



FTI in Tajikistan: Progress regarding Mid Term Expenditure for the education sector

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Introduction

Ministry of Education bears responsibility for the development of policy and strategy in education but play a small part in appropriation of funds in the framework of local budgets not enjoying direct control over those budgetary provisions. In this connection about 90% of funds in the education sector goes through local budget. That is why the role of the Ministry of Education in general process of budget formation in the education sector is rather limited

Main reasons of MTEF adoption

- Need for reliable linkage between sector development programmes and financial resources necessary for their implementation
- Need for consolidation of state financial resources management and planning
- Need to increase the level of predictability and transparency of the budgeting process

GOALS:

- The process of identification priorities in state expenditure policy should be more transparent;
- Current and investment expenditures should be integrated;
- Budget should be linked with the education sector strategy.

Mid Term State Expenditure Framework (MTEF)

- ◉ National Strategy for Development of the Republic of Tajikistan till 2015;
- ◉ Poverty Reduction Strategy of the Republic of Tajikistan
- ◉ National Strategy of the Education Sector Development of the Republic of Tajikistan
- ◉ State Programme for Development of the Republic of Tajikistan
- ◉ State Programme School Construction and Rehabilitation of the Republic of Tajikistan

Key Implementers of MTEF Process

- ⊙ **Ministry of Finance of the Republic of Tajikistan (Leading Body)**
- ⊙ **Key branch ministries (for example, Ministry of Education in the education sector)**
- ⊙ **Key budget institutions**
- ⊙ **Other players in the budget process**

Distribution of roles and responsibilities among the Ministry of Finance and Ministry of Education:

Ministry of Finance:

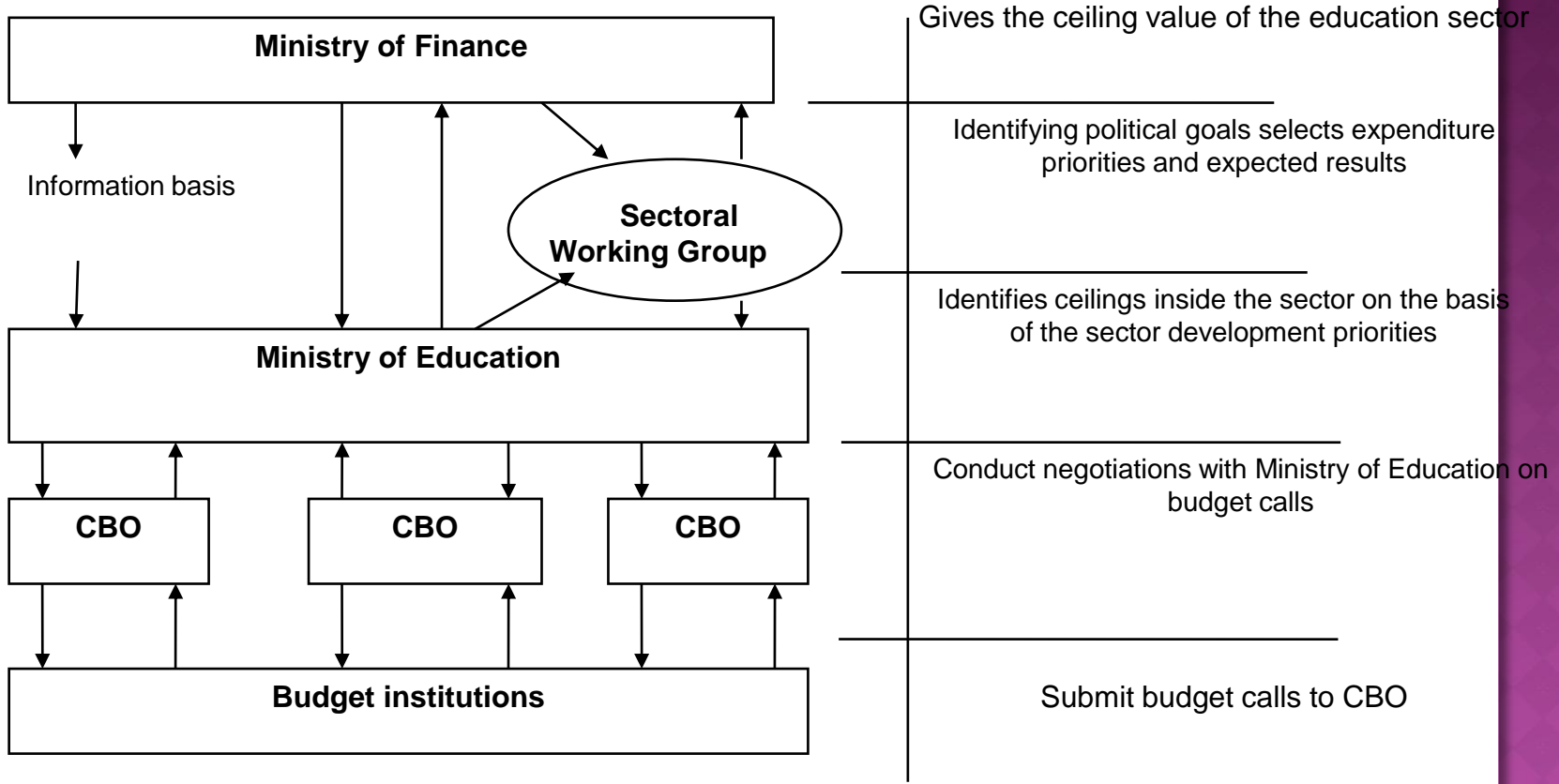
- together with the Ministry of Economic Development anticipate public revenue from all the sources for mid-term period;
- establish and approve indicative ceiling value and common ceiling value per sectors;
- controls fiscal aspect of MTEF management, including education sector

