



PUBLIC EXPENDITURE AND PERFORMANCE PROFILE OF UGANDA'S EDUCATION SECTOR

Introduction

As per the Education Sector Strategic Plan,¹ the overall objectives of the sector are to increase and improve equitable access to quality education at all levels; improve the quality and relevancy of education at all levels as well as enhance effectiveness and efficiency in education service delivery. The education sector in Uganda is mainly comprised of Basic,²

Post-primary³ and Higher⁴ education. This profile presents the expenditure distribution patterns and functions to which the funds have been put between financial years 2007/08 and 2010/11. It further presents the sector's performance measured along specified progress indicators.

Table 1: Percentage Distribution of Sectoral Public Expenditure Outturns FY 2007/08 - 2010/11

SECTOR	2007/08	2008/09	2009/10	2010/11
Security	13.2	13.9	10.9	27.7
Accountability	6.5	7.2	6.6	4.5
Public Sector Management	11.0	9.7	12.0	9.5
Public Administration	8.1	4.3	6.8	6.7
Legislature	2.5	2.9	2.3	2.1
Justice, Law and Order	7.2	6.6	8.6	8.4
Agriculture	3.5	4.1	4.5	3.8
Education	21.2	18.3	17.6	14.8
Health	7.9	9.1	8.1	7.6
Water and Environment	2.6	2.2	2.3	1.7
Energy and Minerals	6.4	5.6	6.5	2.9
Works and Transport	8.3	14.6	11.6	9.0
Others	1.7	1.5	1.9	1.2

Source: Compilations from Annual Budget Performance Reports 2007/08 – 2010/11

1 Education Sector Strategic Plan 2007-2015

2 Pre-primary and Primary education

3 Secondary education, Business, Technical and Vocational education and Training – BTVET, as well as Universal Post O-Level Education and Training – UPOLET

4 Universities and other Tertiary institutes

Patterns and Trends of Expenditure

The education sector has overtime dominated public expenditure in Uganda. During the period under consideration, the sector average government expenditure outturns in the sector were 18% of the total national budget. Table 1 lays out the percentage expenditure outturns over the years.

While the sector has accounted for the largest proportion of government expenditure outturns, its percentage share of total public spending has been gradually reducing. Despite the percentage decline in the sector's share of public expenditure, education expenditure has greatly increased nominally rising from 723.45 billion Ug Shs in Fiscal year 2007/08 to 1.1 trillion Ug Shs in Fiscal year 2010/11. This represents a 52% increment between the years.

Recurrent and Development Expenditure

Education expenditure is categorized under Recurrent and development expenditure. Recurrent expenditure is simply expenditure that re-occurs and is mainly for the daily running of an entity such as purchasing of instructional materials like chalk. Development expenditure on the other hand involves capital or long term investment whose value extends beyond the expenditure period such as construction of class rooms. Furthermore, recurrent expenditure is broken down into wage and non-wage expenditure while development expenditure is broken down into government and donor expenditure. Development expenditure has risen overtime. As illustrated in Table 2, development expenditure experienced a substantial increase by 122.2% between fiscal year 2007/08 and 2010/11.

Table 2: Education Sector Recurrent and Development Budget and Expenditure (Bn Ug Shs)

Sub-sector	FY 2007/08		FY 2008/09		FY 2009/10		FY 2010/11	
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn
Recurrent								
Wage	531.411	524.072	550.006	529.79	582.561	562.235	690.081	722.541
Non-Wage	140.146	149.816	166.06	175.52	243.918	236.116	276.476	244.361
Sub-Total	671.557	673.888	716.126	705.31	826.479	798.351	966.557	966.902
Development								
GoU*	57.847	57.045	65.69	65.3	103.565	103.934	137.095	126.755
Donor**	46.282	-	112.93	-	149.577	-	139.001	-

Source: Compilations from Annual Budget Performance Reports 2007/08 – 2010/11

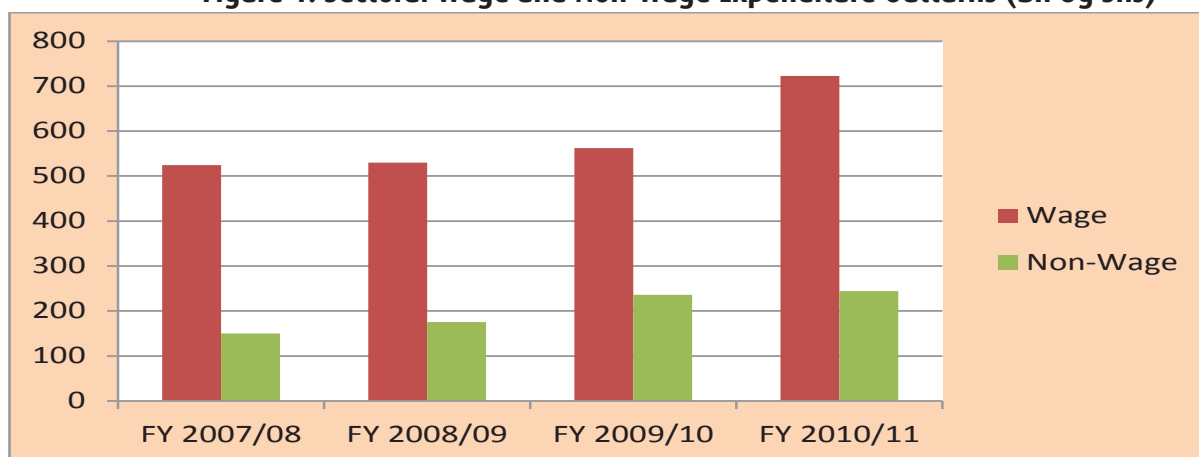
* Doesn't include allocations and expenditure from non-tax revenues retained and spent by vote and donor project funding.

** Donor release and expenditure data unavailable.

Wage and Non-Wage Expenditure

The wage component of the recurrent expenditure far outstrips the non-wage component. It is worth noting that approximately three-quarters of the sector's recurrent expenditure was wage in nature as illustrated in Figure 2.

