

Guidelines for Developing an Education Budget Brief

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Social Policy and Research Section
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Please note that these guidelines (now in the second version) and the accompanying Excel-based template (first version) are working drafts that are intended to be periodically updated based on user feedback.

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INTRODUCTION

Background on budget briefs

In 2015, UNICEF's Regional Office for Eastern and Southern Africa (ESARO) began encouraging country offices to develop budget briefs. Through the region-wide initiative, the number of budget briefs produced increased significantly. While just two country offices produced a total of six briefs in fiscal year 2015, this included 18 offices and more than 80 briefs in fiscal year 2017. Reflecting the utility and impact of these products, the Regional Priorities (2018-21) formalized the requirement for all offices to develop annual budget briefs as a minimum standard to support engagement in public financial management (PFM) processes. All published briefs are available on the [ESARO budget brief website](#).

Within this context, the budget briefs serve four main purposes:

1. Analyze and monitor budget allocations to sectors that are important for children in the current fiscal year;
2. Assess the efficiency, effectiveness, equity and adequacy of past spending to the extent possible;
3. Inform advocacy, through key messages for policy and financing changes; and
4. Increase staff knowledge on budget issues that are linked to sector results.

Objectives of the guidelines

These guidelines are intended to support the efforts of country offices to develop a budget brief for the education sector. The specific objectives include:

- Present strategic approaches based on lessons learned and good practices;
- Describe key concepts and address common misconceptions;
- Clarify accountability and responsibilities;
- Deconstruct a good budget brief; and
- Provide detailed guidance on developing content for the brief, including an outline.

Structure of the guidelines

The guidelines are presented in two parts as follows:

Part I. The Process

- Shared accountabilities: Who does what within the country office
- Characteristics of a good brief: Key considerations to bear in mind when analyzing data and drafting content
- Data: A list of suggested sources
- What to do: How to get started and ensure the budget brief is fit for purpose

Part II. The Template

- Section by section guidance: Describes the objectives, key considerations, possible data sources and content that should be included in each section of the brief and also presents sample figures and tables
- Outline: Provides a sample outline for the brief

Companion Documents

These guidelines are accompanied by two companion documents, which are available on [ESARO's budget brief external webpage](#):

- **Education Sector Budget Brief Template:** This excel-based tool should be used to produce all figures for the budget brief. Country offices are encouraged to change and produce additional figures where they see fit. However, any changes or additions should be an improvement on the figures presented in the template.
- **Budget Brief Impact Action Plan - A Short Guide:** The education budget brief should be accompanied by an action plan that describes how the main recommendations will be transformed into actions and influence. This companion document provides step-by-step guidance for developing an action plan, which covers: (i) key asks; (ii) expected results; (iii) target audience; (iv) partners; (v) actions; and (vi) progress. It also includes customizable examples (e.g. for indicators, activities) along with a sample template presented in the Annex. Importantly, the plan should take no more 1-2 hours to develop; it is intended to be a light exercise to give the office – and partners involved – clarity about what needs to be changed and how this can happen.

PART I. THE PROCESS

Shared accountabilities

It is strongly recommended that the education team in the country office lead the development of the education budget brief. Education staff should be familiar with the key policy and budget issues that need to be emphasized and also be able to identify useful indicators, relevant policy, strategy and planning documents, and budget data. In this regard, the education team should be responsible for: (i) collecting budget data and other documentation from government counterparts; (ii) supporting the analysis of the data, where capacity exists; (iii) drafting the different sections of the brief; (iv) developing and refining the key messages and recommendations; (v) sharing the draft with government counterparts for review and validation; (vi) disseminating the brief to relevant partners; and (vii) developing and leading the implementation of a budget brief impact action plan to operationalize the main recommendations of the brief.

The social policy team should facilitate the exercise and support the education team in developing the brief, but not lead or carry out the work. Depending on the country office context, support from the social policy team could include: (i) providing an introduction to the structure of the national budget and the types of information that are required for the sector brief; (ii) facilitating access to budget data through the Ministry of Finance when education staff are unable to obtain information from ministerial counterparts; and (iii) providing quality assurance, including reviewing figures/tables and the underlying data sources and calculations, identifying information gaps, ensuring the right information is presented, fine-tuning the narrative, helping to formulate strong advocacy asks, etc.

The social policy team is also responsible for engaging the education team at the outset to: (i) develop the impact strategy; (ii) agree on a timeline for finalizing the product; and (iii) support the operationalization of recommendations, where required (e.g. around PFM reforms or advocacy for greater financing).

Senior management has an important role as well. The Representative and Deputy Representative should be responsible for: (i) setting the agenda around the series of budget briefs within the overall context of the office-wide policy advocacy action plan; (ii) ensuring that section leads understand their roles and responsibilities; (iii) providing close oversight so that the brief is developed according to agreed timelines; and (iv) supporting the implementation of the impact plan through high-level advocacy and discussion, as required.

Characteristics of a good brief

Past experiences show that high-quality budget briefs have distinct features. The following is an initial list that should be kept in mind while analyzing data and writing content.

- **Logical structure:** The brief should be written in “title sentence” format whereby the first sentence of each paragraph clearly states the main point of the paragraph, while the following sentences elaborate and add detail. The majority of paragraphs should be describing data and information contained in tables, figures, etc.
- **Succinct and clear:** You are writing a budget “brief” – the aim is to be as comprehensive as the data will allow and short enough to describe the important points. A brief is not a place for comprehensive discussion or rambling!
- **Accuracy:** The analyses need to be factually correct. It is imperative that all data work is checked and double checked. Heed the “four eyed principle,” whereby two individuals review and validate tables, figures, etc. and the underlying data and calculations.
- **Plain and simple language:** Briefs are for wide circulation and advocacy. Non-technical language should be used as much as possible. With that in mind, the briefs are designed to relate to the national budget. Technical terms used in the national budget should be explained in the briefs.
- **Emphasis:** Decide how important a section is and how relevant it is to the country context. Not every section may be necessary. For example, if the analysis shows that there are no major issues regarding budget execution, the section can be dropped to keep the document succinct. Issues can be emphasized by including them upfront in the key messages and recommendations section and by addressing the most important issues first.
- **Answers the “how” and the “why”:** Rather than just giving an overview of budget information e.g. allocations to the education sector have decreased as % of the budget over the last four years, it is important to describe how the national budget has been increasing while allocations to education have remained stagnant, which could, for instance, reflect increasing priority to infrastructure spending in line with the government’s strategic plan to prioritize economic growth.
- **Brings out the child lens:** A UNICEF-supported budget brief is unique from budget analyses produced by other partners (e.g. UNDP, World Bank) because of its focus on the child. As such, it is important to clearly link the different analyses and findings to families and children as much as possible.
- **Presents inflation adjusted trends:** When analyzing spending trends over time, it is imperative that data are adjusted for inflation and presented in real terms; note that the companion [Education Sector Budget Brief Template](#) calculates this automatically.

- **Crafts well-informed, feasible recommendations:** Sensible and well-researched recommendations help to transform briefs from information into advocacy. However, no recommendation is preferable to a poor recommendation. Also, not every issue facing a country has a simple solution. For instance, improving fiscal space by increasing domestic revenue may also increase inequality, undermine PFM reforms and dampen economic growth. In addition, recommendations need to be informationally objective – that is, they should reflect data and evidence rather than opinions or beliefs about what is the best course of action, which could undermine the potential influence on budget negotiations and processes.
- **Supports ideas for future research and program interventions:** Where the analysis shows deficiencies in the information available, this could be the impetus for UNICEF to provide technical support or guide future research. Findings in the brief may also inform the programming priorities of different sections.
- **Follows the UNICEF style book:** The style guide provides instruction on spelling, language norms and referencing. It may be helpful to use footnotes while drafting. However, endnotes should be used for presentation so that the references allow room for graphics and do not disrupt the flow of the narrative.

Data

The education budget brief will require budget data from national and international sources (for comparisons), as well as information on the performance of the education sector. A list of possible data sources is included at the start of each section in the template in Part II.

As a starting point, it is important to note that budget data come in many different forms. The first is based on the budget classification system. Here there are three common systems used to present budget information, which include **administrative** (where budget data is aligned with the institutional structure of the government), **functional** (where budget data is aligned with different objectives or functions), **economic** (where budget data is aligned with inputs) and **program** (where budget data is aligned to the strategic objectives of the government) (see Box 1 at the end of this section for more information).

At the same time, for any given year there can be multiple types of budget information reported, including budgeted, approved, disbursed, outturn and audited (see Box 2 for more information). For the budget briefs, it is important to get budget allocations for the current fiscal year (the approved amounts) as well as actual expenditure (audited amounts) for as many historical years as possible to allow for analysis of budget execution performance as well as expenditure trends over time.

Education budget data

- ✓ Education budget documents, including the annual budget, Medium-Term Expenditure Framework (MTEF), consolidated spending reports and audit reports (Note: national budget data is publicly available on the website of the Ministry of Finance or the Treasury in most countries)
- ✓ Budget speeches

- ✓ [UNESCO Institute for Statistics](#)
- ✓ [Government Spending Watch Database](#) (this includes education budget data for FY2015-17 for 13 ESAR countries, in many cases covering actual/planned, by type of spending and by source of funding)
- ✓ [World Bank Education Expenditures Database](#)
- ✓ [World Development Indicators \(WDI\) Database](#)
- ✓ [Public Expenditure Reviews \(PERs\)](#) with a focus on the education sector
- ✓ Public Expenditure Tracking Surveys (PETS) with a focus on education
- ✓ [World Bank BOOST Initiative](#)
- ✓ [OECD-DAC database on Official Development Assistance \(ODA\)](#)

Data on the education sector

- ✓ Education performance monitoring reports produced by the government
- ✓ Education Management Information System (EMIS) – web-based data reporting, managing, collecting system; access is not generally public but can be granted by the responsible ministry or possibly by UNICEF staff
- ✓ [UNESCO Institute for Statistics](#)
- ✓ [World Development Indicators \(WDI\) Database](#)
- ✓ [Service Delivery Indicators](#) (for Ethiopia, Kenya, Madagascar, Mozambique, Madagascar, South Sudan and Tanzania)
- ✓ Education Sector Analysis (ESA)
- ✓ Education Sector Plan (ESP)
- ✓ Joint Sector Review reports

Budget Data Matrix

Document	Years of Data Availability				
	Proposed	Approved	In-Year	Year-end/ Provisional	Audited
Expenditure: Administrative					
Expenditure: Economic					
Expenditure: Functional					
Expenditure: Program					
MTEF		
Sector/MDA Policy Document
Sector/MDA Performance Report
Ministerial Budget Speech	

Box 1. Budget classification systems

1. **Administrative classification:** Breaks budget allocations down to ministry, department, agency (MDA) or other public entity, basically replicating the existing institutional structure of the government; these entities are responsible for managing the allocations assigned to them in the national budget.
2. **Functional classification:** Groups financial allocations according to their strategic objectives and broad purposes (e.g. for economic affairs, environmental protection, housing and community amenities, health, social protection).
3. **Economic classification:** Divides the budget into economic inputs, mainly wages and capital, to understand how the government is producing goods and services; the two main distinctions with economic classification include: (i) recurrent spending (principally on salaries for employees, but also continuous operational costs like electricity and internet for buildings or gas for vehicles); and (ii) capital spending (includes spending to develop new infrastructure or purchase vehicles or computers – also called development spending in some countries).
4. **Program classification:** A program is a group of activities aligned to the policy objectives of the government. Compared to functional classification, a classification by program takes into account the government's policy objectives and how these policies will be implemented. Programs may be divided into sub-programs which group together related activities and projects (e.g. increasing enrollment of girls under the primary education program, vaccination and disease prevention under increasing agricultural productivity).