Distribution of roles and responsibilities among the Ministry of Finance and Ministry of Education:

◎ Ministry of Education:

- develops sectoral education strategy for mid term period;
- accepts and approves budget calls from all relevant sections of the sector;
- conducts bilateral negotiations with the Ministry of Finance in order to complete budget estimate of the sector;

Organigram: interaction during the process of MTEF development



Per- capita Financing

- ◉ More than 79% of all the allocation to the education sector goes to secondary education.
- ◉ Budget of general secondary educational institutions is formed on the principles of per capita financing

Per- capita Financing

- ⦿ Financial standards are established on the basis of one student and one school.
- ⦿ Financial standards include current expenditure for salary, learning materials, technical aids, expendable materials, economic needs and expenses for physical infrastructure maintenance and community charges.
- ⦿ Expenditures for teachers in-service training and capital expenditures for repair and procurement are not included into financial standards.

Per- capita Financing

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- ◉ The budget of general secondary education institutions is identified on the basis of per-capita financing principles

Per- capita Financing

Per-capita parameter determination for 2009 was made on the basis of Resolution of the Government of RT #505, as of 1 October 2007. The following indicators were used for calculations:

- ⦿ Monetary point of the formula parameter for 2008 approved by Resolution of the Government of RT #505, as of 1 October 2007.
- ⦿ Approved budget for secondary education sector for 2008.
- ⦿ MTEF indicative ceiling 2009 – 2011 for secondary education sector for 2009
- ⦿ Pro-forma number of students by school types
- ⦿ Pro-forma number of schools by their types
- ⦿ Special coefficients
- ⦿ Reports of Oblast and District Education Departments (Osh -1)

District budget estimation

District and city budget for general educational institutions switched to standard financing is made in accordance with the following formula for each type of school:

$$\mathbf{DB = MS * N + MSS * NI, \text{ where}}$$

DB - district budget for the certain type of schools;

N- average year number of students in the certain type of schools;

MS - minimum standard for one student of the certain type of schools;

MSS –minimum standard for one school out of the certain type of schools;

NI - number of general education institutions of a certain type of schools.

School budget estimation

Standard (normative) financing formula for schools is as follows: ИД

$$\mathbf{SB = MS * N + MSS, \text{ where}}$$

SB – school budget;

N - average number of students;

MS –minimum standard for one student;

MSS- minimum standard for one school;

Funds are allocated as one package without break by budget lines

The whole package is protected

Each school divide (itemize) the package (whole sum) in accordance with budget classification approved by the Ministry of Finance.

