



RECOVERING THE GAINS IN THE EDUCATION SECTOR IN THE FY 2022/23

KEY MESSAGES AND RECOMMENDATIONS

- ▶ **The Education sector has one of the largest budget allocations estimated at 8.6% of the total budget in 2022/23. Despite this, the sector allocation is on a declining trend and still lies below the 20% minimum requirement for the African Union states under the Dakar commitment on the Education for All.**

Recommendation: There is need for government to increase the budget allocation to the Education sector to improve access and quality of education in the country, especially aimed at recovering gains lost due to COVID-19.

- ▶ **As a proportion of total Education Budget, Pre-primary and Primary Education spending has been declining since 2017/18, from 62.6%, to 35.7% in 2020/21 (nearly half). On the other hand, secondary education spending has more than tripled from 5.2% to 19.7% over the same period.**

Recommendation: In the face of challenges emanating from the negative impact of COVID-19 containment measures, which saw schools closing for nearly two years, it is necessary to allocate more resources to pre-primary and primary education to ensure that the increased numbers of children, especially in the early years can receive quality education, in line with the SDG goal on Universal Primary Education.

- ▶ **The Education sector budget is highly decentralized with majority of funds channelled through the district local councils (projected at 59% in 2020/23). This facilitates provision of education services in a timely manner, and also gives autonomy to local councils and schools on budget expenditure.**

Recommendation: There is need to strengthen school inspection and monitoring to ensure that the funds allocated to the Local authorities is translated into improved learning outcomes at all levels of education

- ▶ **Majority of the local government budget allocation is classified as wage and recurrent expenditure (at least 90%) compared to the development resources. The limited funding for development affects development infrastructure such as building of classrooms evidenced by high pupil to classroom ratio of 51:1 and affecting the quality and access to education.**

Recommendation: There is need to increase allocation to the development funding to the sector to provide school infrastructure to facilitate learning and access of education.

- ▶ **The Education sector budget is mainly financed by domestic resources from the Government of Uganda. The amount of external on-budget funding has been declining from 9% in 2018/19 to 3% in 2021/22.**

Recommendation: There is need for government to attract development partner support on-budget to increase funding to the education sector. This is critical to supplement the limited domestic resources.

1 INTRODUCTION

This budget brief examines the extent to which the 2022/23 National Budget responds to the needs of the Education sector. Specifically, the brief analyses the size and composition of government spending on Education and offers insights on efficiency, effectiveness, equity and adequacy of past spending in the sector. The analysis is based on the review of key budget documents that include; the National budget framework papers 2022/23, sector performance review report among others. Noteworthy, we analyse the budget briefs in light of the shift from the sector to programme-based budgeting under the National Development plan (NDP III). Specifically, the education sector is under the Human Capital Development (HCD) which envisages enhancing the productivity and social wellbeing of the population. The brief therefore examines how government through the national budget facilitates the education sector objectives and priorities as articulated in the NDP III. Figures up to 2020/21 are actual spending, while 2021/22 and 2022/23 are based on approved budgets.

2 SITUATION ANALYSIS

Overview of the Education System in Uganda

Uganda has been making tremendous progress on education, anchored on government policy support for the sector. Primary education in Uganda has one of the most elaborate policy, legal, regulatory and institutional frameworks. The Government of Uganda has formulated a number of policies on primary education to propel the sector into achieving Education for All (EFA) targets. Since the 1992 Government White Paper on education, which provided for Universal Primary Education, government has continued to offer policy support to build on investments and progress achieved in the sector. Universal primary education was promulgated in 1997, with more elaborate policies promulgated since then, to facilitate achievement of key objectives for the sector. Table 1 Below shows a list of the key policies guiding the education sector.

POLICY/ LEGAL INSTRUMENT	YEAR
Government White paper on Education (GWP)	1992
Physical Education (Pre-Primary, primary and post primary) Act	2008
Physical Education and Sport Policy	2004
Non-formal Education Policy	2011
Gender in Education Policy (GEP)	2009
Abolition of School Fees (UPE)	2007
Automatic Promotion Policy	2005
Early Childhood Development Policy	2007
Basic Education Policy for Disadvantaged Groups	2006
Education and Sports National Policy Guidelines on HIV/AIDS	2006
Guidelines on Violence Against Children in Schools	2015
Customized Performance Targets Policy	2020

Source: Various MoES Documents

Government Involvement in ECD is limited to policy and regulation. In line with the Education Act, pre-primary education in Uganda is not compulsory. This is further compounded by the silence of the Local Government Act on how ECD education can be rolled out at district level, as most players are private players.

Sector Performance

The education sector registered significant improvement at the introduction of Universal Primary Education (UPE). Following its introduction, gross enrolment in primary school increased from 3.1 million in 1996 to 7.6 million in 2003. The proportion of women 6 years or older declined from 36% in 1995 to 19% in 2016 (DHS2016), with women's median years of education increasing from 0.9 years to 3.4 years. On the other hand, the proportion of men with no education declined from 19% to 13% over the same period. Following implementation of the local language policy, literacy and numeracy competencies at P.3 (equivalent to Grade 3) have improved to 69.8% and 60.2% respectively (NAPE, 2015) from 45.6% and 42.6% (NAPE, 2006). However,

diversity of languages, limited capacity among teachers in local language, and inadequate local language instruction materials are undermining the gains made by the policy.