For more information, see: Jacobs, D., Héris, J-H, and D. Bouley (2009) "[Budget Classification](#)," Technical Note, Fiscal Affairs Department, IMF.

Box 2. Key budget terms

- **Budget Estimates or Proposed Budget or Estimates of Expenditure:** The budget as presented to Parliament.
- **Approved Budget or Approved Estimates:** The budget as approved by Parliament, taking into account revisions during the approval process.
- **Revised Budget Estimates:** The budget as revised during the financial year, often presented at mid-year.
- **Budget Outturn or Final Budget Outcome:** Estimated actual spending at a particular time during the financial year or at the end of the financial year.
- **Audited Budget or Actual Budget:** Spending verified by the Supreme Audit Institution and presented to Parliament; this presents the final (or actual) spending figures for a given fiscal year.
- **Disbursed Funding:** Funding transferred from a central agency to a spending agency.
- **Utilized Funding:** Funding used (actually spent) by a spending agency.
- **Variance:** The difference between approved spending and actual spending.
- **Virement:** The transfer of funds between line ministries, programs, policy areas, expenditure categories or line items.

What to do

1. **Ensure government ownership:** A critical starting point is to inform counterparts that UNICEF is planning to develop an education budget brief based on the approved budget for the current or upcoming fiscal year. In addition to facilitating access to budget data and other information, this initial consultation will help to ensure an audience to deliver and act on the recommendations once the brief is finalized. Where possible, country offices are strongly encouraged to jointly publish the brief with the Ministry of Education; their main roles would be to review and approve the draft, and also to provide the official logo to be included on the title page.
2. **Get budget data:** In addition to the approved budget for the current or forthcoming fiscal year for your sector, the country office should get budget information for the past three years at a minimum – and ideally five. Please see the “Data requirements” section above to assist with sourcing and requesting data. If the budget/finance departments in the relevant ministries are not helpful or cannot provide the requested data, then information requests will need to be directed to the Ministry of Finance or Treasury. If this is your situation, then you will need to work with your social policy team.
3. **Write the brief:** Use the guidance and template presented in Part II of this document together with the accompanying [Education Sector Budget Brief Template](#) to analyze the data and develop the content. Once drafted and reviewed by all relevant staff in the country office (including social policy) and ESARO (including education and social policy focal points), it should be shared with ministerial counterparts for feedback and validation. Any comments or data issues should be addressed, after which the brief can be finalized.

Note: Once using the excel-based Education Sector Budget Brief Template to organize and analyze budget and sector data for the first time, subsequent briefs should build on the previous database to produce updated figures and tables. This will ensure consistency and comparability of information over time to understand whether specific spending trends are getting better or worse, and also significantly reduce the time to generate analyses and produce a new brief.

4. **Develop an action plan:** To effectively operationalize the main recommendations from the brief, it will be important to put together a short action plan to give the office clarity about what needs to be changed and how this can happen. The plan should broadly include: (i) key asks (lifted directly from the brief); (ii) expected results; (iii) target audience; (iv) partners; (v) actions; and (vi) progress. As mentioned earlier, customizable examples and a very short template plan are provided in the [Budget Brief Action Plan - A Short Guide](#). This is a light exercise that should not take more than 1-2 hours.
5. **Execute the action plan and document progress!**

PART II. THE TEMPLATE

Preface

- This is optional, but you can consider including a short paragraph that summarizes the purpose of the briefs and its link to the series being produced. While this could be presented on the cover page or one of the first pages, including as a footnote, it could also go on the last page of the document. Sample text is provided below:

This budget brief is one of **four** that explore the extent to which the national budget addresses the needs of children under 18 years in **name of country**. The briefs analyze the size and composition of approved budget allocations to sectors that affect children in fiscal year **2019/20** as well as offer insights into the efficiency, effectiveness, equity and adequacy of past spending. The main objectives are to synthesize complex budget information so that it is easily understood by stakeholders and to put forth practical recommendations that can inform and make financial decision-making processes better respond to the needs of children and poor households.

Key Messages and Recommendations

Objectives

- Provide one sentence summaries of the most important key findings and accompanying recommendations, presented in order of priority.

Key considerations

- This section serves as the conclusion of the brief (there is no standalone “Conclusion” section). It is deliberately positioned at the start of the document and written in succinct, bullet point format to focus attention on what matters. The single page presentation also allows this to be used as a standalone summary note for dissemination and advocacy purposes. Please also note that the key recommendations should serve as the foundation for developing the budget brief impact strategy.
- This should be the final part of the brief that is written; there is a short “takeaways” sub-section at the conclusion of each section in the brief, which will facilitate the development of this content.
- Each finding needs to be accompanied by a specific recommendation or ask – what we want the government to do.
- The recommendations need to be meaningful and actionable.
- The draft messages and recommendations should be widely shared to get suggestions for improvement, including with the social policy team, the communication team, senior management, development partners, civil society actors (where relevant) and ministerial counterparts.
- There should not be a key message and recommendation for each section and every issue covered in the brief. It is, therefore, important to be highly selective so that only the most important issues are featured.

- The key messages and recommendations should be presented in order of priority from highest to lowest – e.g. if the government could only change one thing, that should appear first.
- Suggested length for this section: 1 page.

Content

- **Findings and asks on overall spending trends:** Describe total education spending trends (including real changes) and comment on the priority of education spending vis-à-vis the national budget and against targets in the national education plan/strategy and global benchmarks (e.g. 20% of the national budget as put forth by Education for All). Based on the findings, formulate asks to improve overall spending trends.
- **Findings and asks on the composition of spending:** Summarize spending by: (i) different agencies that deliver education services; (ii) different levels of education (early child learning, primary, lower and upper secondary, tertiary education, and technical and vocational education training); (iii) major programs within the different levels (e.g. teacher training, out of school children, girls education), identifying any exceptional priorities or imbalances; and (iv) recurrent and capital expenses. Based on the findings, formulate asks to improve the composition of spending.
- **Findings and asks on budget credibility and execution:** Describe any major variations between the approved budget and actual expenditure in the education sector as a whole or for different levels of education. Based on the findings, formulate asks to strengthen budget credibility and execution in the sector.
- **Findings and asks on the equity of spending:** Present per pupil education spending by regions or schools. Where possible, present the relationship between spending and income levels, ethnicity and performance indicators. Based on the findings, formulate asks to improve the equity of spending, including increasing or reallocating resources to more deprived regions or schools and/or revising sub-national allocation formulas, as appropriate.
- **Findings and asks on sources of financing the education sector:** Provide an overview of financing of the education sector, including any earmarked government income. Summarize aid trends and the focus of external support (e.g. recurrent versus capital investments, different levels of education), making sure to note whether aid is recorded on budget. Also present information on other financing trends (e.g. out of pocket spending) and options to increase spending. Based on the findings, formulate asks to reverse widening financing gaps, better maximize the use of aid or existing budgets to ensure sustainable financing, and/or to address formal/informal school fees. Be sure to call for recording aid on budget and using national systems if those are not current practices.
- **Other sector issues and reforms:** Based on country context and data availability, there could be a number of specific messages around key education policy reforms that impact spending, decentralization, the link between spending and results, etc. This is also the space to discuss any key messages related to the lack of coherence between existing policies and plans and the budget allocated to implement them (e.g. through the MTEF). Formulate appropriate asks based on the findings.

Examples

- Current allocations to the education sector continue to fall – from 19% of the national budget in FY2014/15 to 17% in the current budget – and remain far below the minimum target of 21.1% as required by the National Development Strategy.

Recognizing the severe challenges facing the sector, which include very high pupil/teacher and pupil/classroom ratios, the government is strongly encouraged to increase allocations for education and to meet the national target by 2020.

- The government committed to spend 15% of its budget on education in FY2018/19, which falls short of its commitment to Education for All (20% of the budget for education). In order to meet this target, the government should investigate the potential for reducing outlays on non-priority sectors, especially defence, and reallocating those resources to the education system.
- At 90% of the education budget, spending on salaries and other recurrent items is at a dangerous level based on international standards (anything above 80%) and suggests there are serious spending inefficiencies within the education system. The government is strongly encouraged to review the balance and performance of spending in the sector, including through the initiation of a Public Expenditure Review (PER).
- The vast majority of education resources are used to support personnel. To improve spending efficiencies, the government should initiate a comprehensive assessment of wastage in the sector, such as payments of any existing “ghost” teachers.
- Early childhood education enrolment levels are very low and have grown only marginally over time. The Ministry of Education should implement its plans to introduce a universal Grade 0 without delay, including backing with adequate financial resources for infrastructure and teacher training.
- The policy of cost-sharing at the secondary and tertiary levels has not reduced government expenditure on higher education and created a significant spending imbalance. In response, the government should consider increasing the proportion of the recurrent education budget to secondary education.
- In last year’s budget, recurrent expenditure for education was overspent by the mid-year review, whereas development expenditure was significantly underspent by the end of the fiscal year. Given the persistent infrastructure shortages, including for classrooms and schools, the government should safeguard planned development expenditure and not reallocate during the year.
- Education sector budget allocations to district councils are based on actual enrolment at primary level and do not reflect actual financial needs. Given this, the government is encouraged to review the inter-government fiscal transfer formula for the education sector to better reflect equity concerns.
- External financing to the education sector has fallen sharply in recent years, from nearly 10% of the education budget in 2015/16 to less than 3% in the current budget. As this trend is expected to continue the, the government will need to urgently identify new and sustainable financing sources to maintain and scale up investments in the education system.
- The majority of donor resources are spent off-budget, which undermines budget planning and implementation processes and heightens the risk of duplicating services. In line with OECD-DAC best principles, donor funding should increasingly flow through national systems. This is a joint agenda, which requires the government to prioritize strengthening the PFM system to minimize fiduciary risk and donors to reduce project-based support modalities.
- The lack of disaggregated expenditure by level of education limits the ability to identify and address spending inefficiencies. The government is strongly encouraged to strengthen the budget structure, including through revising the Chart of Accounts and introducing program-based budgeting.