Figure 1: Sectoral Wage and Non-Wage Expenditure Outturns (Bn Ug Shs)

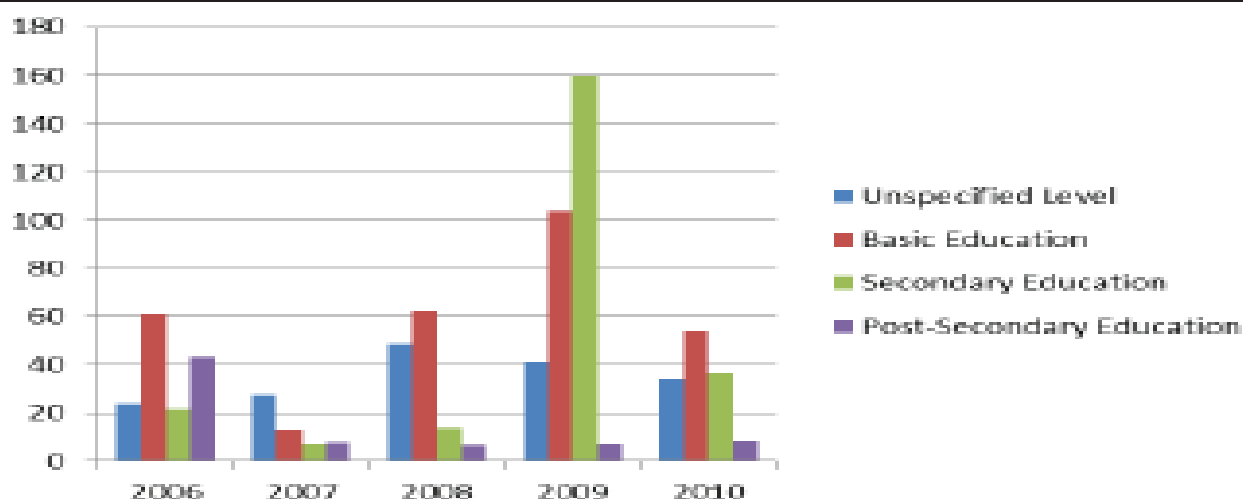


Source: Compilations from Annual Budget Performance Reports 2007/08 – 2010/11

Donor Contribution

The education sector receives part of its funding from development partners in supplement to the government of Uganda funding. This contribution as illustrated in Figure 3 includes both budget support as well as off-budget support.

Figure 2: Donor Expenditure by Education Level (Million USD)



Source: OECD Data Set⁵

Donor Development Expenditure

The development partners' contribution is mainly directed towards development expenditure of the sector. Table 3 indicates the intra-sectoral allocations of donor development funding during the years under consideration.

Table 3: Intra-Sectoral Distribution of Donor Development Allocations (Bn. Ug Shs)

Sub-sector	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Primary	0.85	0.75	0.94	-
Secondary	16.88	80.11	117.00	114.29
BTVET	15.85	15.13	11.66	15.12
Tertiary	12.69	16.95	19.98	9.60
Total Donor Development	46.27	112.93	149.58	139.01

Source: Ministry of Education and Sports

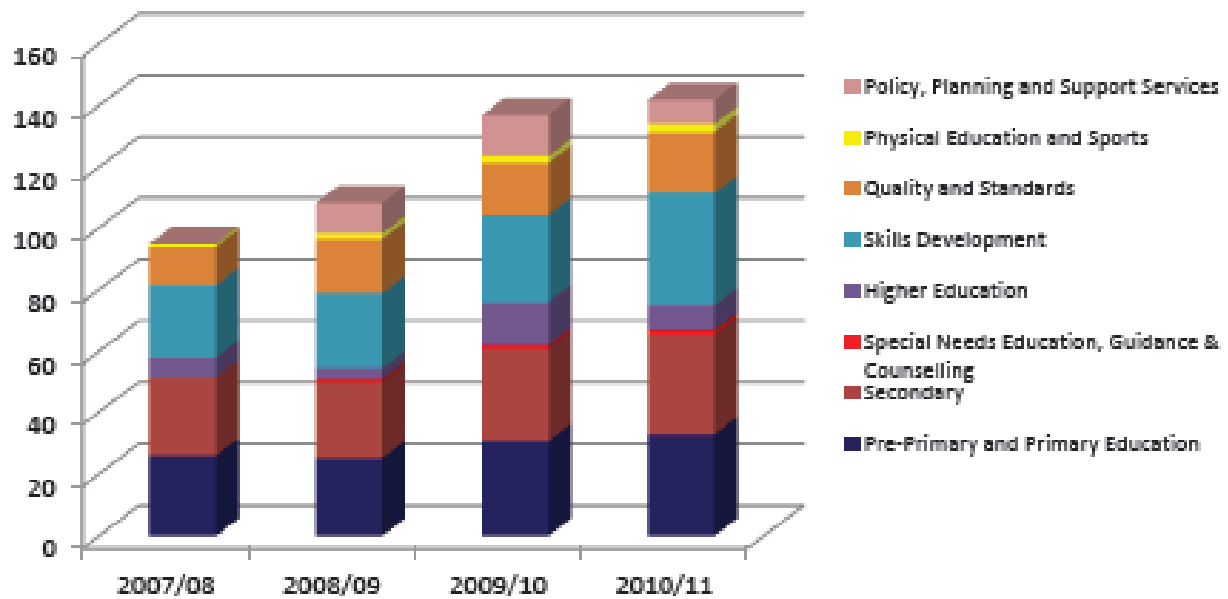
Most of the development funding is directed towards secondary education with primary education allocated the least development funding from the development partners.

Intra-Sectoral Expenditure

Expenditure in the sector is apportioned between the center and the local government levels. Considering the money that remains at the center, the sector's funding is dominated by secondary education as well as pre-primary and primary education in order of dominance. The least expenditure outturns are observed in the special needs Education which also caters for the guidance and counseling. Figure 4 illustrates the intra-sectoral expenditure allocation over the years under study.