Despite strides made in the Education sector in the past two and half decades, there are many areas where more progress is required. Class sizes remain very high for effective learning, with an average of 55 pupils per classroom. Pre-primary gross enrolment averages 15%, a level that implies a lot of children remain out of pre-school, a stage that is critical for child development, and the returns to learning are at the highest of any stage in the development of a child.

Table 1: Key Outcome Indicators for the Education Sector

KEY INDICATOR	MEASURE	YEAR	VALUE
Pupil Classroom ratio	Ratio	2020	55
Pupil Desk Ratio	Ratio	2020	6
Pupil textbook Ratio	Ratio	2020	3
Pupil to toilet stance ratio	Ratio	2020	71
Gross Enrolment Ratio - Pre-Primary	Percent	2017	15
Gross Enrolment Ratio - Primary	Percent	2017	111
Gross Enrolment Ratio - Secondary	Percent	2017	25
Proficiency in Literacy, % - P.3	Percent	2016	60
Proficiency in Literacy, % - P.6	Percent	2019	41
Proficiency in Numeracy, % - P.3	Percent	2016	72
Proficiency in Numeracy, % - P.6	Percent	2019	27

Source: National Budget Framework Papers 2022/23

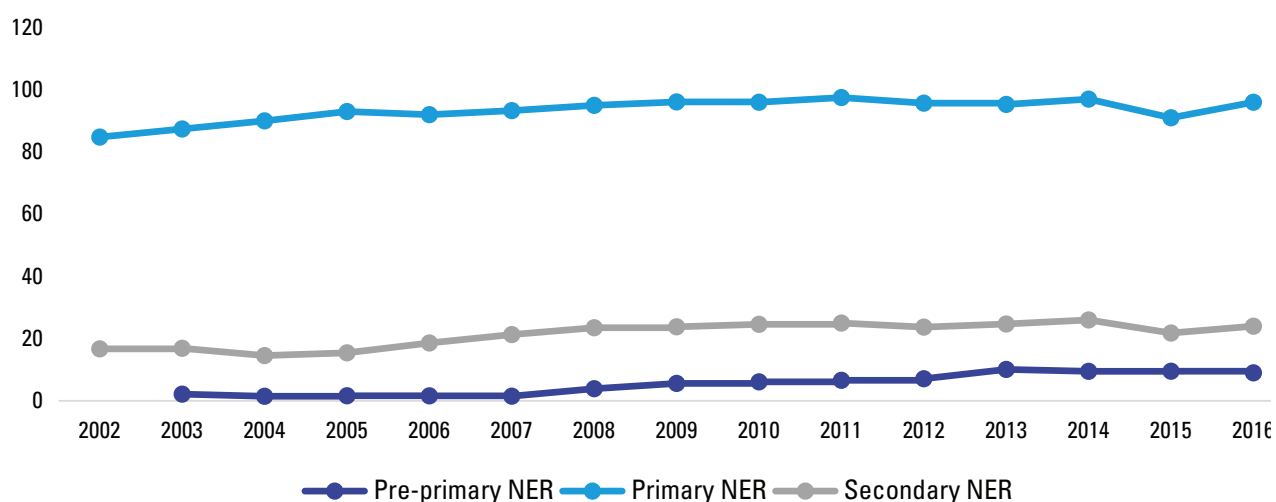


Literacy and numeracy also remain low, especially at P6 level where they are at 27% and 41% respectively. This is an indication that children remain behind in these indicators for their ages.

Before the emergence of Covid-19, Uganda's education system had managed to register an improvement in enrolment rates. Primary Net Enrolment rate improved from 84.8% in 2002 to 96% in 2016. However, slow progress was registered for pre-primary and secondary

Net Enrolment Rates, with improvements from 2.15 to 9%, and 16.71% to 24% respectively, over the same period (see Figure 1). Tremendous progress has also been made on school infrastructure, with 92% of all parishes having a public primary school and 72% of all sub-counties having a government secondary school. This has led to an increase in better access to education opportunities for children across the country.