Sources: Adapted from select budget briefs.

Section 1. Introduction

Objectives of the section

- Provide an overview of key policy and/or strategy documents and recent sector performance.

Key considerations

- A country's investments in education should be guided by one or more policy and strategy documents.
- In many countries, there is one document that covers the entire education sector as well as supporting documents for different levels of education (early child learning, primary, secondary) or for the different government agencies responsible for delivering education services.
- Suggested length for this section: 1-1.5 pages, including any graphics.

Possible data sources

- Education strategic plan, subsidiary policies, MDA strategic plans, global databases (UNESCO, World Bank), sector performance databases and reports.

Content

- **Education sector overview:** List the ministries that have interventions considered in the analyses presented in the brief and provide a short overview of the education system (duration of each level of education, targeted population, % of non-public service providers, etc.).
- **Main documents and targets:** Describe the key education sector documents and the high-level targets (e.g. 5 to 10 year targets for completion rates).
- **Sector performance:** Offer a picture of the performance of the education sector, highlighting the key statistics summarized below. Based on your country context, 2-3 indicators should be presented in a time-series figure or graph to highlight some of the key challenges – e.g. pupil-teacher ratios, completion rates, adult literacy. Recommended indicators are provided below in Box 3. To the extent possible, each indicator should be displayed by education level – early child learning, primary and secondary – and broken down by gender – total, girls and boys. Be sure to include any information on disparities based on location and/or wealth if possible.
- **Takeaways:** Using bullet points, summarize key findings and implications on poor households and children.

Box 3. Suggested indicators

- ✓ Pupil-teacher ratio
- ✓ Teacher absenteeism
- ✓ Pupil-classroom ratio
- ✓ % of children out of school
- ✓ Net and/or gross enrolment rate
- ✓ Gross intake rate
- ✓ Completion rate
- ✓ Primary to secondary school transition rate
- ✓ Youth and/or adult literacy rate
- ✓ Learning assessment data

Examples: Refer to Section 1 of the [Education Sector Budget Brief Template](#), which presents the data requirements for each figure, a short description of how the information should be interpreted, and suggested titles and sources. Some examples are presented below.

Figure 1.1. Strategic framework for education: Key policies, strategies and plans that guide the sector

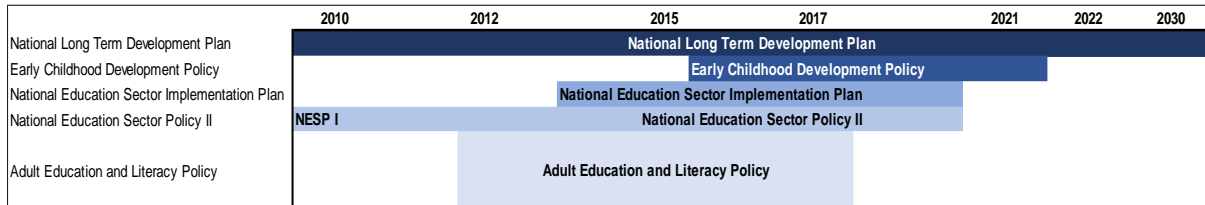


Figure 1.2. School age populations by level of education, 2019, 2030 and 2050 (in millions)

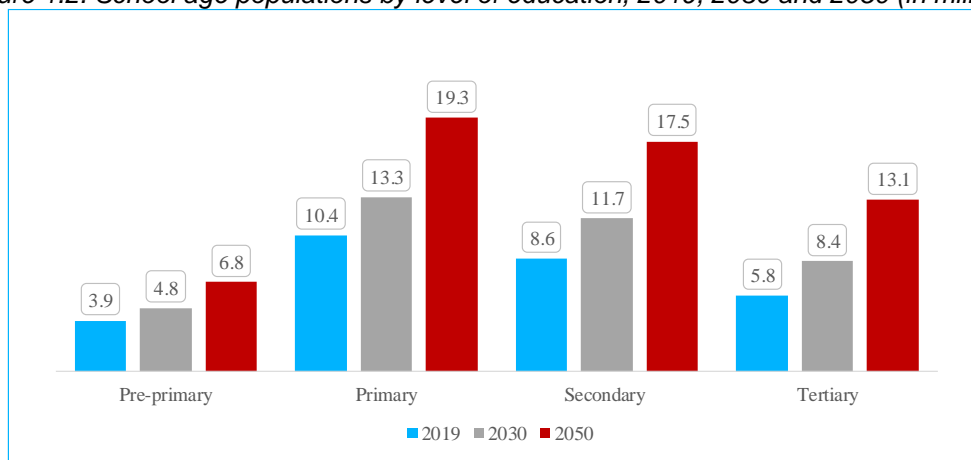


Figure 1.3. School age populations by level of education, in 2019 and additional students in 2030 and 2050 (in millions)

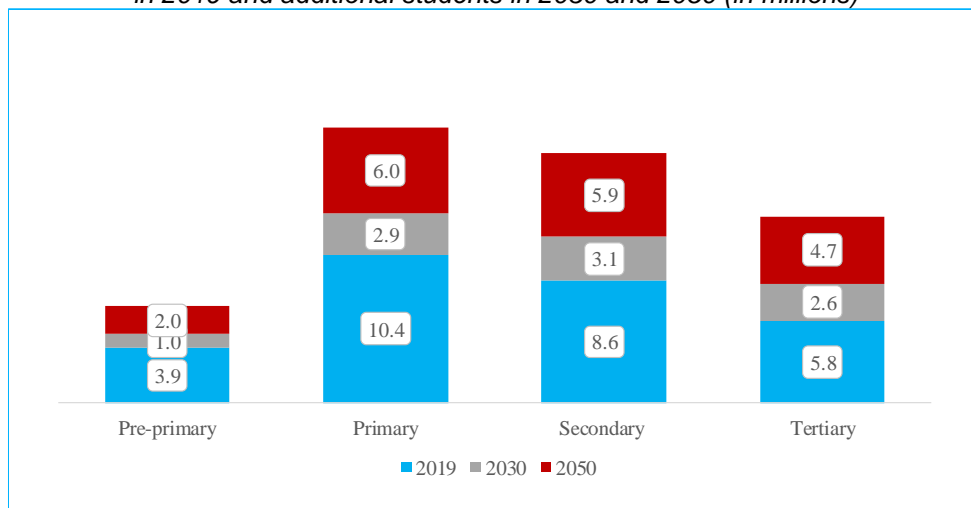


Figure 1.4. Pupil-teacher ratios by level of education in select ESAR countries, latest available

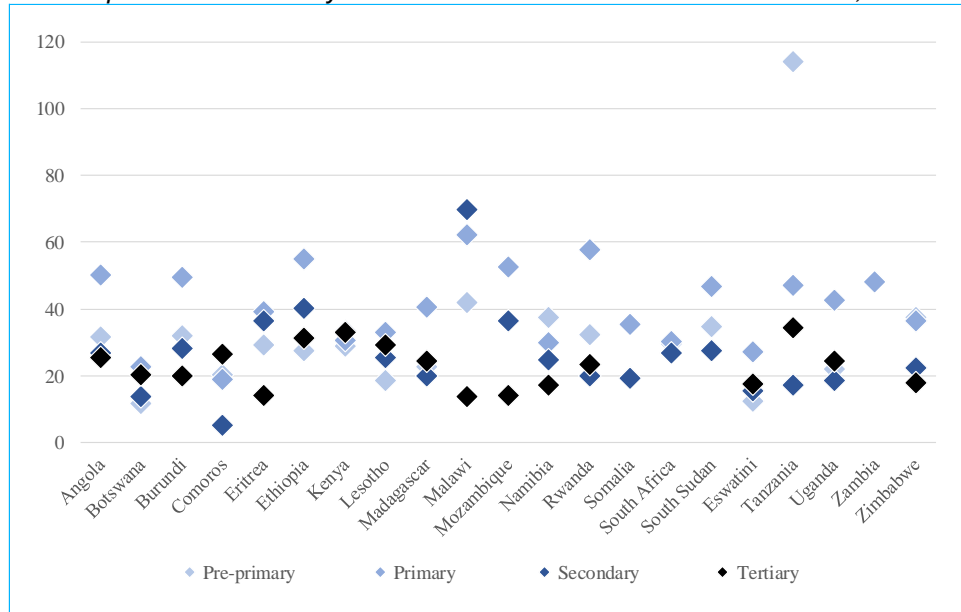
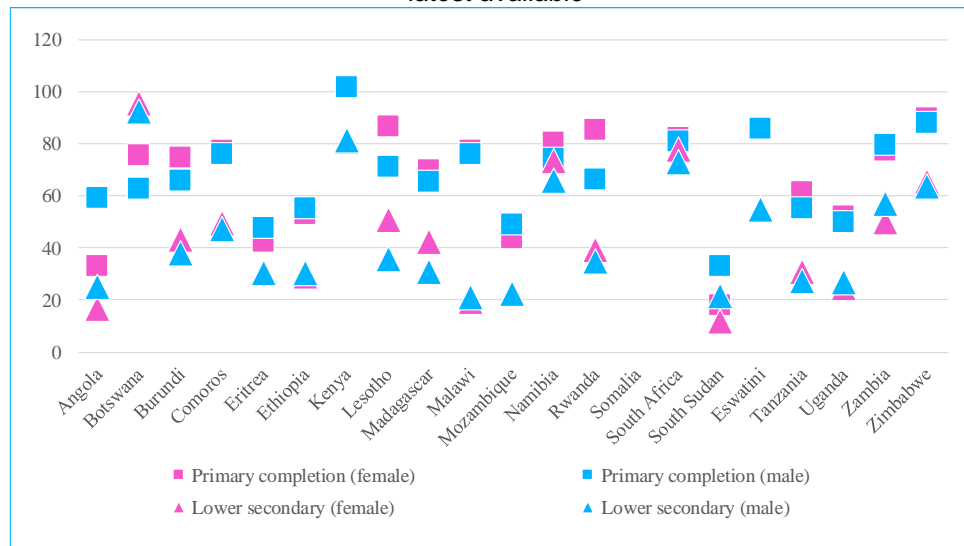


Figure 1.5. Primary and secondary completion rates by gender in select ESAR countries, latest available



Section 2. Education Spending Trends

Objectives of the section

- Present education sector spending trends over time, understand the overall priority of the education sector within the national budget, and compare against national and international targets as well as to similar countries.