Salary is defined in accordance with tariffication.

Specific coefficients:

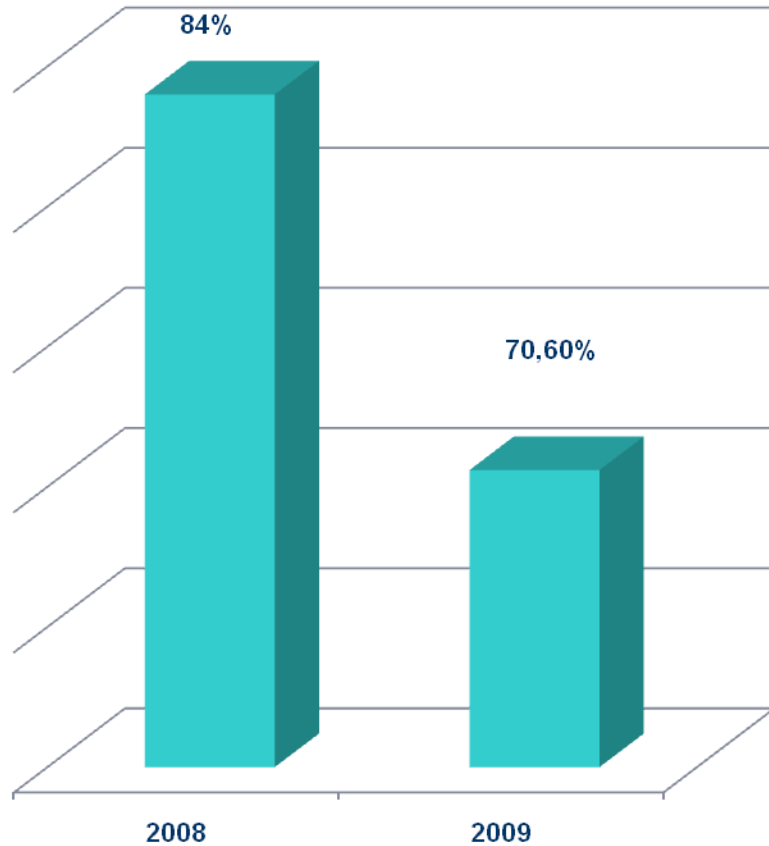
- ◉ District coefficient (for GBAO – 1,45)
$$(B=(MS*N+MSS)*1,45)$$
- ◉ Coefficient as per type of school – 1,1; 1,5; (for gymnasiums and lyceums)
$$(B=(MS*1.1)*N+MSS)$$
- ◉ Coefficient for schools with more than one language of teaching-1,1
$$(B=(MS*N+MSS)*1,1)$$
- ◉ Coefficient for general secondary schools having braches in more than one population cluster -1,1
$$B=(MS*N+(MSS*1,1))$$

Results (MTEF)

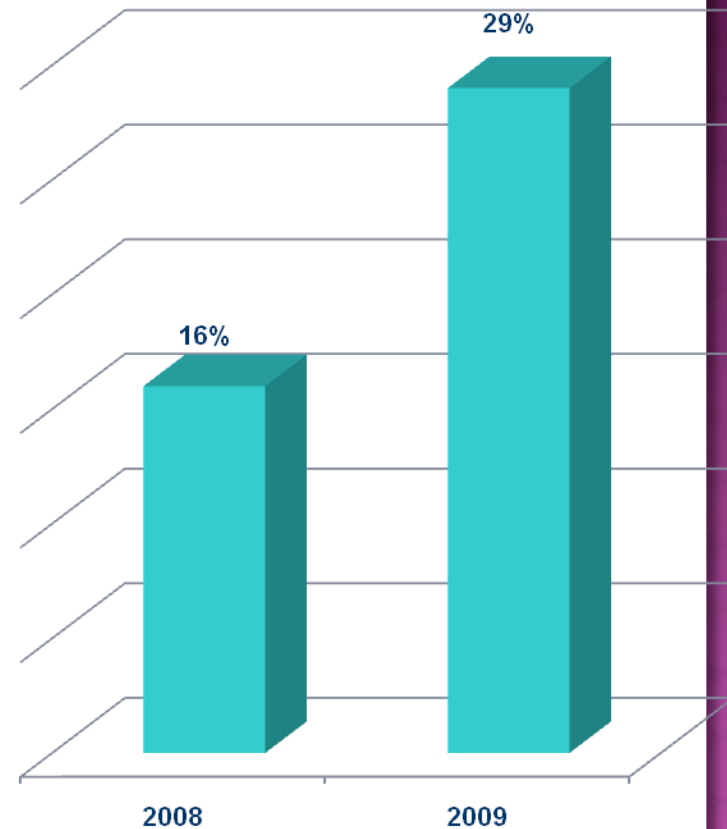
- Sub accounts for schools were opened in city and district treasuries
- Reorganization was conducted in schools of all pilot districts and cities (number of classes and pay rates were decreased)
- Training for school principals and accountants, heads of jamoats, specialists from local councils were conducted with technical support of donors
- Positive results with regard to monitoring indicators were achieved
- Module on accounting for school accountants was developed

