performing local governments in PLE. That at least four blocks of twin teachers' houses will constructed in each of these schools⁴.

21. Whereas we applaud the above efforts, we have reservations as regards the selection criteria for the worst performing districts as it's not clear the basis year to determine "worst". The phasing of the teachers housing project is also vague and needs to be clearly phased out.

Recommendation:

22. Government should clearly spell out the phasing of the teachers houses construction so that the project is not over taken by events.

⁴ NBFP FY 2015/16 pg 746

- **Gender and Sanitation Issues**

23. Among the sector priorities for the FY 2015/16 is strengthening cross cutting programmes but specifically, gender equity. Another sector priority is to provide infrastructure to include pit latrines and wash rooms for girls. The limited availability of sanitary facilities in schools has been cited as one of the key reasons keeping adolescent girls from school (Adukia, 2013). The enrolment rates especially in upper primary and secondary school continue to be skewed in favor of the boys. In 2011, the national Pupil to Stance Ratio (PSR) was 4,094:1 with regional variations ranging from 508:1 in the Western Uganda to 1289:1 in Central Uganda.
24. The situation hasn't altered much since then because only UGX 593 Million was spent on latrine construction in financial year 2012/13 to yield 140 latrines in 28 schools. Further, this money was spent in secondary schools and the situation in primary schools could be worse than it was in 2011 considering the growth in enrolment.

Recommendation:

25. The urgency to improve upon this situation need not be emphasized because the statistics are so alarming. Thus the latrine construction expenditure ought to more than double so as to improve the situation.

OAG report 2013/14 education sector findings

- **Redundant Teachers SACCO Fund**

26. During the year, the Government offered UGX.25bn to the teachers' SACCO fund to be contributed in 5 years with the objective of enabling teacher's access affordable credit financing. A total of UGX.4,317, 423,564 was released to Micro Finance Support Centre during the year under review. However, by the time of writing this report, the funds had not yet been accessed by the beneficiary teachers. Besides, the fund management had become a source of conflict between UNATU and the Ministry. In the circumstances, the objectives of funding the teachers SACCO may not be achieved.

Recommendation

27. We strongly associate ourselves with the finding and advise of the AG to the MoES in respect to the operationalization of the fund so that the intended objectives are achieved and we further recommend that the UGX 25bn be availed to the fund in the FY 2015/16.