Key considerations

- All spending in the education sector should be presented in this section, irrespective of funding source (both domestic and donor funding that is reflected on budget). Note that there is no need to distinguish between funding sources at this stage, which will be discussed in detail in Section 7 on financing the education sector. Related, if off-budget spending is significant in your context, it will be important to mention the importance in the narrative of overall spending trends, but then refer to Section 7 where detailed analysis will be presented, if relevant.
- Spending on all the different levels of the education system (e.g. early learning, primary, secondary, vocational, tertiary) should be summed into a single “education” sector.
- Government transfers to national universities, examination boards, teacher training institutions and curriculum boards may receive separate appropriations under “public institutions” or “subvented institutions.” Note high levels of spending on tertiary (even including scholarships to send students abroad for study) can inflate the size of investment, so it is important to unpack this in the later section on “composition of spending.”
- Total education spending should include national, sub-national and local level if possible; take care to avoid double counting (transfers from the central level to sub-national levels should not be counted twice).
- On-budget donor spending can be included in this analysis, if applicable.
- All spending figures should look at the latest five-year period. If MTEF estimates are available for the next 2-4 years, also include those, making sure to clearly note where estimates begin.
- Suggested length for this section: 1-2 pages, including any graphics.

Possible data sources

- Approved national budget, MTEF, audited or preliminary outturns for the past 4 years, approved/draft estimates for the current financial year, outer year projections, budget speech, Government Spending Watch, UNESCO.

Content

- **Size of spending:** Present the evolution of spending over time, including:
 - total nominal value
 - as % of the total government budget
 - as % of GDP
 - per pupil spending (total nominal value of education spending divided by the total number of students in school – if available – or the total school-age population, which should reflect the official grade levels used by the government)
- **Spending changes:** Discuss annual changes in education spending in nominal and real (or adjusting for inflation) terms (see Section 2 of the [Education Sector Budget Brief Template](#), which will automatically calculate these).

- **The priority of education:** Compare education sector spending to spending on other major sectors in the national budget (only look at the 5-8 biggest sectors and group smaller sectors into an “other” category). If the proportion of resources going to education in the national budget has been decreasing in recent years, identify the areas that have been receiving greater funding (debt repayment, transport, security, etc.) – or vice versa.
- **Spending against commitments:** Gauge your country’s current financial commitment to education against (i) any national targets contained in policy or strategy documents and (ii) the global education spending benchmark of 20% of the national budget as put forth by Education for All.
- **Spending against other countries:** Compare education spending in your country with other countries (e.g. neighbors, similar income levels) and/or regional or sub-regional averages. International data can be drawn from UNESCO and the World Development Indicators database. Although these data are published after a lag of several years, a consistent methodology make them useful for international comparisons. For instance, you can download the following indicators at (<http://data.uis.unesco.org/>): (i) government expenditure on education, total (% of GDP); and (ii) expenditure on primary, secondary and tertiary education (% of government expenditure on education). Also note that data from global sources is likely to vary from national estimates due to differing definitions, methodologies, reporting periods, etc., so be sure to include a footnote to discuss any discrepancies.
- **Takeaways:** Using bullet points, summarize key findings and implications on poor households and children.

Examples: Refer to Section 2 of the [Education Sector Budget Brief Template](#), which presents the data requirements for each figure, a short description of how the information should be interpreted, and suggested titles and sources. Some examples are presented below.

Figure 2.1. Nominal and real education sector spending trends, FY2011-20
(in billions of local currency -- base year is 2011)

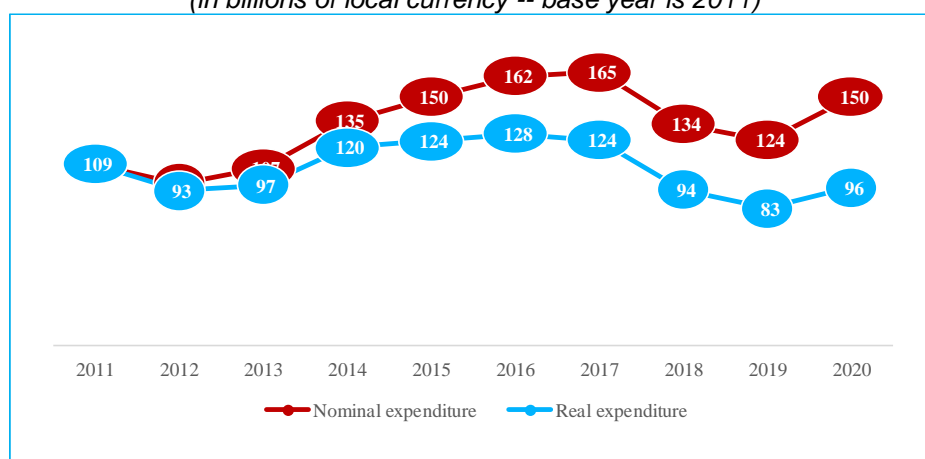


Figure 2.2. Composition of government expenditure, FY2016-20 (as % of total expenditure)

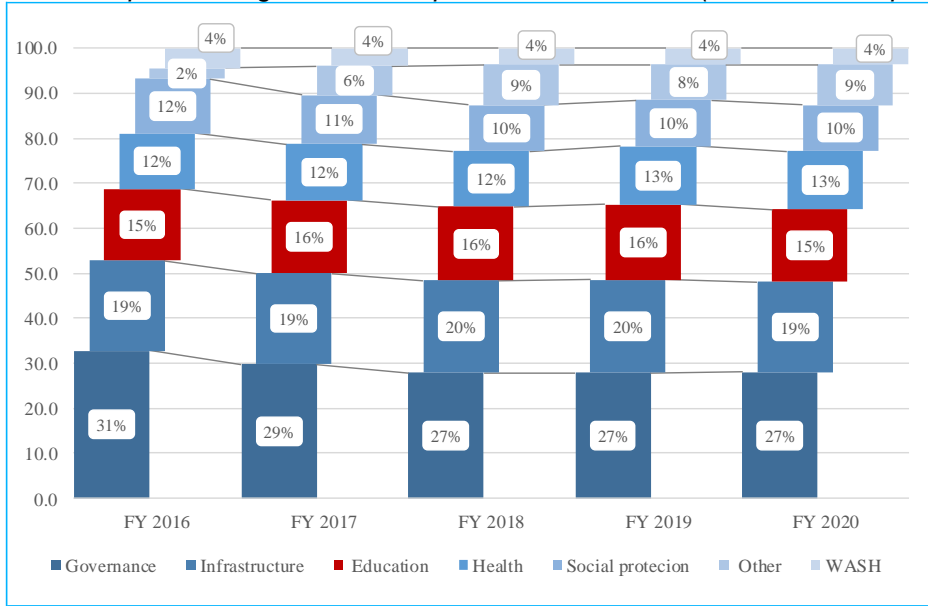


Figure 2.3. Education spending trends and international targets, 2011-20 (as % of the budget and % of GDP)

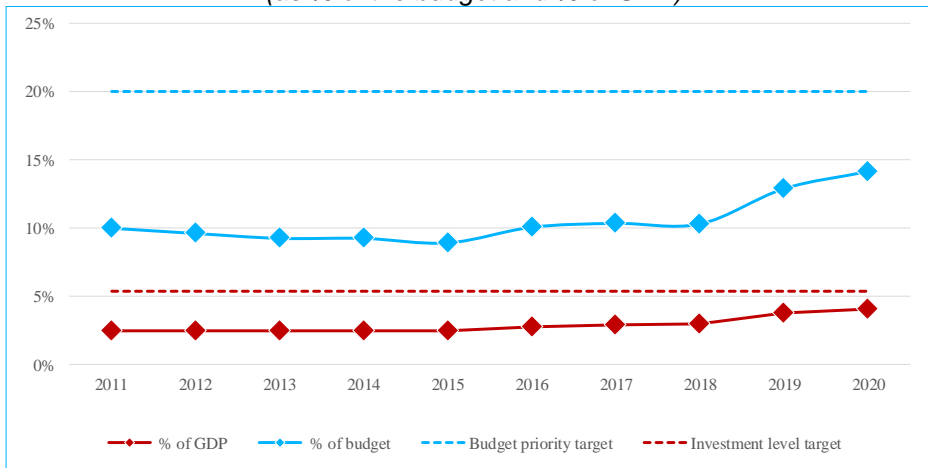
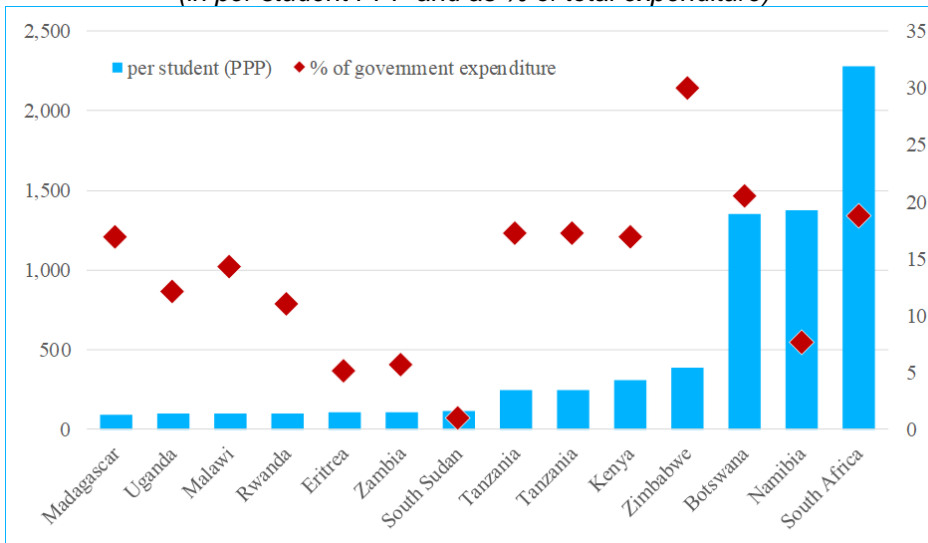


Figure 2.4. Education spending in select countries, latest available (in per student PPP and as % of total expenditure)



Section 3. Composition of Education Spending

Objectives of the section

- Describe the composition of education spending, including by ministries/institutions that deliver educational services for children, by levels of education and by the type of spending (recurrent and capital).