⁵ Data extracted on 11 Sep 2012 09:20 (GMT) from stats.oecd.org

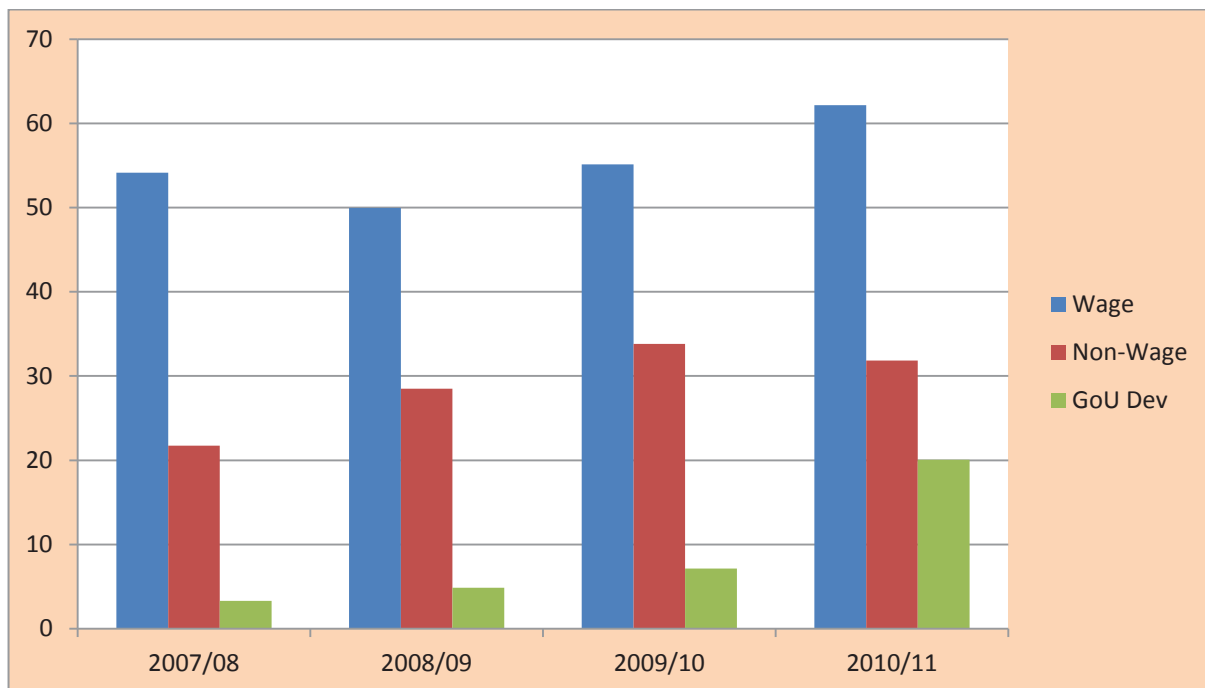
Figure 3: Education Intra-Sectoral Expenditure Outturns (Bn. Ug Shs)



Source: Compilations from Annual Budget Performance Reports 2007/08 – 2010/11

At this level, some funding is directed to universities. Universities are autonomous spending entities and their pattern of expenditure as illustrated in figure 5 doesn't include expenditure from non-tax revenues retained and spent by universities (e.g. tuition fees) and donor project funding (e.g. research grants)

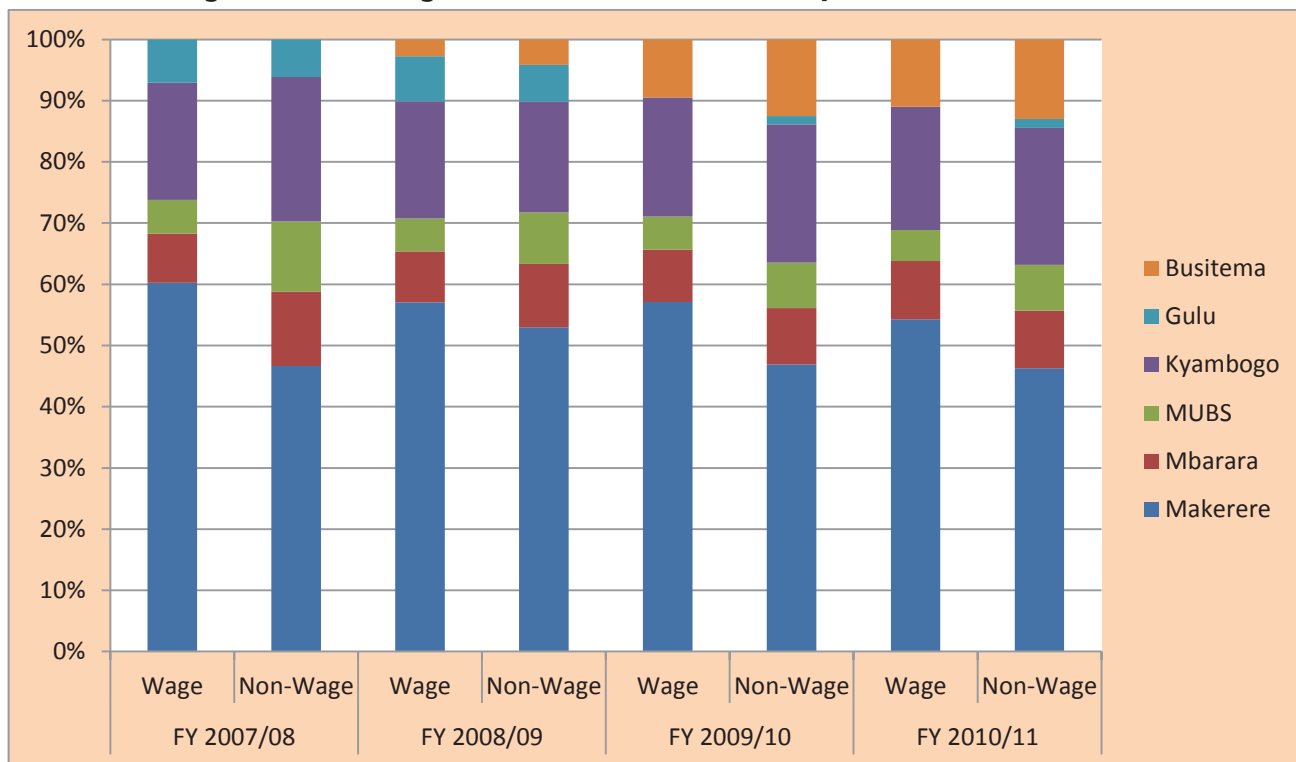
Figure 4: Patterns of Expenditure in Universities (Bn. Ug Shs)



Source: Compilations from Annual Budget Performance Reports 2007/08 – 2010/11

Development expenditure financed by central government has been on the rise. Recurrent expenditure has also been on the rise but dominated by wages. Figure 6 further illustrates University distribution of recurrent expenditure which is dominated by Makerere University.