Monitoring indicators

Monitoring indicators

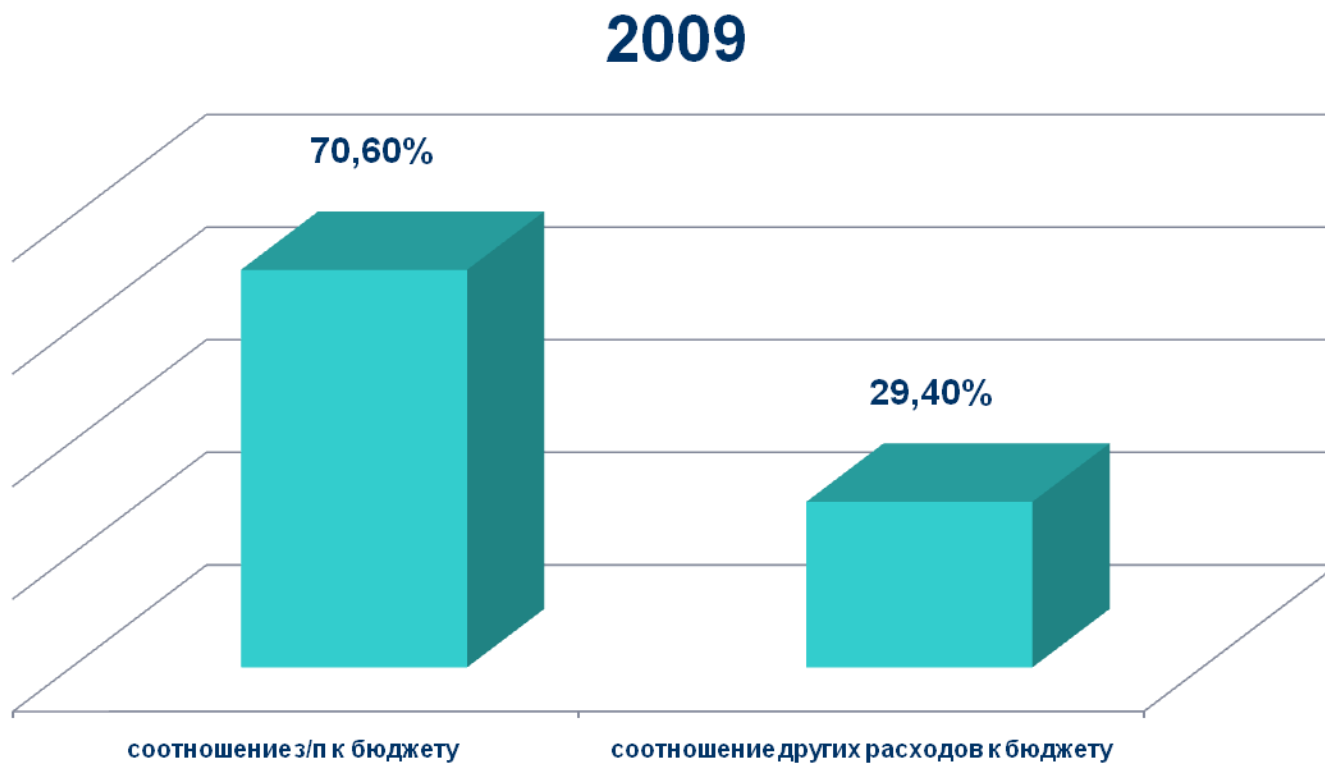


■ соотношение заработной