Key considerations

- As in Section 2, total education sector spending should include spending from all funding sources that is reflected on budget.
- Presentation of the budget by economic inputs is useful for budgeting and analytical purposes. Each country may have slightly different accounting standards and classifications. The government's accounting and reporting standards should be adopted for the brief.
- Economic classification is often divided into three categories:
 - *Salaries and wages*: This will normally include all wages, salaries and allowances for civil servants in the education sector, including teaching and non-teaching staff. Leave allowances and social benefits, such as health insurance contributions and pensions, will often be included in this category. The wages of contractors and personnel attached to particular development projects may not be included in this category but rather appear under development or capital spending (below).
 - *Other recurrent costs*: This category is normally a catch all for items that are not related to salaries or major investment projects. This could include items such as teaching and learning materials, utility costs and transportation costs.
 - *Development or capital spending*: Countries often have separate mechanisms and procurement guidelines for managing large projects. To ensure capital or development spending is directed to the most beneficial projects, project proposals will often be examined to assess both their economic return and their alignment to national objectives. To reduce the risk of corruption, development spending will often abide by stricter procurement guidelines. Due to the heavy involvement of donors in ESAR, development or capital spending is often divided into domestically financed and donor or internationally financed. Donor projects may also involve co-contributions from the government resulting in two sources of funding for the same project.
- When looking at recurrent and capital spending (economic classification), certain items (like salaries) can consume an inordinate amount of the education budget. Public Expenditure Reviews (PERs) can help to analyze unjustifiable spending and will be an important information source for this section if one has been produced in recent years. Alternatively, if a PER of the education sector has not been carried out in the past four years, this would serve as a strong recommendation for the brief and action point for the office.
- It is a good idea to compare the recurrent and development budget to relevant performance indicators in the sector, such as the pupil-teacher ratio and/or pupil-classroom ratio. More often than not, where there is little funding allocated to the development budget, the pupil-classroom ratio will far exceed the pupil-teacher ratio.
- Textbooks and learning materials are often neglected in education budgets, with the costs pushed on to households and students.
- This section will offer the opportunity to highlight the likely massive shortfall of investments in early childhood development programs.

- Suggested length for this section: 1-2 pages, including any graphics.

Possible data sources

- Approved national budget, MTEF, audited or preliminary outturns for the past 4 years, approved/draft estimates for the current financial year, outer year projections, budget speech, Government Spending Watch, UNESCO.

Content

- **Ministries/institutions:** Describe the spending trends for each ministry, institution and/or agency that is responsible for providing education services (Ministry of Primary and Secondary Education, Ministry of Tertiary Education, Science and Technology, Ministry of Labour, Universities, Teacher Training Colleges, etc.).
- **Levels of education:** Break down the overall education budget by each level (i.e. early child learning, primary, lower and upper secondary, vocational, tertiary). How does this compare to relevant national targets (if available) or global benchmarks? The latest [Education for All Global Monitoring Report](#) calls for low and lower middle income countries to spend between 15% and 20% of their national budgets on education, which is an indicator of the priority of spending, as well as at least 3.4% of GDP on pre-primary, primary and lower secondary education or 5.4% of GDP across all education levels, which is an indicator of the level of investments. Users are encouraged to use both of these benchmarks for comparative analysis.
- **Programs:** If a program-based budgeting approach has been adopted in the education sector, list the size of the budget for different programs and sub-programs. Note: If there are too many or they are too detailed, you can list the 5-10 most important and merge everything else into an “other” category. Are programs aligned to key priorities? Are increases following policy commitments?
- **Economic classification:** Describe spending trends on wages and salaries (for teachers, administrative staff) and other operational costs (utilities, fuel, trainings, etc.) versus capital spending on new schools or classrooms. Is this the ideal balance given the key constraints in the education sector (i.e. is there a case for shifting spending away from wages to other areas)? Are there any particularly egregious expenditures (e.g. travel, fuel, salaries, allowances), and has any progress been achieved to address them?
- **Key gaps:** Are there key investments mentioned in the education sector plan or strategy that did not make it into the budget, like new textbooks, teaching materials, in-service training?
- **Takeaways:** Using bullet points, summarize key findings and implications on poor households and children.

Examples: Refer to Section 3 of the [Education Sector Budget Brief Template](#), which presents the data requirements for each figure, a short description of how the information should be interpreted, and suggested titles and sources. Some examples are presented below.

Figure 3.1. Education sector spending by institution, FY2015-19
(in billions of local currency and as % of sector budget)

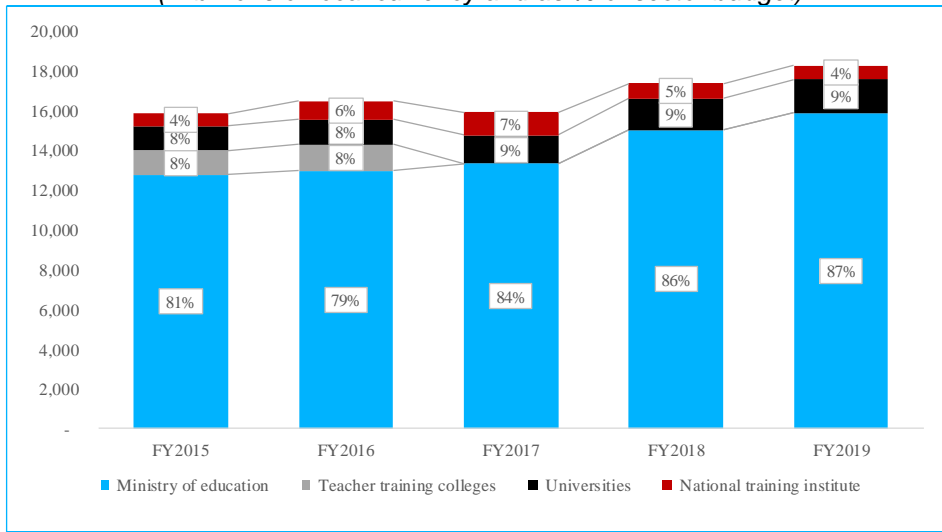


Figure 3.2. Education sector spending by level, FY2015-19
(in billions of local currency and a % of sector budget)

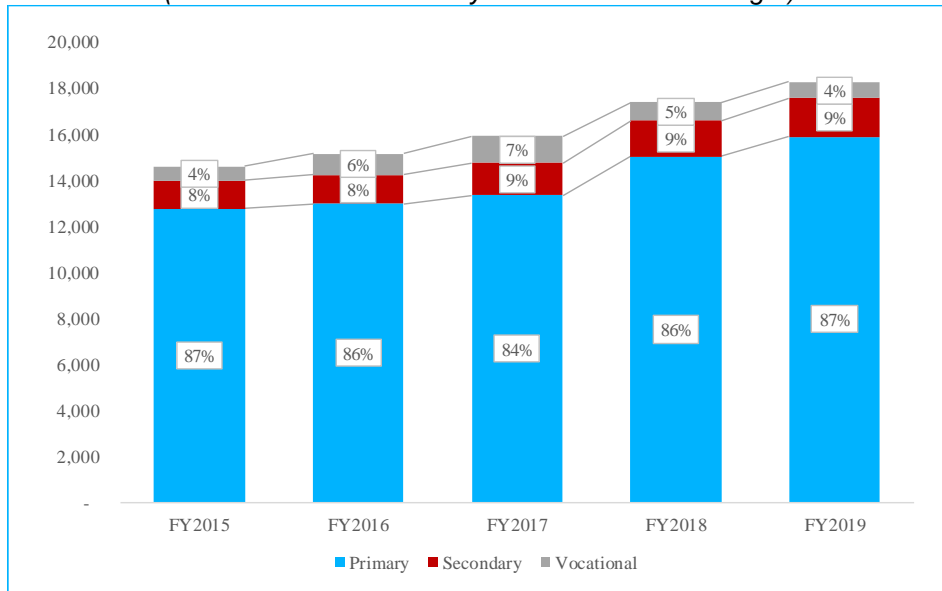


Figure 3.3. Education sector spending by program, FY2015-19
(in billions of local currency and as % of sector budget)