Figure 5: Percentage Distribution of Recurrent Expenditure in Universities

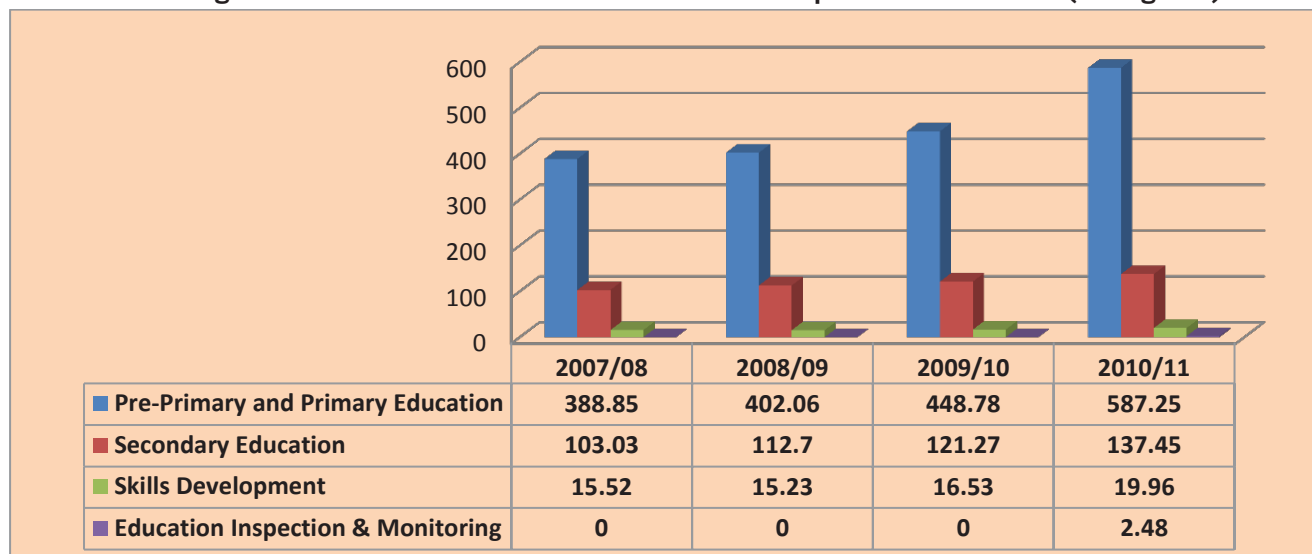


Source: Compilations from Annual Budget Performance Reports 2007/08 – 2010/11

Local Government Expenditure Patterns

Local governments represent the sector's dominant spending Level because they are at the frontline of service delivery. The expenditure at this level is mainly categorised along lines of Inspection, Skills Development, Secondary, pre-primary and primary education.

Figure 6: Local Government Education Sector Expenditure Outturns (Bn Ug Shs)



Source: Compilations from Annual Budget Performance Reports 2007/08 – 2010/11

Key to note over these years however is the absence of education inspection and monitoring expenditure between fiscal years 2007/8 and 2009/10 as well as its meager nature in 2010/11.

Wage and Non-Wage Expenditure

Most of the expenditure at this level is on wages as illustrated in Table 4. While the wage expenditure has generally increased, there have been marginal increases in non-wage expenditure.

Table 4: Wage and Non-Wage Expenditure by Local Government Sub-sector (Bn Ug Shs)

Sub-sector	FY 2007/08		FY 2008/09		FY 2009/10		FY 2010/11	
	Wage	Non-Wage	Wage	Non-Wage	Wage	Non-Wage	Wage	Non-Wage
Pre-Primary & Primary Education	342.18	30.26	342	38.96	358.95	38.96	491.45	40.82
Secondary Education	103.03	0	112.7	0	121.27	0	137.45	0
Skills Development	13.72	1.8	13.58	1.65	14.64	1.89	17.69	2.27
Inspection & Monitoring	-	-	0	0	0	0	0	2.48

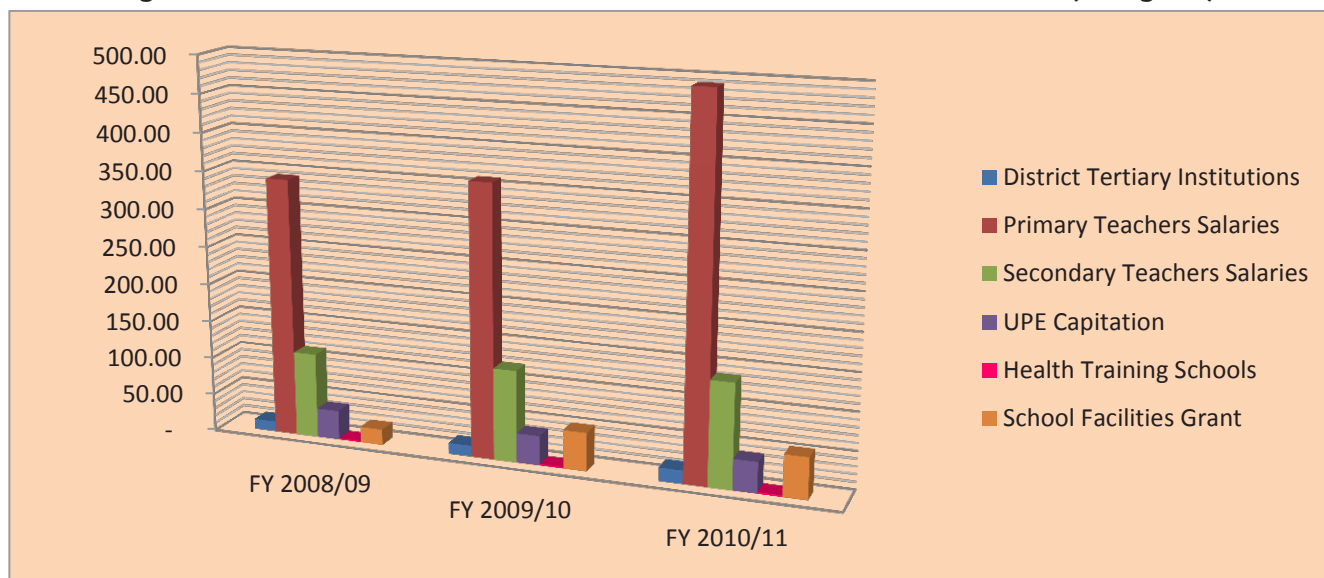
Source: Compilations from Budget Performance Reports 2007/8 – 2010/11