Figure 1: School Net Enrolment Rates



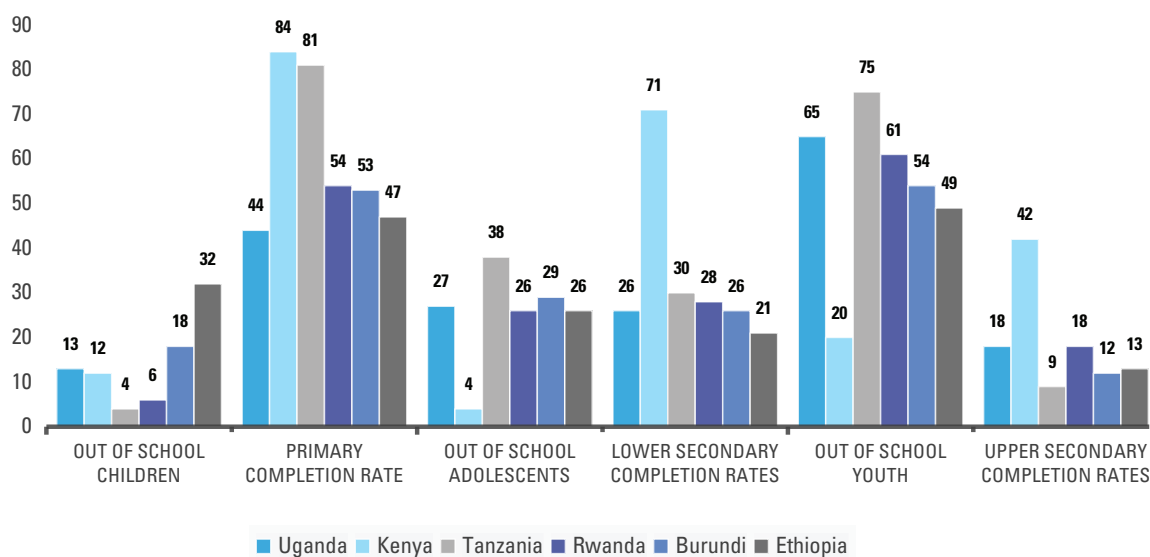
Source: UNICEF Databases and Projections

Uganda is not performing very well across some regional comparators in East Africa¹. Compared to Kenya, Tanzania, Rwanda, Burundi and Ethiopia, Uganda fares below expectations across several indicators on education. In 2016, Uganda ranked 3rd in terms of proportion of children out of school, and second on youth out of school. The country ranks lowest in terms of primary school completion rates, at 44% against Kenya and Tanzania at 84% and 81% respectively.



¹ Please see <https://www.education-inequalities.org/countries/uganda>. Different countries have data of different years

Figure 2: Selected Education Indicators (%)



Source: UNICEF Budget Briefs for East and Southern Africa

At the advent of COVID-19, which hit the country in March 2020, the education system went through the longest lockdown any country ever went through, losing nearly 2 years of academic time. Government, together with its partners, committed to support in ensuring continuation of learning through various remote learning options, including online and radio (including television). However, emerging data shows that more than half the number of children did not receive any learning

from the time of closure of the schools. According to the National Planning Commission, the prolonged closure of the school was projected to see 30% of learners not returning to school, with many teachers likely not to return particularly after engaging in more lucrative commercial activities; 3,507 primary and 832 secondary schools are likely to close due to financial distress; and there is a risk of multiple cohorts getting enrolled in Primary One, Senior One, Senior Five and first year of tertiary (NPA 2021).



Education Sector and COVID-19

As part of the broad response to the COVID-19 pandemic, Uganda saw the closure of schools for nearly 2 years, from March 2020 to January 2022. This saw about 15 million learners stay out of school, with many not accessing learning for the bigger part of that period. Many children, estimated at more than half a million, fell pregnant across the country. A study by the National Planning commission estimated that about 30% of school going children would not be able to return to school, a situation concerning for children's capacity to enjoy their current and future rights. The re-opening of schools in 2022 came with many challenges, including protecting the children from any outbreak at the schools, as well as coping with huge numbers, as the country faced three cohorts of first grade primary school.



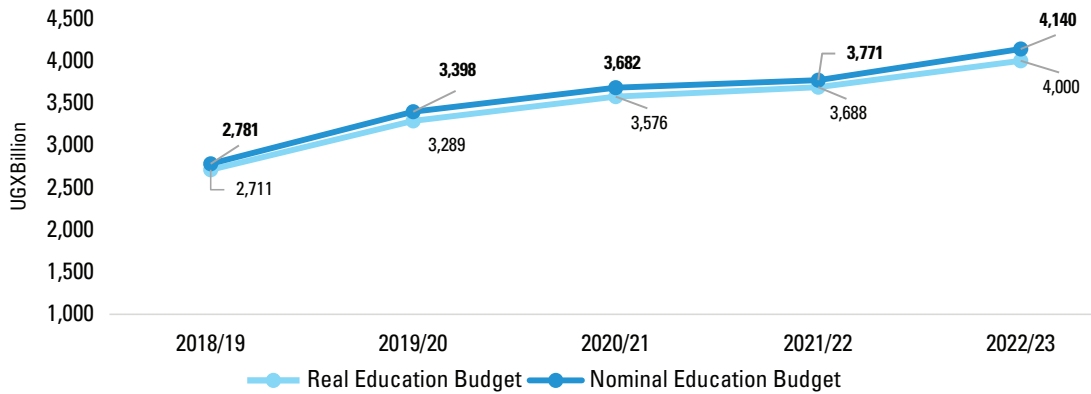
Key takeaways

- Progress made from investment in education is under threat from the advent of COVID-19. More concerted efforts are required to ensure all children return to school, and that human resource requirements are provided for, and well equipped with teaching and learning materials.
- The education sector, especially primary education, has a number of progressive policies. Effective implementation of the policies is required to ensure better learning outcomes for children.

3 SIZE OF EDUCATION SPENDING

Total Approved Budget for the Education sector has been on an increasing trend in both nominal and real terms. The approved budget increased from UGX2.78trillion in 2018/19 to UGX4.14 trillion (48% increase in 5 years) (see Figure 2). The increase is expected to be steeper for 2022/23 (10%) compared to 2021/22 (2.5%).