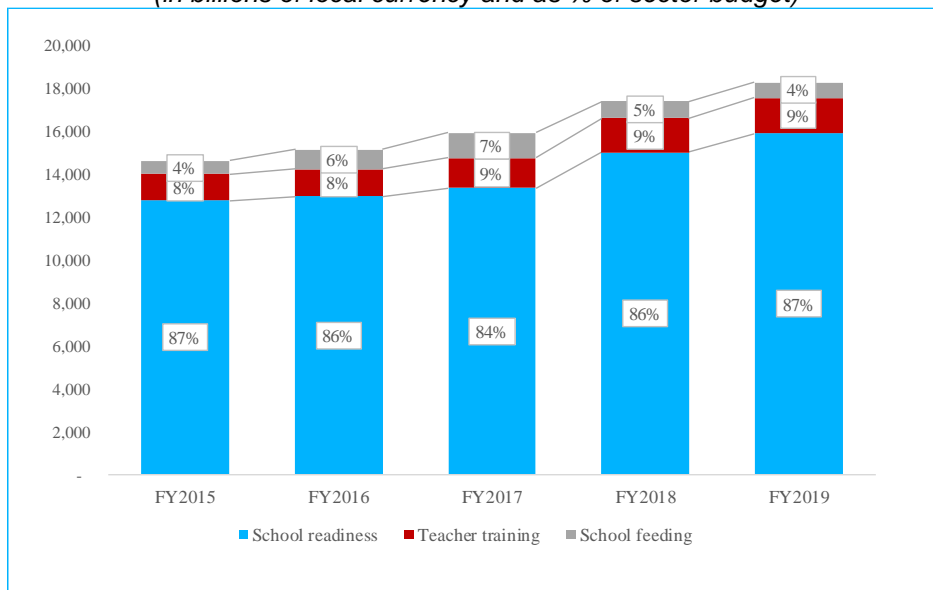
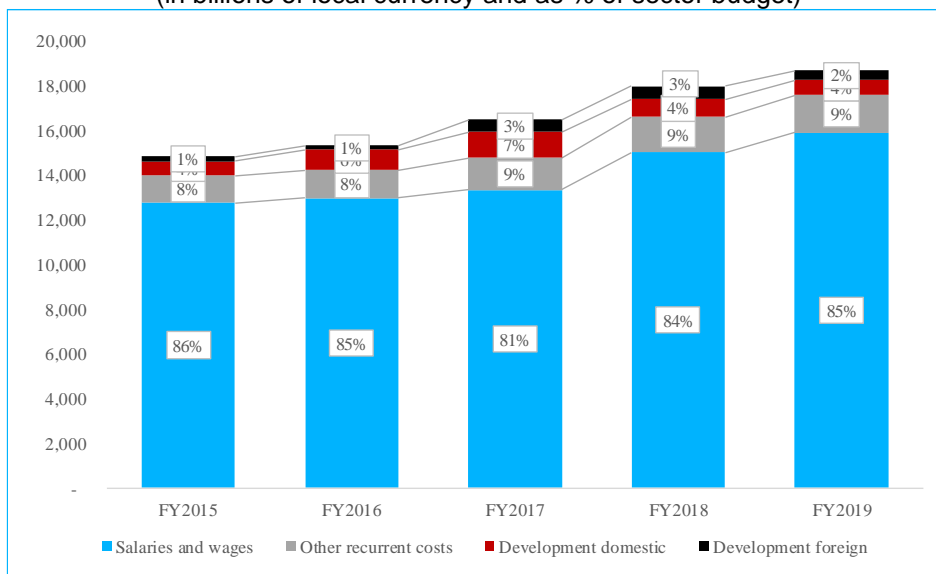


Figure 3.4. Education sector spending by economic classification, FY2015-19
(in billions of local currency and as % of sector budget)



Section 4. Budget Credibility and Execution

Objectives of the section

- Evaluate the credibility of the education sector budget (i.e. the relationship between budget allocations and actual expenditures) and the capacity of implementing agencies to spend available funds.

Key considerations

Budget credibility

- Budget credibility refers to the ability of the government to execute the budget as planned. This can be measured by the deviation between planned and actual spending – in other words, the difference between budget allocations in the education sector (or planned spending), which are approved at the start of the fiscal year, and actual expenditure, which is the total amount spent at the end of the fiscal year.

Budget execution

- Budget execution refers to the implementation of the approved budget. For the education sector, it can be measured by the difference between the total amount of funds released by the Ministry of Finance or Treasury to those ministries that are responsible for delivering education services and the total amount of funds that are actually spent by those ministries at the end of the fiscal year. Budget execution is a key component of budget credibility since unspent funds will affect actual expenditure.
- Budget execution is the processes of releasing funds, recording transactions, operating budget controls, monitoring budget implementation (including any necessary remedial actions), and systems to pay wages, manage contracts, measure performance, supervise, etc. It is often divided into five steps: (i) commitment; (ii) verification; (iii) payment order; (iv) cash payment; and (v) accounts.¹
- There are some general signs that indicate budget execution challenges:
 - *Large variations in planned versus revised and actual expenditures:* Is there an official explanation for the deviation? Is the official explanation reasonable? Could cost overruns have been predicted? Was the initial budget in line with historic trends or was it inflated and optimistic? What is the role of budget planning and approval processes?
 - *Systematic variations:* Does a particular program, activity, public entity or budget classification face revision every year? Is the regularly revised activity open to exchange rate or price volatility? Are revisions specific to one entity, which can be attributed to poor planning? Do specific entities regularly underspend, which can be attributed to a general lack of capacity?
 - *Late release of funding:* When does the Ministry of Finance or Treasury release funding to spending entities? Are funding releases on a monthly or quarterly basis? Are releases made toward the end of the month/quarter? Does the amount of funding released deviate from agreed cash flows.
- Some general causes of poor budget execution include:
 - Poor planning, accounting and cash management practices
 - Macroeconomic adjustments (e.g. result in downward revisions of revenue and hence the resource envelope)

¹ <https://www.imf.org/external/pubs/ft/extend/guide4.htm>

- Frontloading disbursements or uneven disbursements throughout the year
- Inability of the spending agency to utilize budgeted resources due to insufficient human resources, delayed procurement processes, poor planning, technical challenges, etc.
- Report lags from lower levels, which mean that resources may have actually been spent but they have not yet shown up in the official accounting system
- Withholding of funds from the spending agency due to deviations from national budget guidelines (e.g. poor quality of cash flow submissions)

General

- In practice, budgets are rarely implemented exactly as approved. This can be for legitimate reasons, such as adjustments in policies in response to changes in economic conditions, or for systematic issues, like mismanagement, poor planning, unauthorized expenditures, low absorption capacity, fraud, delayed disbursements, etc. This section should aim to identify some of the key issues.
- The mid-year and year-end budget reports will contain official justifications for revising approved expenditures.
- To better understand the extent to which budget credibility and execution challenges may be affecting the education sector in your country, it will be important to quickly review (and cite!) broader PFM diagnostics that have been recently carried out, including Public Expenditure Reviews (PERs) and Public Expenditure Tracking Surveys (PETS), as well as pillars 1-3, 14 and 16 of [Public Expenditure and Financial Accountability](#) (PEFA) Assessments. The PEFA questionnaire, in particular, provides guidance on acceptable levels of deviations from the approved budget. For at least two of three years:

PEFA scoring PI1, PI2	A	B	C
Aggregate expenditure	±5%	±10%	±15%
Expenditure by classification	±5%	±10%	±15%

- What to assess? There are many aspects of budgeting that can be assessed for credibility, including approved and actual estimates according to the administrative, functional, economic and program classifications. Given the multitude of potential analyses, this section should be issue driven, so that it focuses on the specific areas where the greatest deviations are observed. At a minimum, comparisons between the approved budget and budget outturns by administrative and economic classification should be presented.
- It is important to recognize that the education sector is often the largest employer in the country. When budgets are squeezed, wages are often prioritized. In many countries, the sector suffers from chronic deferments of investment in teaching and learning materials and in-service teacher training because of the pressure to maintain salary commitments when revenue projections fall short. It is worth investigating: Are there certain items that face persistent in-year budget cuts?
- Suggested length for this section: 1 page, including any graphics.

Possible data sources

- National in-year and end-year execution/performance reports, sector/MDA budget/performance reports, audit reports, secondary analysis, such as donor reports, Government Spending Watch.

Content

- **Budget credibility:** Describe any major variations between planned and actual spending. This requires comparing budget allocations alongside actual

expenditure for as many years as possible. Data on mid-year revisions should also be presented if available. If you have this data, then you would present three data points for each year: (i) the planned budget (or approved budget or budget allocations) at the start of the fiscal year; (ii) the revised budget (or adjusted budget) at the mid-year review; and (iii) outturn (at the end of the year) or actual expenditure (after spending has been audited and verified). Ideally this analysis can be done for each of the different MDAs that deliver education services as well as according to the economic classification of the education budget. If there are budget credibility concerns relating to the use of funds compared to approved budget plans, there may be value in exploring this data at the economic classification level to explore movements of funds between categories within a sector.

- **Budget execution:** If data allows, compare the funding released by the Ministry of Finance or Treasury to the funding utilized by the different MDAs that deliver education services. As above, it would also be ideal to do this analysis using the economic classification of the education sector budget.
- **Challenges:** Identify any underlying causes of poor budget credibility and execution, including systemic problems and sector-specific issues. Be sure to refer to and cite relevant literature where applicable. By comparing a MDA's budget outturn to the approved budget, a number of issues can be investigated. How does the MDA's budget execution compare to the national execution average? Was funding released from the Ministry of Finance or Treasury, but the MDA was unable to spend all of the available funding before the end of the fiscal year? Is this due to late disbursements or poor-planning? Is there a pattern of particular items being deprioritized (underspent) during the year?
- **Takeaways:** Using bullet points, summarize key findings and implications on poor households and children.

Examples: Refer to Section 4 of the [Education Sector Budget Brief Template](#), which presents the data requirements for each figure, a short description of how the information should be interpreted, and suggested titles and sources. Some examples are presented below.

Figure 4.1. Budget credibility rates in select institutions, FY2015-18
(deviation from amount approved as %)

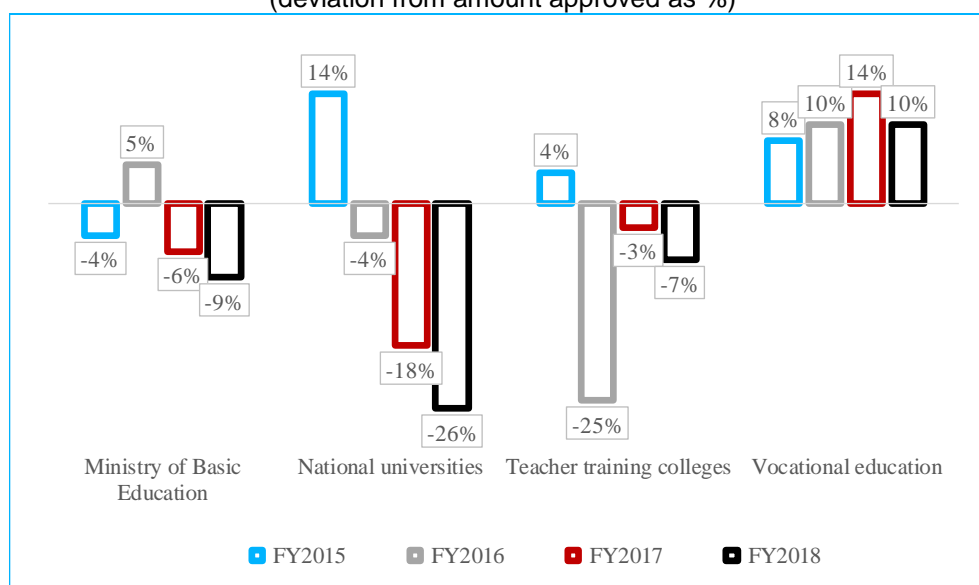
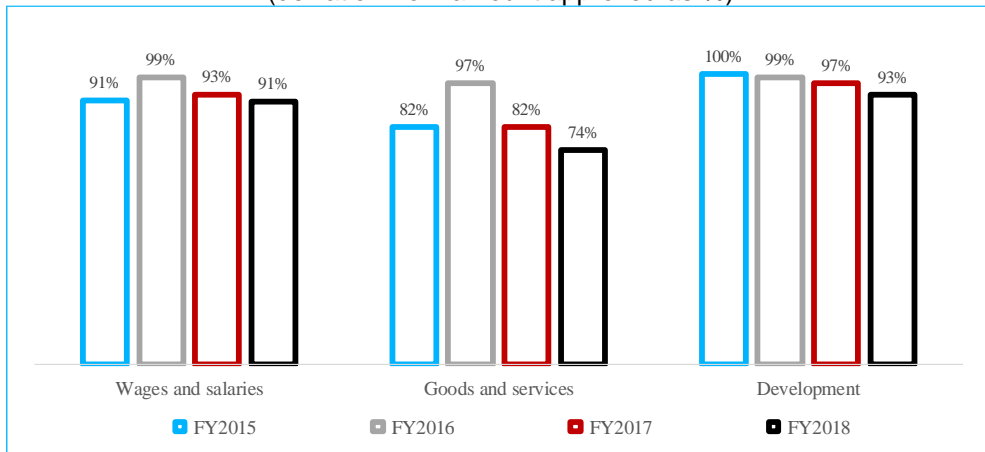