Non-wage expenditure is used to facilitate the education service provision and is therefore used to purchase items like chalk and other teaching aids. The complete absence of non-wage expenditure in secondary education at this level may point to the fact that secondary education provision hasn't fiscally been decentralized.

Expenditure Items at Local Government Level

As illustrated in Figure 7 highlights the patterns of the grants to local governments. Most of the grants to local governments are for paying wages. It is notable that the UPE capitation grants which is the money the government pays for each pupil in universal primary education has relatively remained the same

Figure 7: Allocation of Central Government Grants to Local Governments (Bn Ug Shs)



Source: Compilations from Annual Budget Performance Reports 2007/08 – 2010/11

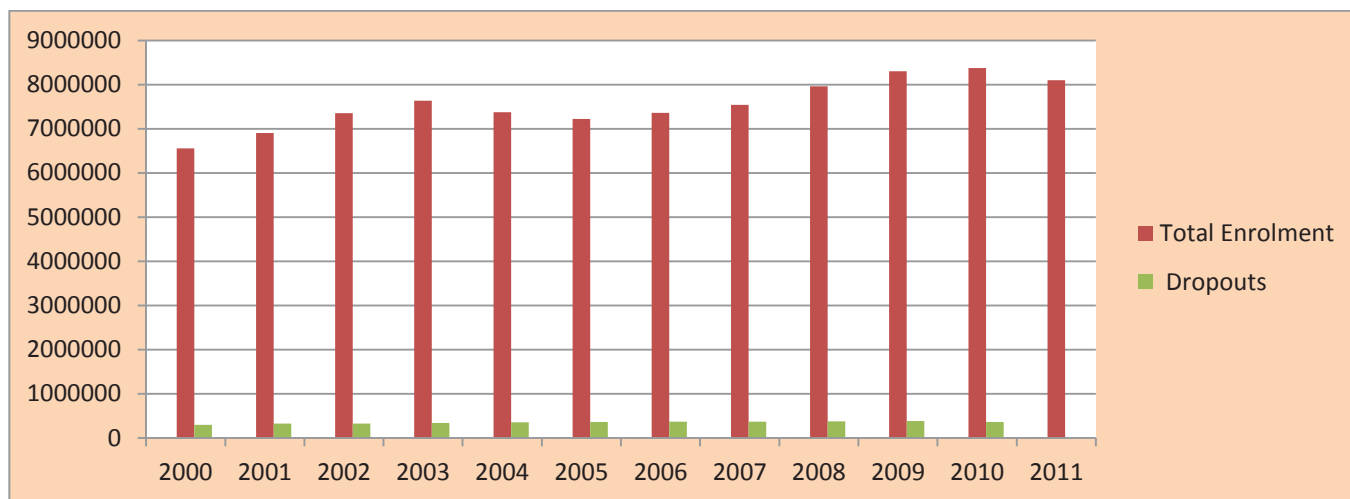
Education Sector Performance

This section details the sector's performance along its main subsectors of primary, secondary and tertiary education.

Primary Education Performance

Enrolment and dropout are two among the most basic measures of progress in the education sectors' performance. While enrolment has generally risen over the years, dropout rates have remained both low and constant over the years.

Figure 9: Primary Enrolment and Dropout Levels for the Period 2000 – 2011

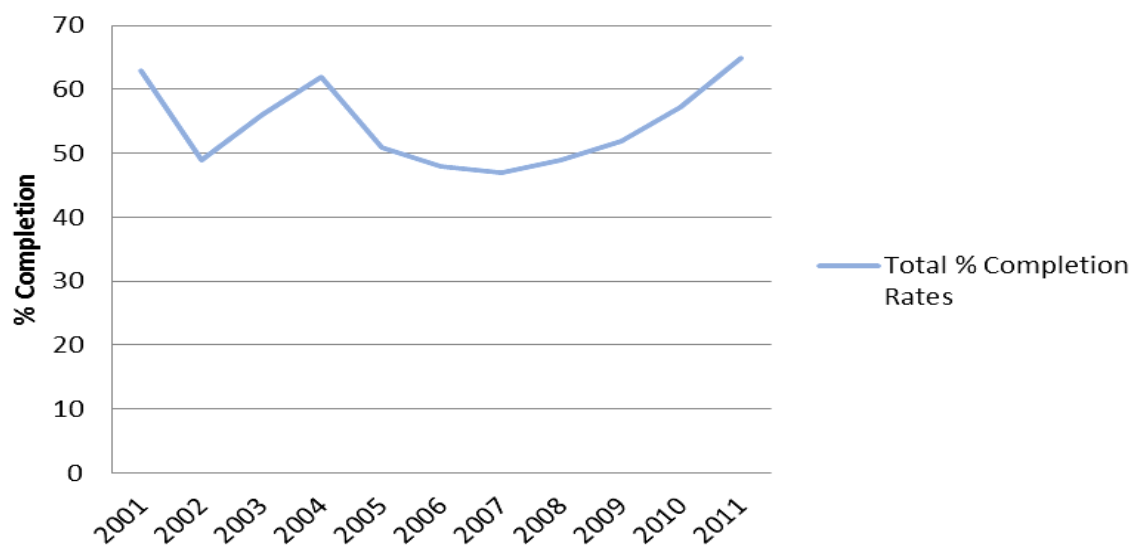


Source: EMIS as cited in the Education Sector Performance Report 2010

Completion Rates

The rate of completion to primary seven stood at approximately 65% in 2011. In the past decade, the completion rates have generally experienced a fluctuating trend as indicated in the Figure 1.