платы к общему бюджету

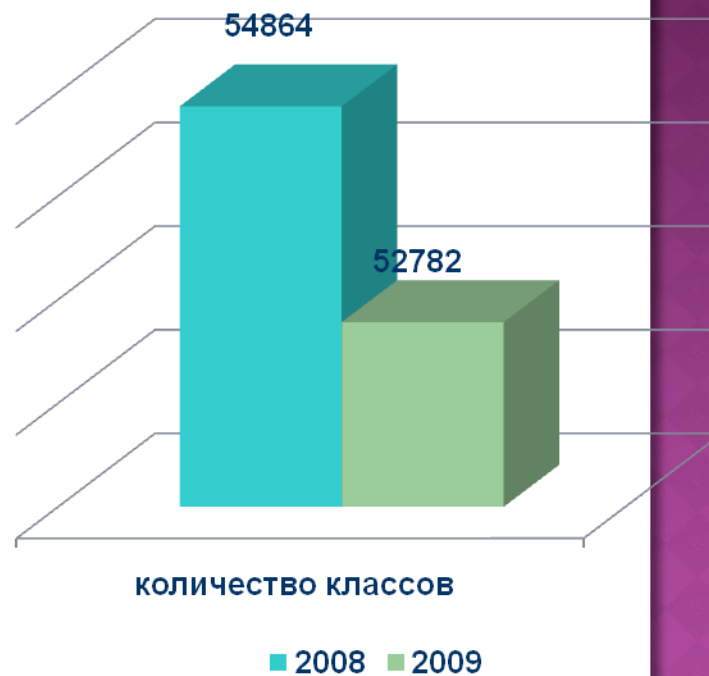
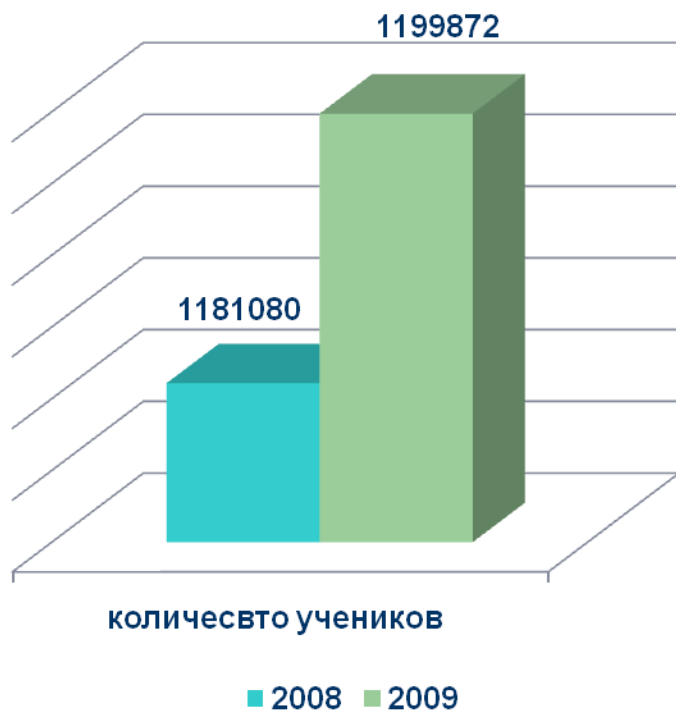