Figure 2: Trends in public spending on Education 2018/19-2022/23 in UGX Billions

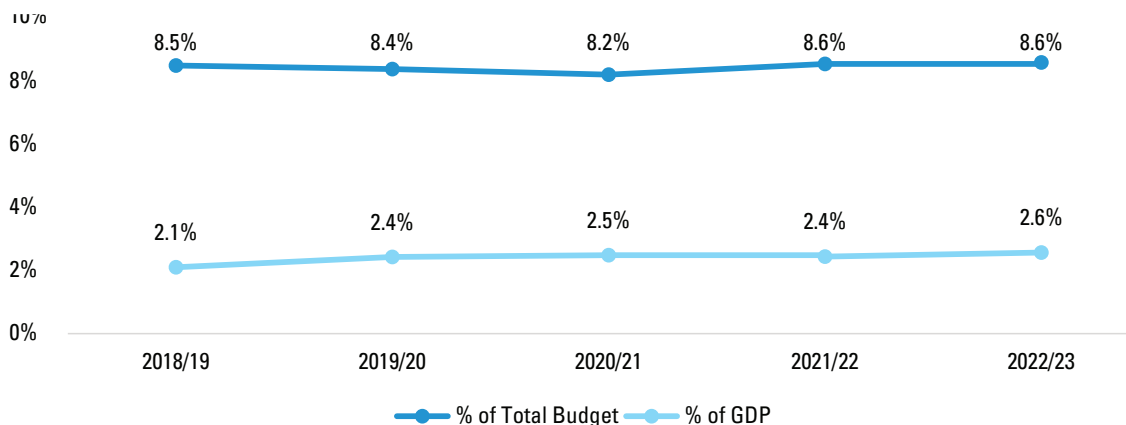


Source: National Budget Performance Reports²

The share of the education sector budget has plateaued over the review period. Despite the advent of COVID-19 in 2020, the education budget did not respond to the emerging needs to support the sector in responding to the challenges, mainly as schools remained closed until January 2022. The proportion of the education sector budget declined from 8.5% in 2018/19, to 8.2% of the total budget in 2020/21 (see Figure 3). The proportion has increased slightly to 8.6% in 2021/22 and 2022/23.

Similarly, the share of the budget to GDP has also remained largely flat over the review period, ranging between 2.1% and 2.6%. This is below the recommended threshold of the Incheon Declaration on Inclusive Education that requires governments to allocate 4 - 6% of the GDP or 15 - 20% of the total expenditure to the Education sector.³

Figure 3: Trends in Education Sector Spending as a Share of total budget and GDP



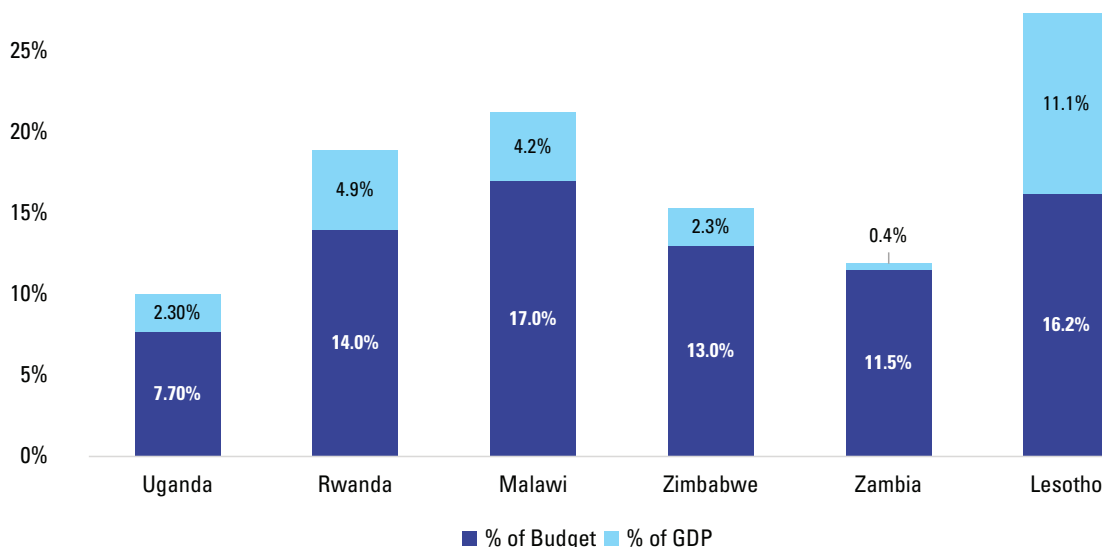
Source: National Budget Performance Reports

2 The budget figures for FY 2022/23 are based on proposed estimates in the budget Framework Paper

3 UNESCO (2015). The Incheon Declaration and Framework for Action for the implementation of Sustainable Development Goal 4

A cross-country analysis of education sector spending shows that Uganda’s budget allocation to education is the lowest compared to other African countries. For the 2020/21 financial year, Uganda spent half of the proportion of Malawi and Lesotho on education, with the latter spending 17% and 16.2% respectively, against 8.2% for Uganda (see Figure 4). On the other hand, except for Zimbabwe and Zambia, Uganda spent less on education compared to other regional comparators, with only 2.5% of GDP spent on the sector in 2020/21.