Figure 10: Primary Education Completion Rates in Uganda for the Period 2000 – 2011



Source: EMIS as cited in the Education Sector Performance Report 2010

It is worth noting that the year 2004 marks the pioneer graduates from primary seven that benefited from Universal Primary Education since primary one.

Pupil Teacher Ratio (PTR) and the Pupil Classroom Ratio (PCR)

Primary education performance is also measured against other indicators such as Pupil Teacher Ratio (PTR) and the Pupil Classroom Ratio (PCR). For all these indicators, a lower value leads to reduced levels of overcrowding or reduced competition for classroom resources and implies better learning conditions.

Table 5: Performance Indicators for Primary Education (Calendar Years 2000 – 2011)

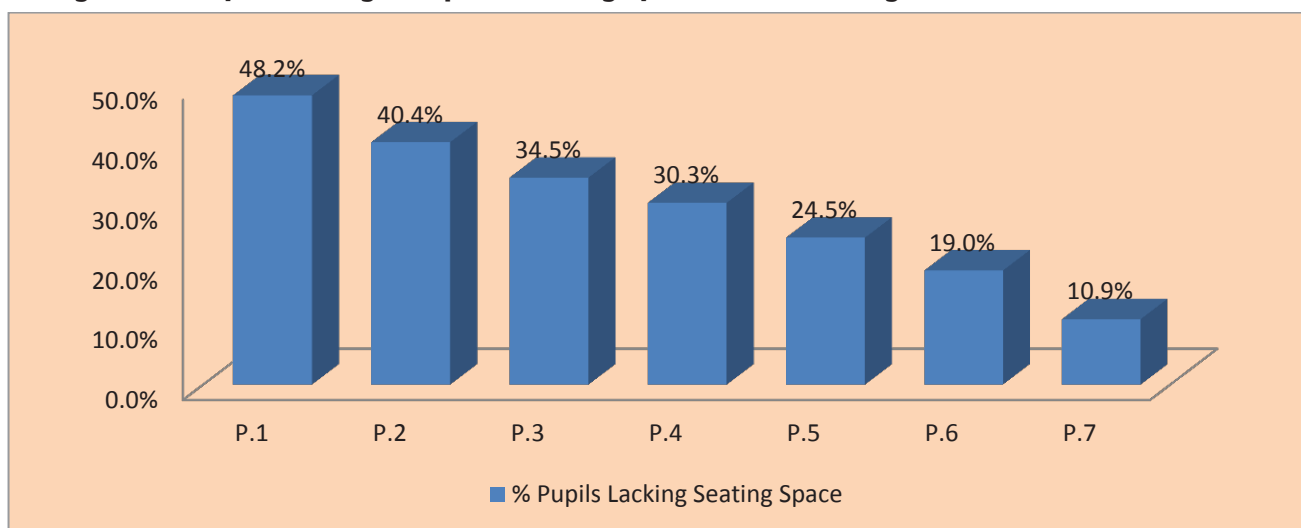
Indicators	2000				2004		2006			2009	2010	
PTR (All Schools)	65	58	56	52	50	50	48	50	50	49	49	48
PTR (Gov't Schools)	65	58	58	56	54	52	53	53	55	58	58	54
PTR (Private Schools)	41	35	37	33	31	29	31	28	29	26	26	27
PCR (All Schools)	106	98	94	87	79	74	72	72	70	68	58	57
PCR (Gov't Schools)	106	98	94	94	84	79	78	79	78	80	67	65
PCR (Private Schools)	67	58	53	53	47	43	42	41	42	38	32	31

Source: EMIS as cited in the Education Sector Performance Report 2010

Sitting Space

Approximately 33.6% of the total enrolled pupils didn't have adequate sitting and writing space in class in 2010. The lower primary levels are affected most as illustrated in Figure 10.

Figure 11: Pupils Lacking Adequate Seating Space as a Percentage of Total Enrolment in 2010

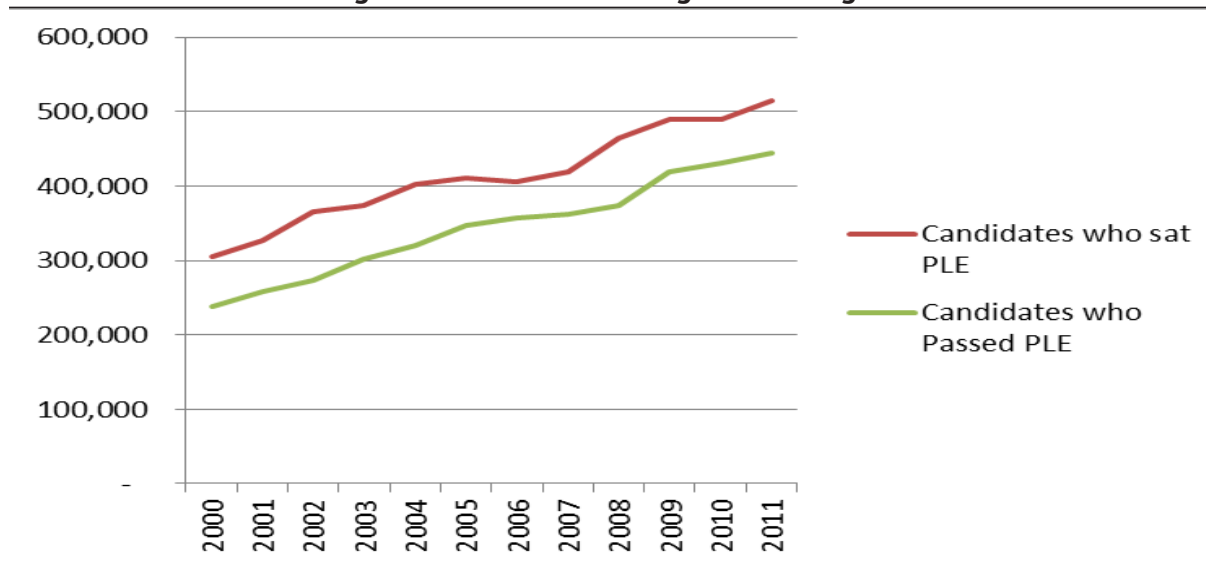


Source: MoES as Cited in UBOS Statistical Abstract 2012

Performance in National Exams (UNEB)

It is notable that the PLE pass rate (pupils that passed as a percentage of those that sat PLE) has risen from 78.4% in the year 2000 to 86.4% in the year 2011. The PLE performance index has also risen from 38.8% in the year 2000 to 65% in the year 2011. The performance index measures the quality of passing. While everyone ranging from Division I to Division IV is considered to have passed, the desirable outcome would be that all pupils pass in Division I. As such, a performance index compares the actual performance against the desired/ideal performance.