Figure 4.2. Budget execution rates by economic classification, FY2014-18
(deviation from amount approved as %)



Section 5. Decentralization and Education Spending

Objectives of the section

- Understand how decentralization in the education sector contributes to equitable spending across different geographical units of the country.

Key considerations

- This section is optional and should only be developed if: (i) the education sector is heavily decentralized or currently going through decentralization reforms; and (ii) sub-national budget information for the education sector is available. If you are in a decentralized context and there are no data, a key message should be for the PFM system to generate disaggregated budget information which underpins equity analysis.
- Decentralized funding can be distributed to sub-national entities directly from the Ministry of Finance or Treasury or be channeled through a central institution – e.g. Ministry of Decentralization, Ministry of Territorial Administration, Ministry of Interior, Local Government Finance Agency, Grants Commission – which will also establish reporting and accounting practices. The national institution responsible for sub-national financing is likely to have the latest and most detailed information on budgets and performance indicators.
- Under a devolution model where powers are transferred to the sub-national level (see Box 5 for more information), the Ministry of Education may have sub-national offices that receive the funding from the central level. In this case, the Ministry of Education will keep financial records.
- The primary structures used to finance sub-national governments – grants and formulas – need constant monitoring and revision to ensure that they are equitable and efficient. For example, it would be worth investigating how active the lead MDA for education has been in monitoring and revising the sub-national financing structure, including for capitation grants.
- Especially where decentralization is new or still an ongoing process, sub-national financing guidelines may not be strictly followed. If you have access to the financing formula and actual sub-national allocations, you can assess how closely the government has followed its financing guidelines, which can be a simple yet powerful analysis.
- Sub-national governments that closely adhere to national budgeting and accounting guidelines are more transparent and vice versa. Similarly, connecting sub-national governments to the national integrated financial management information system (IFMIS) can significantly boost transparency and accountability, while connecting lower-level education administrative units to the Education Management Information System (EMIS) can improve the quality and timeliness of performance reporting. If relevant, you can consider these issues among the recommendations.
- Suggested length for this section: 0.5-1.5 pages, including any graphics.

Possible data sources

- Decentralization master plan, transfers to sub-national governments, consolidated sub-national budgets.

Content

- **Decentralization context:** Discuss the functions that have been decentralized in the education sector and the degree to which the budget has been accordingly decentralized.
- **Sub-national or school funding guidelines:** Describe how funding is distributed to different regions (through a formula, grants or a combination of both) and the implications on the equity of spending. Are horizontal transfers to sub-national governments governed by a transparent, rule-based system? The PEFA guidelines (PI-7) detail issues related to horizontal government transfers.
- **Sub-national spending trends:** Explore recent changes in the education budget for sub-national entities and the composition of budgets – e.g. by comparing the % of total spending at national and sub-national levels. Is there more spending at the district level than the provincial or central levels? If so, account for the differences (e.g. teacher salaries and school grants are paid at the district level while classroom construction/renovation and school materials are paid at the provincial level) and discuss the impacts on the quality and equity of education services.
- **Spending disparities based on regions:** If you are not going to develop a standalone section on equity (see next section), then you can also include analysis of regional spending disparities here. If there are data on per pupil spending by a regional unit (provinces, districts, communities, etc.) and/or schools, compare total funding levels. One good method is to present the per pupil spending values on a bar chart that orders the units from lowest to highest; this illustration can make a convincing case on the need for increasing or reallocating resources to deprived regions or schools, if required.
- **Takeaways:** Using bullet points, summarize key findings and implications on poor households and children.

Examples: Refer to Section 5 of the [Education Sector Budget Brief Template](#)

Box 5. Key definitions

Decentralization: The transfer of responsibility and authority for planning, management, fundraising, resource allocation and other functions from a central government and its agencies to: (i) levels of local government; (ii) semi-autonomous public authorities or corporations; (iii) nongovernmental and voluntary organizations; and/or (iv) field units of central government ministries or agencies.

There are three different types of decentralization:

1. **Devolution:** The transfer of authority and responsibility for public functions to levels of (elected) local government. In devolution, local governments are considered autonomous and independent, operating within the bounds of the national legislative framework. However, in most cases, central oversight and control persist in various forms, including funding conditionalities. Devolution is strongly associated with political decentralization.
2. **Delegation:** The transfer of responsibility for public functions to semiautonomous public authorities or corporations (e.g. public housing corporations) and/or non-governmental and voluntary organizations. In delegation, the central government exercises its control through a contractual relationship that enforces accountability from the receiving authority. However, through this contractual arrangement, delegation also allows for some autonomy in decision-making, albeit less than devolution.
3. **Deconcentration:** The transfer of responsibility for public functions from the central government to field units of central government ministries or agencies (e.g. district water department or provincial water department). It is a shifting of the workload from centrally

located officials to staff or offices outside of the national capital. Under deconcentration, the central government retains authority over the field office and exercises that authority through the hierarchical channels of the central government bureaucracy.

Source: de Wijn, M. (2016) [Global Stocktake of UNICEF Engagement in Decentralization and Local Governance, 2011-15](#), New York: UNICEF.

Examples: Refer to Section 5 of the [Education Sector Budget Brief Template](#), which presents the data requirements for each figure, a short description of how the information should be interpreted, and suggested titles and sources. Some examples are presented below.

Figure 5.1. National and sub-national spending trends on the education sector FY2015-19 (in billions of local currency and as % of total)

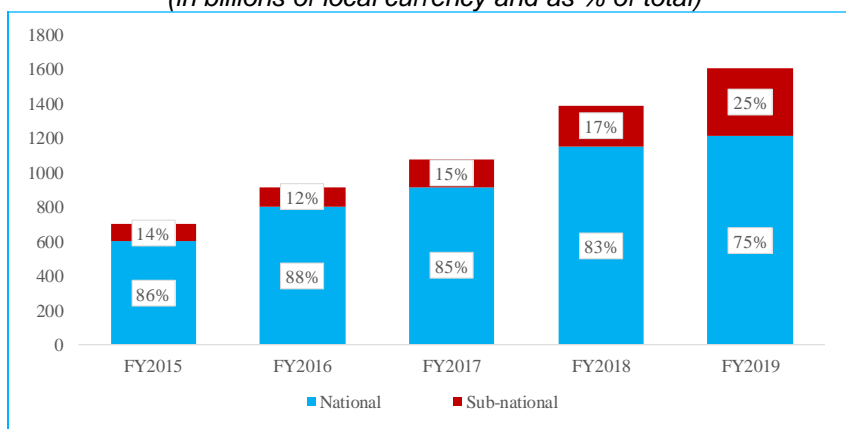
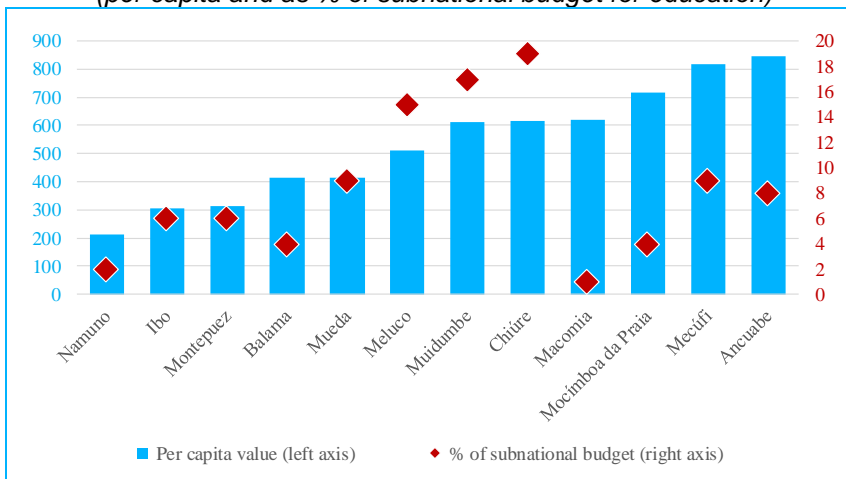


Figure 5.2. Education sector spending by district, latest available (per capita and as % of subnational budget for education)



Section 6. Equity of Education Spending

Objectives of the section

- Understand whether education spending is prioritizing the most disadvantaged students and delivering results for all students.