Figure 4: Education spending in Uganda compared to the select African country 2020/21



Source: UNICEF Budget Briefs 2020/21⁴

Key Takeaways

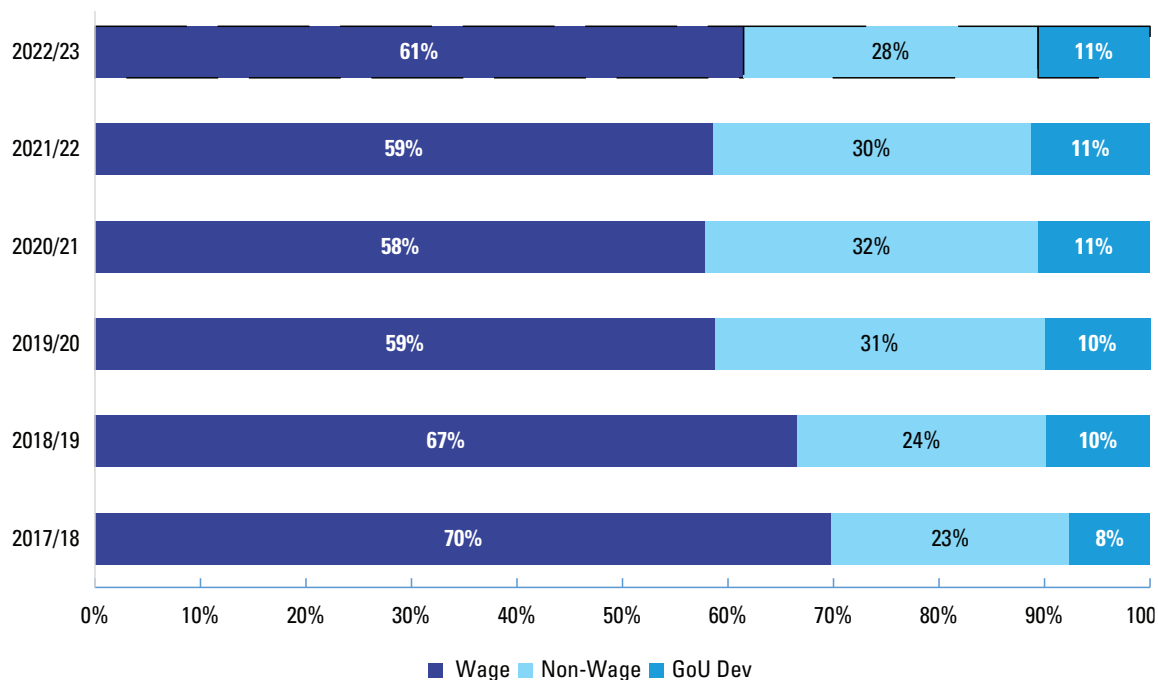
- The total budget for education, in nominal and real terms, has been increasing since 2018/19, albeit at a faster rate in 22/23 financial year.
- The proportion of education spending to GDP and to the total budget remain below the Incheon and Dakar Target, and remains very low compared to other similar countries in the global south.

4 COMPOSITION OF EDUCATION SECTOR SPENDING

The largest proportion of government expenditure is allocated towards wage recurrent expenditure and non-wage recurrent expenditure compared to the development resources. Despite a declining trend in wage proportion, from 70% in 2017/18 to 58% in 2020/21, wage proportion increased slightly from 59% of the budget in 2021/22, and projected at 61% in 2022/23. On the other hand, development support has stagnated at 11% since 2020/21. (see Figure 5). The low level of development expenditure undermines provision of infrastructure development in schools which affects the access and quality of education provided in the rural areas which have a deficit in wash facilities, classrooms, and teacher houses, among others. Notably, the pupil classroom ratio (PTR) has stagnated at 55:1 compared to the recommended 30:1 by UNESCO standards.

4 <https://www.unicef.org/esa/reports/budget-briefs>

Figure 5: Composition of Education Sector budget by current and development expenditure