Figure 12: Levels of Seating and Passing PLE



Source: EMIS as quoted/cited in the Education Sector Performance Report 2011

Literacy and Numeracy Rates

Table 6 indicates percentage of pupils that met the required levels of competence in reading and writing (literacy) as well as being able to understand and apply basic mathematical applications such as addition, subtraction, multiplication and division (numeracy).

Table 6: Percentage of Pupils reaching required levels of Literacy and Numeracy in P3 and P6 (Calendar Years 2003 – 2010)

Class	2003	2004	2005	2006	2007	2008	2009	2010	2011
Literacy Rate									
P3	34.3	36.7	39	45.6	45.5	44.5	55.9	57.6	47.9
P6	20	25	30	33.5	49.6	47.9	48.1	50.2	41.3
Numeracy Rate									
P3	42.9	44	45	42.6	44.8	71.4	71.3	72.8	63.1
P6	20.5	26.8	33	30.5	41.4	53.5	53.3	54.8	45.6

Source: NAPE¹ and UNEB² as cited in the Education Sector Performance Report

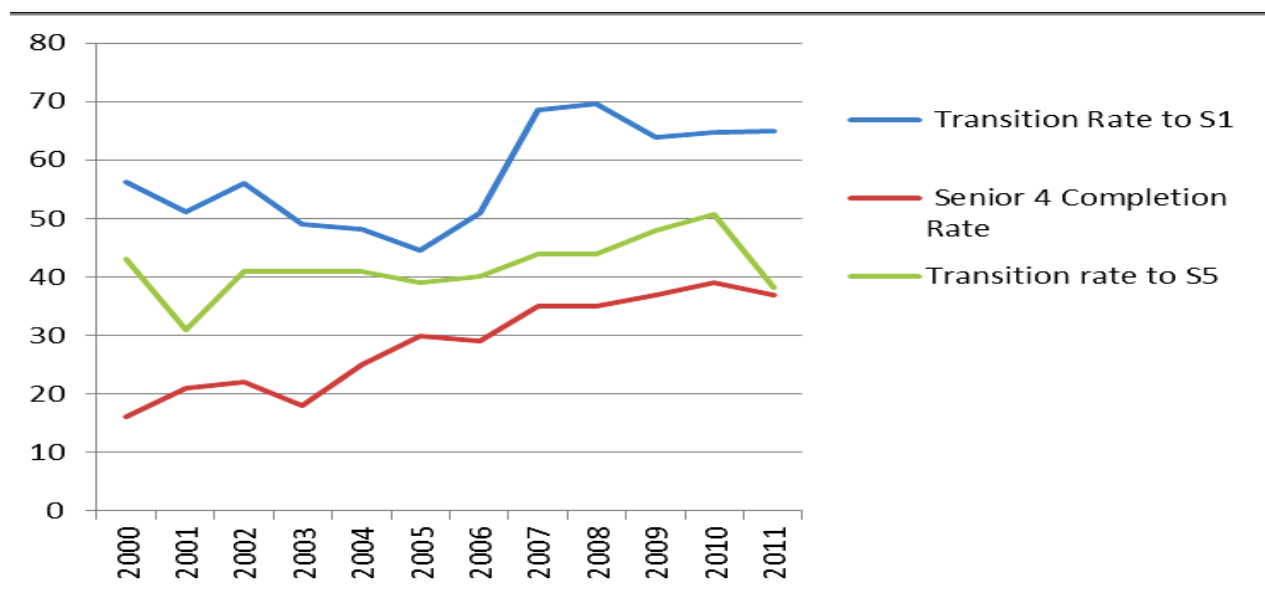
1 National Assessment of Performance Examination

2 Uganda National Examination Board

Secondary Education Performance

Trends in transition to senior one have generally fluctuated between the years 2000 and 2011. Furthermore, senior four completion rates have generally been on the rise albeit the fluctuations standing at 36.8% in the year 2011. As Figure 13 further indicates, transition to senior five has generally fluctuated standing at 38.1% at the end of 2011.

Figure 13: Secondary Education Performance Trends (Calendar Years 2000 – 2011)



Source: EMIS as cited in the Education Sector Performance Report 2011

Furthermore, Table 7 shows the performance in both Uganda Certificate of Education (UCE) and Uganda Advanced Certificate of Education (UACE) over selected years.