■ соотношение других статей расходов к общему бюджету

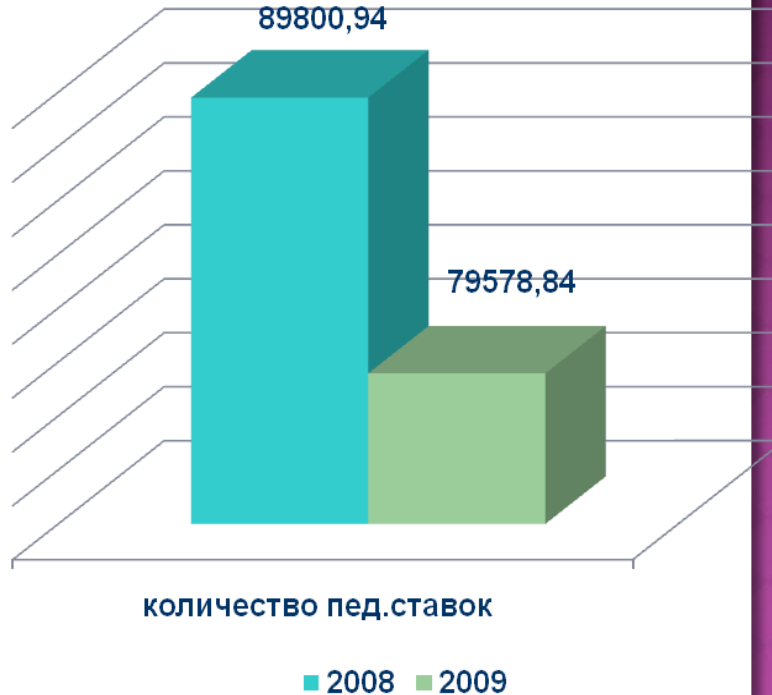
Monitoring indicators



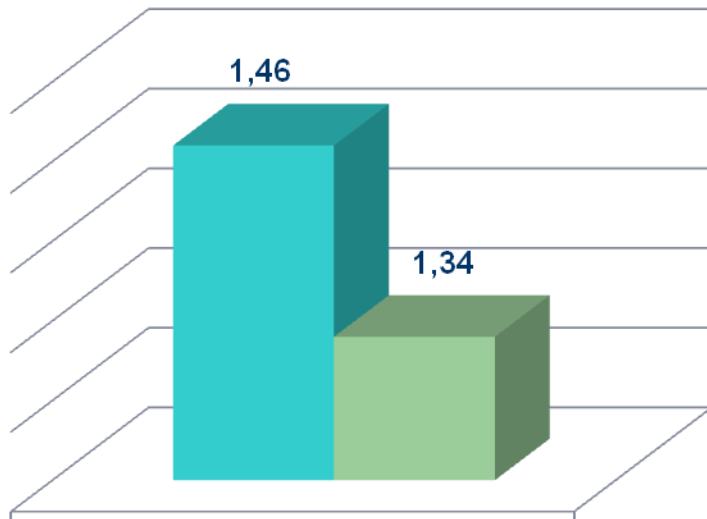
Monitoring indicators



Monitoring indicators

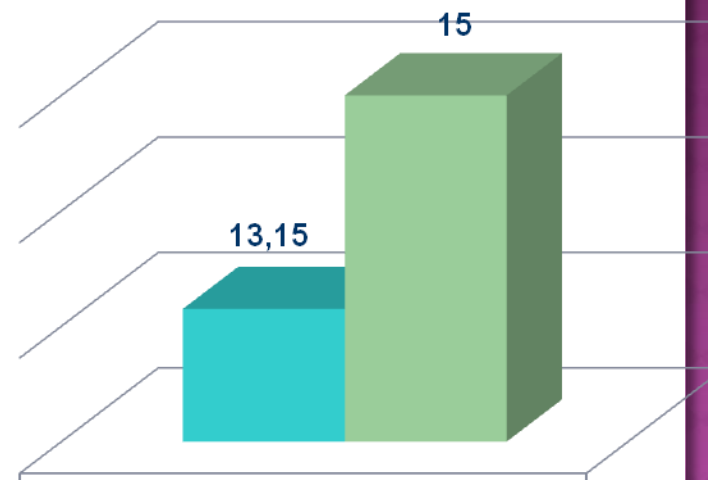


Monitoring indicators



соотношение учитель/ставка

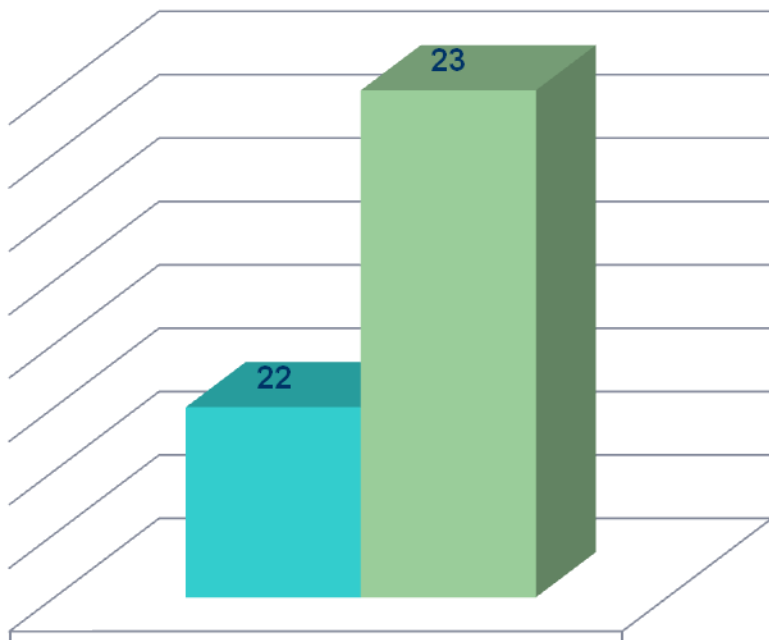
■ 2008 ■ 2009



соотношение ученик/ставка

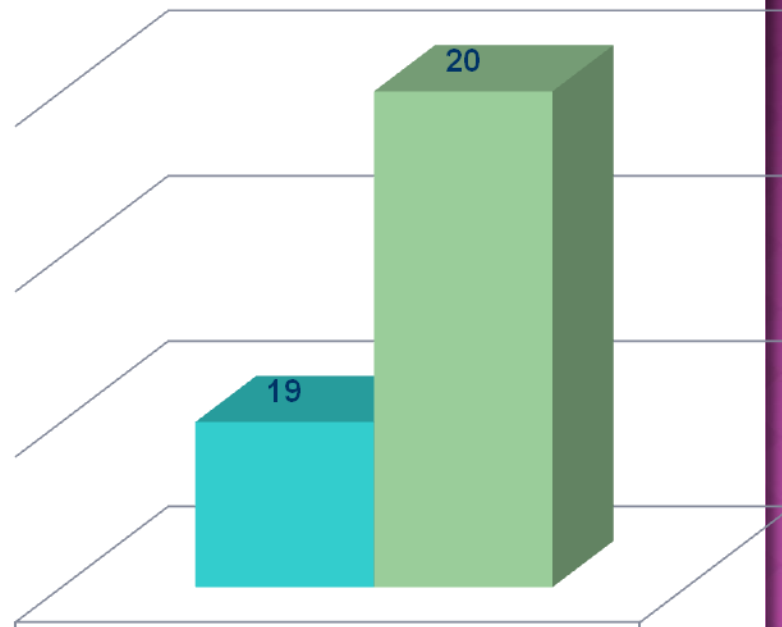
■ 2008 ■ 2009

Monitoring indicators



соотношение ученик /класс

■ 2008 ■ 2009



соотношение учитель/ученик