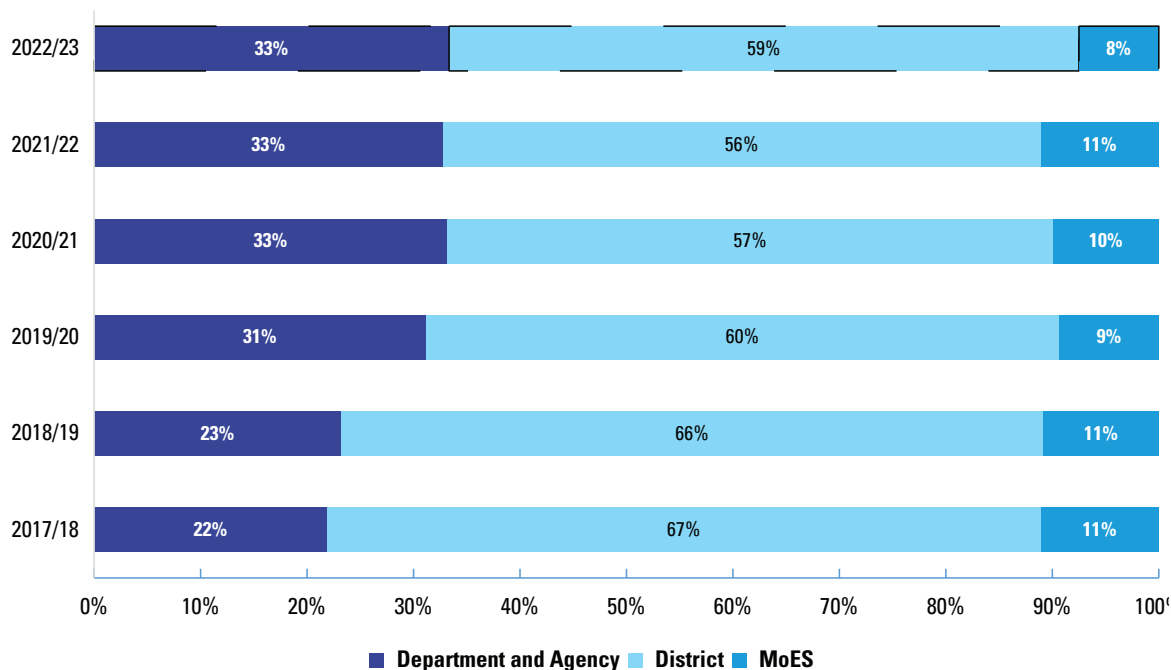


Source: National Budget Performance Reports

The resources allocated through districts have been declining since 20/17/18, with a corresponding increase in resources through Departments and Agencies. In the FY 2017/18, districts accounted for 67% of the total education budget. However, this is projected at 59%, an 8% decline over the review period (see Figure 6). On the other hand, funds through Departments and Agencies have increased from 22% in 2017/18 to 33% in 2021/22, and projected to remain at 33% in 2022/23. The Ministry of Education and Sports budget remained largely flat over the review period, with a slight decline projected for 2022/23 to 8% of total sector spending.



Figure 6: Distribution of Education Sector Resources by Level of Government

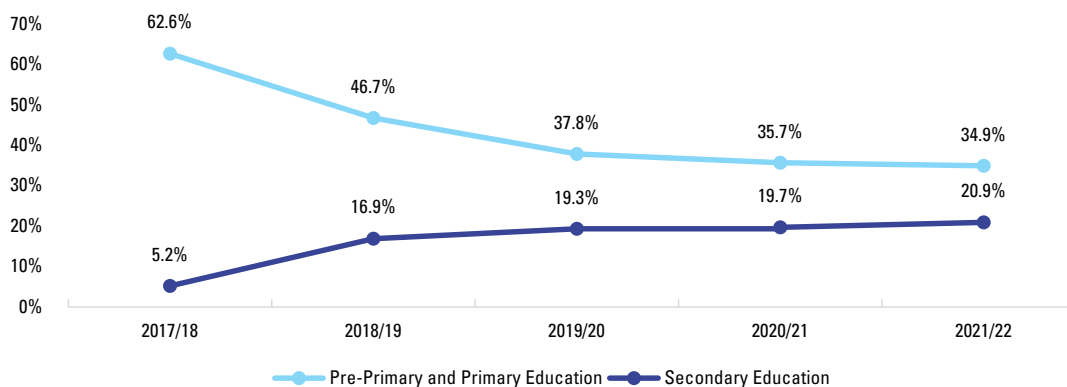


Source: National Budget Performance Reports

The proportion of expenditure on Pre-Primary and Primary Education has been declining since 2017/18 and 2020/21. As shown in figure 7, the Primary and Secondary Education budget has been declining over the review period, and projected to further decline to 34.9% in 2022/23, nearly half of its level of 62.6% in 2017/18. On the other hand, Secondary Education Budget has been increasing exponentially, from 5.2% in 2017/18 to 19.7% in 2020/21, and further projected at 20.9% in 2022/23. The disproportionate growth in the secondary education budget

can be explained by growth in post-primary transition rates as a result of increased years of schooling over the years, itself coming from a low base. Notwithstanding the rise, in programme allocation, the combined sector share of these two programmes has declined from 62 percent in 2017/18 to 55.4% in 2020/21. Though the increase in the Secondary Education is a step in line with increasing average years of schooling for children, the decline in Pre-Primary and Primary goals against objectives of Universal Primary Education

Figure 7: Trends in Primary and Secondary Education Spending



Source: National Budget performance reports (MFPED, 2021)