Table 7: UCE and UACE Performance for the Period 2006 – 2011

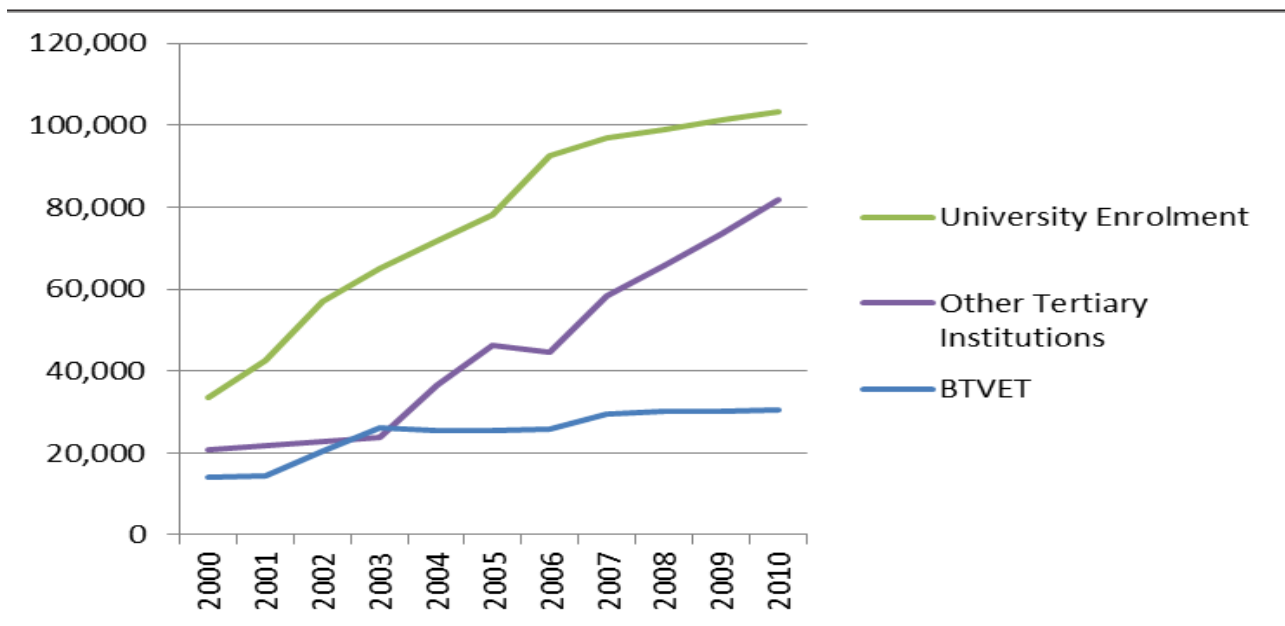
Indicators	2006	2007	2008	2009	2010	2011
UCE Performance						
Total Sitting	166,372	189,221	196,493	212,496	58,196	65,561
% Pass Rate	94.6	95.3	96.4	95.6	93.5	95.8
Performance Index	53.0	50.1	49.8	45.7	43.1	48.0
UACE Performance						
Total Sitting	70,590	84,821	88,383	94,093	99,802	102,254
Tertiary Eligible %	64.5	63.7	65.0	63.0	61.9	68.0

Source: UNEB as quoted in the Education Sector Performance Report 2011

Tertiary Education Performance

While universities are much less in number than other tertiary institutions, they dominate the tertiary enrolment patterns. Figure 14 illustrates the tertiary enrolment patterns.

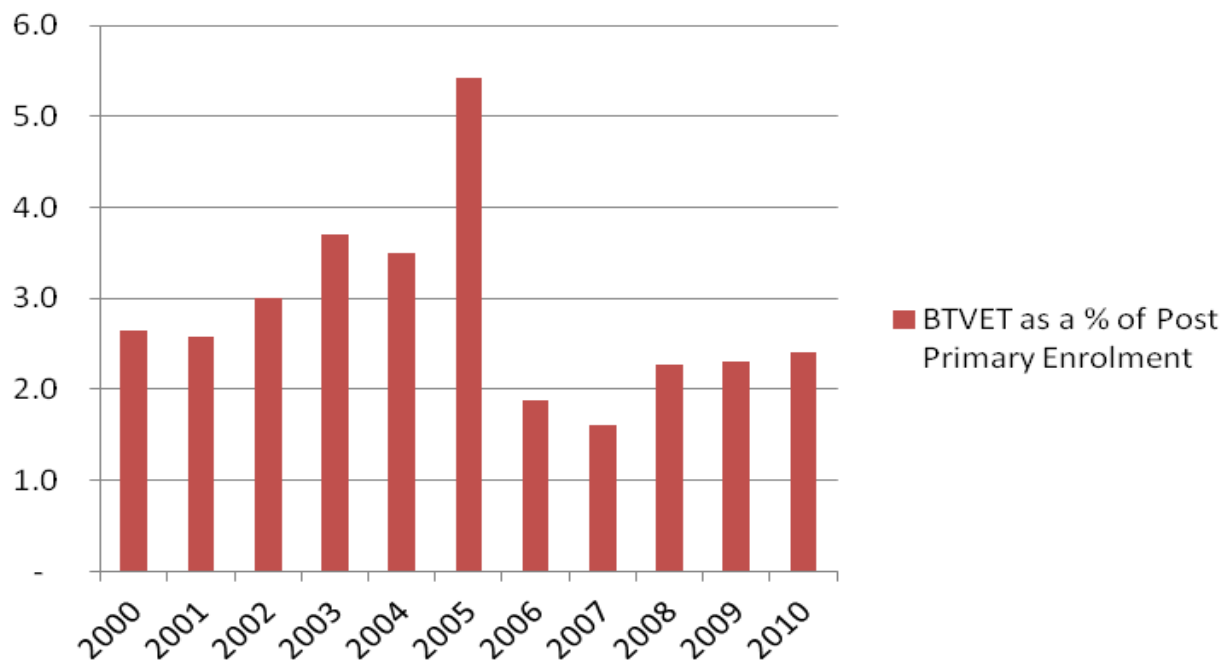
Figure 14: Trends in Tertiary and BTVET Enrolment (Calendar Years 2000 – 2010)



Source: EMIS as cited in the Education Sector Performance Report 2010

BTVET enrolment as a percentage of Post primary enrolment has remained very low overtime as illustrated in Figure 15.

Figure 15: BTVET Enrolment as a Percentage of Post Primary Enrolment (Calendar Years 2000 – 2010)



Source: EMIS as cited in the Education Sector Performance Report 2010

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About ACODE and CBTIC

The Advocates Coalition for Development and Environment (ACODE) is an independent public policy research and advocacy think tank registered in Uganda with operations in the Eastern and Southern Africa sub-region. Our mission is to make public policies work for people. Through our work, we empower citizens to demand for justice and promote public participation in the decision making processes that affect livelihoods and the environment. ACODE has become the premier organization that facilitates policy dialogue and debate on emerging and cutting edge public policy issues.

The Citizens' Budget Tracking and Information Centre (CBTIC) is one of ACODE's premier initiatives that seek to put control of public expenditure and the budget in the hands of citizens. The goal of the Centre is "to increase accountability and transparency in the allocation and utilization of both local revenue and donor funds by raising citizens' awareness." Funding for the CBTIC is provided by The Netherlands Embassy, Kampala, the Hewlett Foundation and the Think Tank Initiative (TTI) through core funding.