■ 2008 ■ 2009

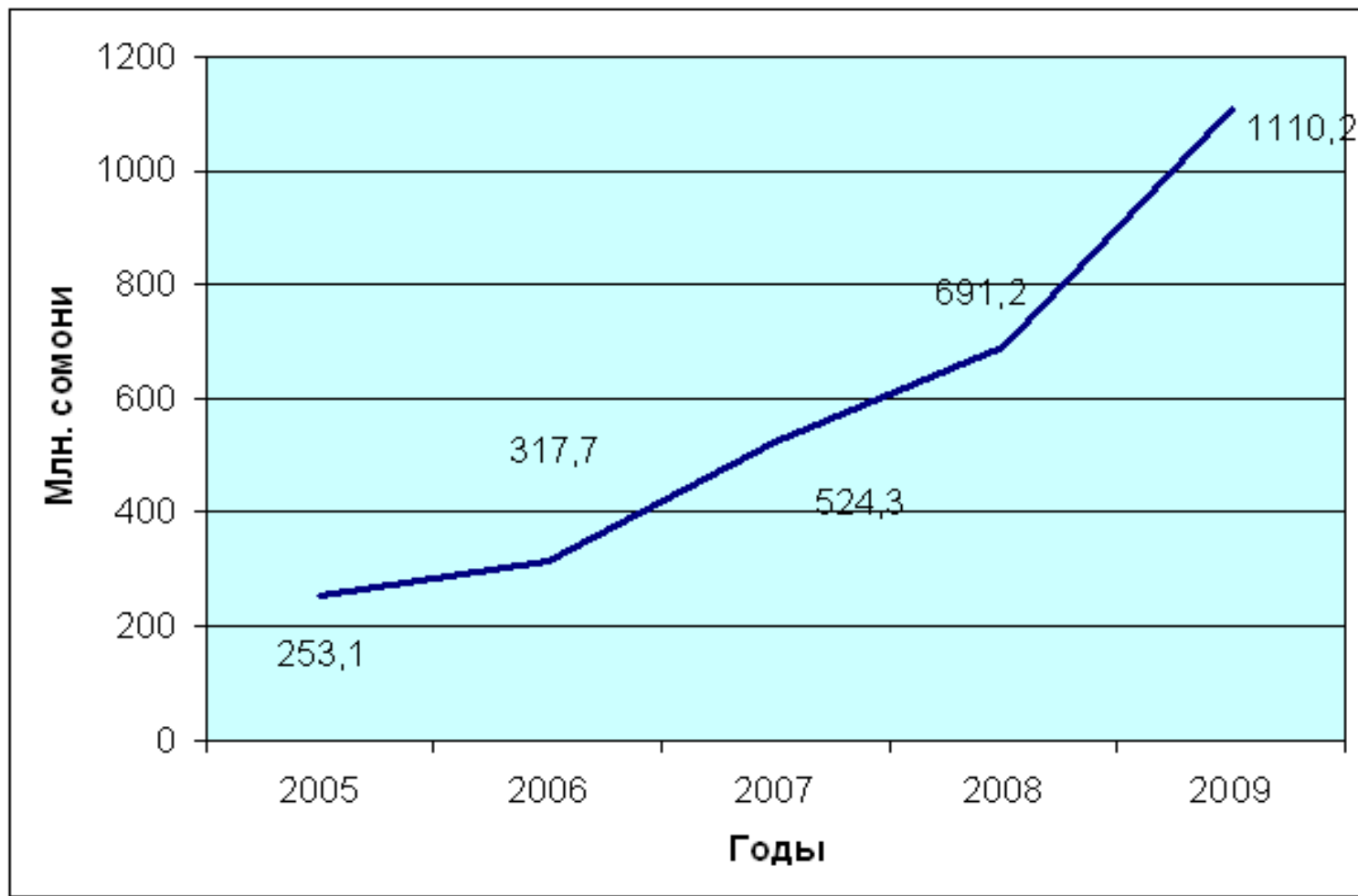
Results (MTEF)

- ◉ Budget of the sector will be divided in accordance with the priorities;
- ◉ Ministry of Education will be able to conduct its own policy in the districts;
- ◉ Ministry of Education will consolidate all financial and statistical data at district, oblast and country level;
- ◉ The process of per capita programme implementation in secondary educational institutions will be simplified;
- ◉ Effectiveness of budget funds utilization will be increased.

Public expenditures for education for 2005-2009

Budget lines	2005	2006	2007	2008	2009
Total:	100.0	100.0	100.0	100.0	100.0
Preschool education	3,97	4,35	4,21	3,20	3,21
General secondary education	77,23	71,81	74,63	74,37	81,32
Primary professional education	2,89	2,95	2,38	2,15	2,27
Secondary professional education	3,06	3,58	2,66	2,45	2,69
Higher professional education	5,66	6,58	7,30	11,04	6,94
Other activities in education sector	7,19	10,73	8,82	6,80	3,57

Growth of public expenditures for education



Thank you!!!!