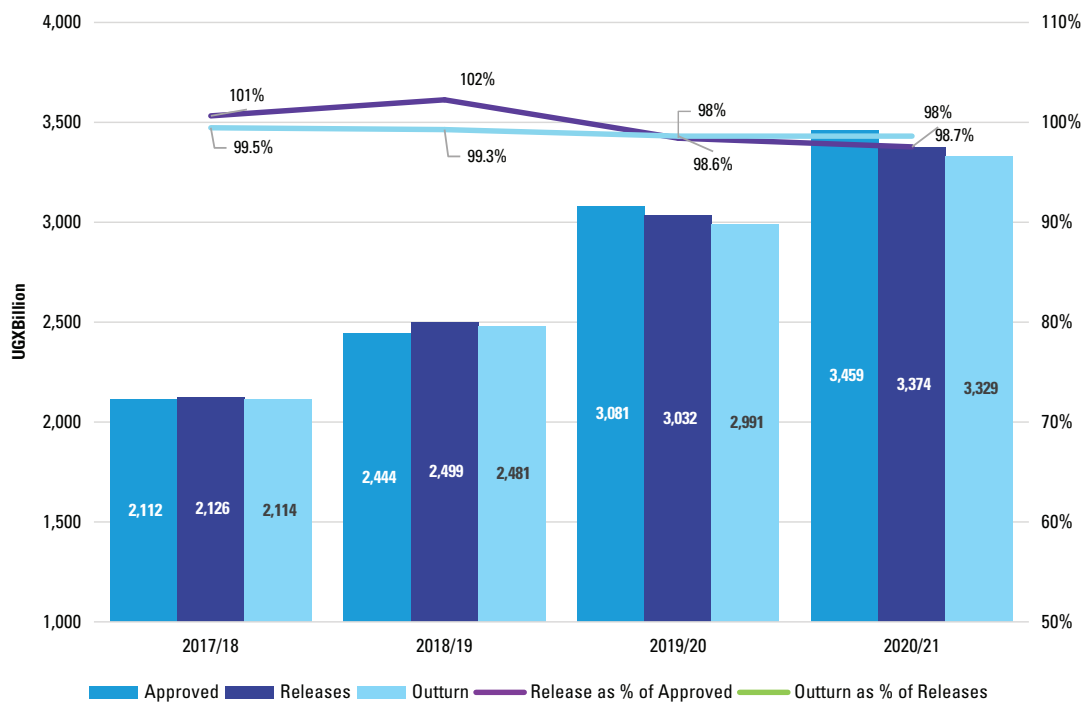
Key takeaways

- Wage expenditures dominate recurrent expenditures, constituting at least double non-wage recurrent expenditures, a development expected of the education sector due to its human capital intensity.
- Development spending for the Education Sector has remained largely flat, possibly indicating that the sector is not benefiting from the government thrust on infrastructure across all sectors.
- Pre-primary and Primary Education Spending has been declining since 2017/18, (by nearly half), while secondary education spending has been steadily increasing (more than tripling) over the same period

5 BUDGET CREDIBILITY AND EXECUTION

Education Sector Budget expenditure against releases remains very high over the years. (Figure 8). The education sector expenditure against releases remains high, at over 98% of total releases. On the other hand, releases also remained high over the review period, with over 98% of the approved budget released for spending. This development implies that for the education sector, it is adequacy rather than releases that impact on sector spending.

Figure 8: Education Budget Credibility



Source: Budget performance reports (MFPED, 2021)

Key Takeaways

- Budget expenditure against releases for the education sector remains very high, at more than 98% for the years under review
- Due to the high human resource intensity of the education sector, releases for the education sector against the approved budget is also high, over 98%

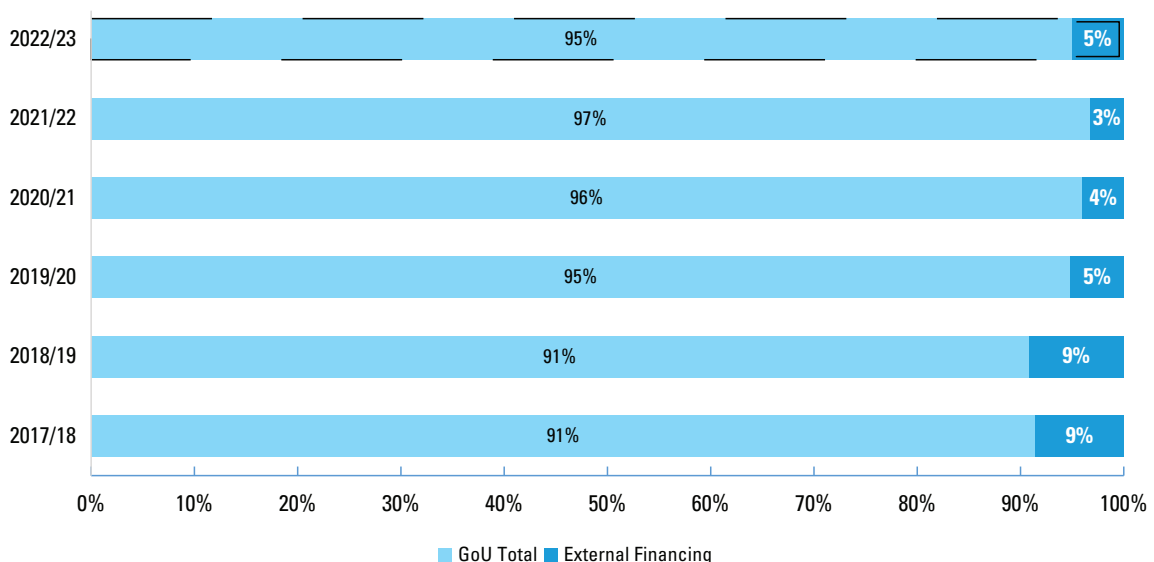


6 FINANCING OF THE BUDGET

The Education Sector on-budget is mainly financed by domestic resources. On average, Government of Uganda funding has been increasing, from 91% in 2017/18, to 97% in 2021/22. On the other hand, the share of on-budget support from Development Partners has been declining, from 9% in 2018/19 to 3% in 2021/22 (see Figure 9). This is expected to recover slightly to 5% in 2022/23. Some of the notable projects financed on-budget by the

Development Partners include skills development projects by the European Union and World Bank, promoting quality standards by OPEC Fund for International Development (OFID). Additionally, the World Bank also supports Uganda Secondary Education Expansion Project which focuses at enhancing the access to lower secondary education of underserved populations.

Figure 9: On-Budget Education Sector Financing



Source: The National Budget Performance Report and National Budget framework papers

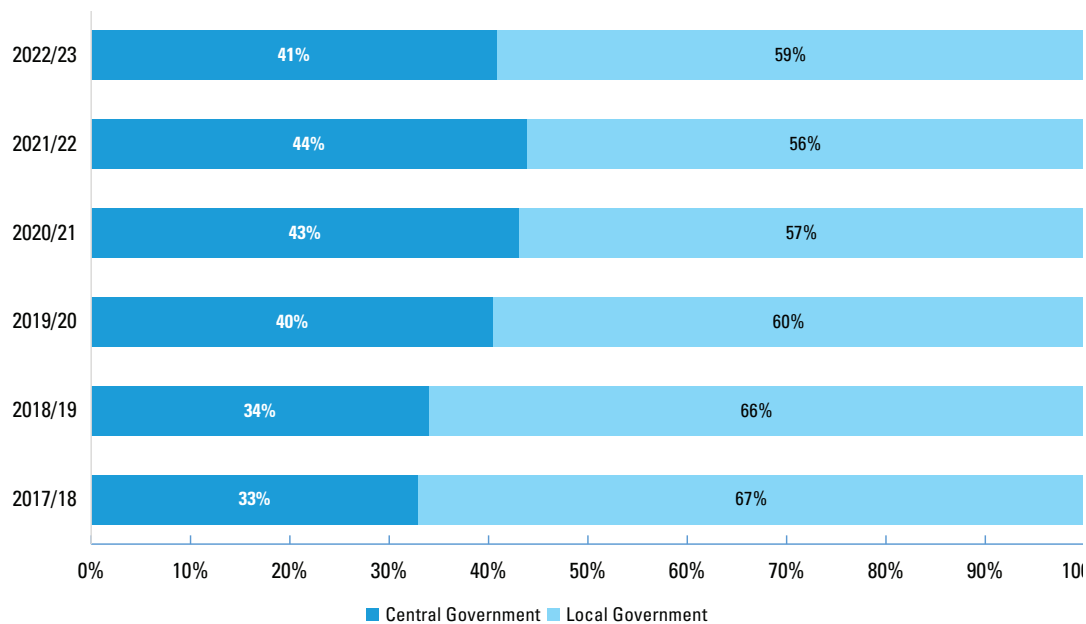
Key Takeaways

- On-budget development partner support for education has consistently been low, trending below 10% since 2017/18.

FISCAL DECENTRALIZATION OF EDUCATION SECTOR BUDGETS

The education sector budget is highly decentralised, providing opportunities to improve operational efficiency while creating a more responsive approach to the educational needs of learners⁵. The proportion of the budget through local government has been declining, from 67% in 2017/18 to 56% in 2021/22. This decline has been offset by increases in sending through Central Government, mostly Departments and Agencies (see Figure 10). It is critical, however, to ensure that such increases are aligned with emerging sector needs, which require more concerted local efforts to support e-learning facilities, providing learning materials (textbooks and non-textbook materials), construction of learning facilities especially among disaster-affected and low-grade schools in Uganda, post the COVID 19 pandemic.

Figure 10: Distribution of Education Budget Allocation by Local and Central Government



Source: Budget performance reports (MFPED, 2021)

Wage spending dominates budgets at Local Government level. Though the ratio has been declining, from 80% 2017/18 to 75% in 2020/21, wages have been the major expenditure item, in line with human intensity of education (see Figure 11). This is expected to decline further to 73% in 2022/23. On the other hand, non-wage recurrent has oscillated between 16% and 17% of total budget, while GoU has also stagnated.

Key Takeaways

- Though local governments remain the major avenue for spending on education, resources allocated have been declining, mainly favouring Central Government through Departments and Agencies
- Wages dominate spending at local government level

5 Byamugisha & Nishimura, 2015. UPE Policy Assessment in Uganda. DOI:10.1163/9789463000253_006

unicef  | for every child

For more information contact:

UNICEF Uganda Country Office
Plot 9 George Street | P.O.Box 7047, Kampala, Uganda
✉ kampala@unicef.org www.unicef.org/uganda



For more information contact:

Economic Policy Research Centre
Plot 51, Pool Road, Makerere University, Kampala,
Uganda | P.O.Box 7841, Kampala, Uganda
✉ eprc@eprcug.org <https://eprcug.org/>