Key considerations

- This section is optional; it can only be developed if there is disaggregated data on education budgets and education performance and outcome data. Also, if your country is heavily decentralized, analyses of territorial equity of allocations or expenditure could be included in Section 5 (on decentralization), which would allow this section to be dropped.
- Understanding the equity of spending underpins UNICEF's core mandate to focus on and advocate for the most vulnerable households and children.
- The allocation of budgets to the education sector is considered inequitable if an advantaged (better off) group consumes a greater share of the resources. In contrast, equitable budget allocation is when the distribution of public resources compensates the initial disadvantages of groups considered to be disfavored, through an allocation of resources that is proportionally greater than the group's weight in the total population.
- There are two approaches to understand the distributive and structural dimensions of equity in the allocation of public resources to the education sector:
 - *Analysis of the distribution of resources by regions:* From an equity perspective, the most disadvantaged regions in terms of education indicators and more broadly, living standards, are expected to receive at least the same amount of resources as those received by better-performing regions.
 - *Analysis of the distribution of resources by individuals or groups:* Students from low income households tend to have less years of education than students from wealthier households. This situation largely reflects different opportunity costs (the weight of the benefits received from an additional year of schooling versus entering the labour market) as well as the impact of initial disadvantages (students from poorer households are less likely to benefit from enabling factors, which could range from things like good nutritional intake to receiving after school help with homework). As schooling levels increase (from primary to tertiary), the benefit of public investments generally accrue to students from better off households. To gauge the degree to which this is characteristic of your country context, analyze the incidence of education spending on students of different income levels (e.g. by deciles or quintiles).
- Data permitting, more sophisticated analyses using spending patterns and education performance indicators, like test scores, literacy rates or graduation rates, can shed deeper insights on the equity of spending and results.
- Exercise caution when making recommendations regarding reallocations to poorer or lower performing regions. Sub-national allocations may only impact recurrent spending, which will not have a major impact on issues like increasing the number of classrooms to improve access; off-budget funds may also be significant and distort the funding picture. It will be important to understand whether poor education results are driven by a lack of funding or other performance factors, like teacher absenteeism, low teacher training, low motivation, etc.
- Simple performance analyses may help identify good performers or outliers which could trigger additional studies and potentially find better ways of maximizing the impact of education budgets.

- Suggested length for this section: 0.5 page with graphics if including one analysis and up to 1.5 pages if including two or more analyses.

Possible data sources

- Sub-national/school financing formulas/capitation grants, decentralization master plan, transfers to sub-national governments, consolidated sub-national budgets, annual education sector performance reporting (e.g. enrollment rates, pupil-teacher ratios, exam scores), benefit incidence analyses.

Content

- **Spending disparities by regions:** Make comparisons of per pupil spending on education by region, district, etc. (the lower the level the better). Based on data availability, this analysis could be carried out for different levels of the education system (pre-primary, primary, etc.). Which regions, districts, etc. receive the lowest amount of funding once factoring in the size of the population, and is there a case for reallocating funding?
- **Spending disparities by income:** To take the regional analysis one step further, if there is data on poverty rates (or income levels) and per pupil spending on education by region, district, etc. or by school, showing the relationship between these variables can be powerful. Are poorer regions, districts, etc. receiving at least the same funding levels as wealthier ones? If there is household data available, it might also be possible to conduct benefit incidence analysis to assess how education investments affect different population groups based on their income.
- **Spending disparities by results:** To gain insights on the relationship between resources and results, another compelling illustration can be developed if there is data on both spending and performance indicators at the school level. This would involve a scatter plot that places per pupil spending on the x-axis alongside a performance indicator on the y-axis, such as those presented earlier in Box 3. In addition to distinguishing between good and bad performers, this can help to identify cases of “positive deviance,” whereby a small number of schools located in different areas of the country achieve impressive performance while using relatively fewer resources than most others. Although this would fall beyond the boundaries of a budget brief, this initial analysis could trigger follow up activities, including in-depth case studies based on field visits, interviews and deeper analysis of data, which could potentially reveal certain practices/standards/behaviors that lead to strong performance; these could be documented and then tested elsewhere.
- **Causes:** If severe spending disparities are identified based on any of the above analyses, it will be important to look at the underlying financing mechanisms, like per capita financing, capitation grants, the inter-governmental fiscal transfer formula, etc., as well as other drivers that favor certain regions or groups over others, such as household income, ethnicity, political economy dynamics, the presence of natural resources, geography (e.g. located close to major lakes or rivers), etc.
- **Takeaways:** Using bullet points, summarize key findings and implications on poor households and children.

Examples: Refer to Section 6 of the [Education Sector Budget Brief Template](#), which presents the data requirements for each figure, a short description of how the information should be interpreted, and suggested titles and sources. Some examples are presented below.

Figure 6.1. Per pupil education spending and poverty rates by districts, latest available

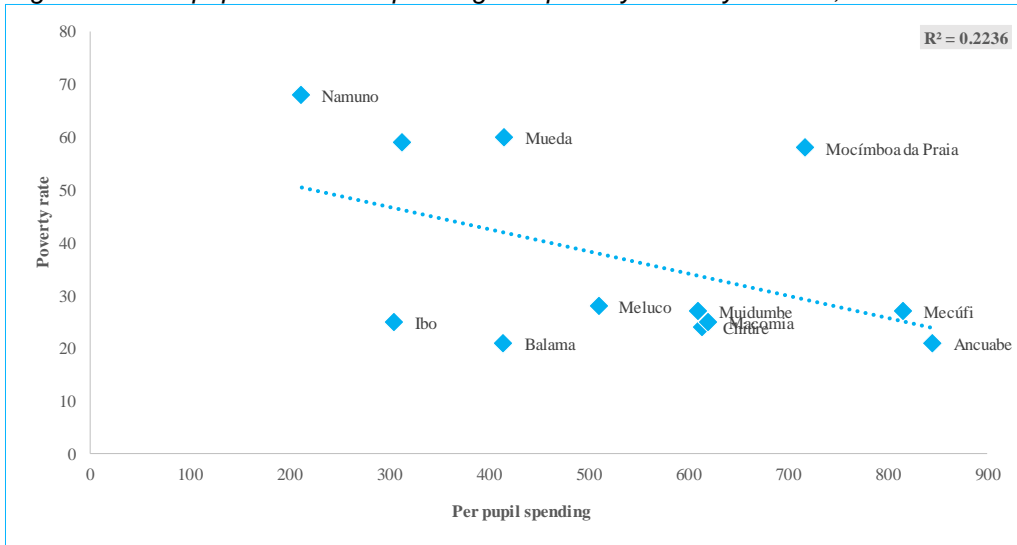
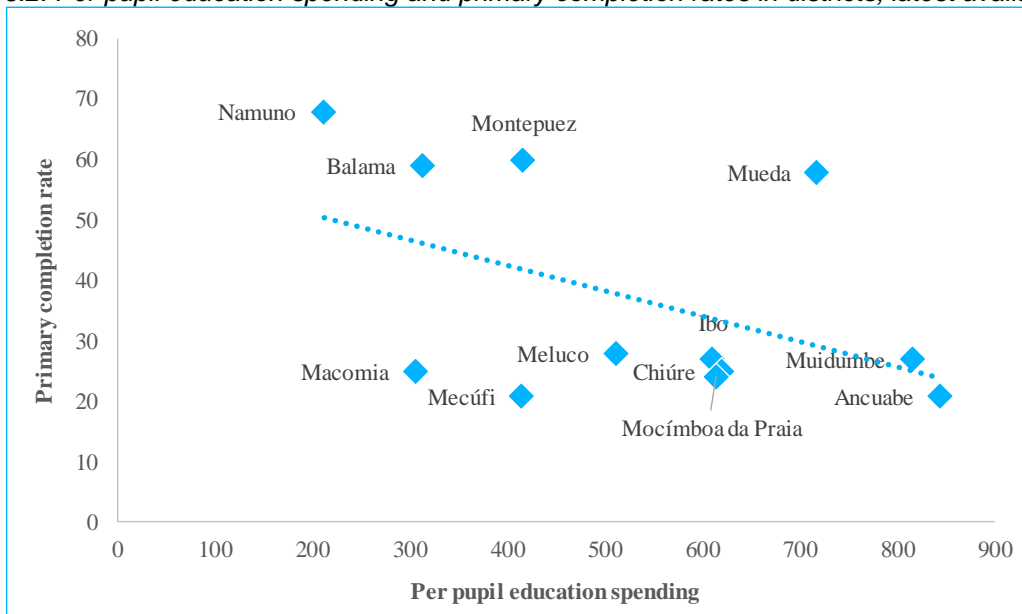


Figure 6.2. Per pupil education spending and primary completion rates in districts, latest available



Section 7. Financing the Education Sector

Objectives of the section

- Understand the main sources of financing for the education sector and identify potential vulnerabilities as well as opportunities for sustaining investments in the sector.

Key considerations

- The composition of overall financing to the sector can reveal issues of sustainability and equity.
- Education services can be financed through a mix of national and sub-national government revenue, donor funds, household funding as well as the private sector (e.g. private education service providers).
- The contribution of development partners to education is limited to the financing of investment expenditure in most countries.
- Although international aid data used to be widely disbursed, the growth of sector program support (especially through budget support which is directed to specific ministries or spending items) has increasingly led to allocations that appear on the budgets of recipient ministries (known as “on budget”). If there is significant donor support that is not recorded on budget (i.e. it is channeled directly through a parallel service delivery system), this should be considered as a key recommendation in the budget brief.
- If there are difficulties obtaining data on foreign aid from the government, donor support to a country by specific sectors is recorded in the [OECD-Development Assistance Committee Creditor Reporting System](#), which can be used to fill any information gaps.
- Donor support is more effective if national systems are utilized and reported in the national budget. Among others, this can help ensure more predictable disbursements, avoid duplication of services or activities, and strengthen domestic planning and budgeting processes. If donor funding is unpredictable or erratic, this can also be a key recommendation.
- One of the most critical issues for UNICEF’s equity mandate is user fees, whether formal or informal. Being forced to pay out-of-pocket expenditures to attend school erodes the already limited disposable incomes of the most vulnerable households – in the best case scenario – or keeps children out of school – in the worst case scenario. As a result, it is imperative that the budget brief captures any available information on the size and scope of user fees and their role in limiting access to quality learning.
- At the same time, it is important to recognize that user fees exist for many reasons, including the inability of public funds to cover the cost of providing quality education services. If this is a major issue in your country, then removing user fees could feature among the main recommendations, but with the caveat that the government is able to increase both spending and the performance of the education sector so that fees do not show up in other ways. If the education sector is inefficient and beyond immediate improvement, another possible recommendation could be to increase social protection support to help families covering existing school fees.
- Another important consideration is the role of private education services, whereby families pay fees to attend privately owned and operated institutions (whether subsidized or not). This will be especially important to cover in countries with large income disparities and overall low-quality schools.

- If your country office has recently conducted a fiscal space analysis, this section offers an opportunity to present some of the headline options that could be used to scale up spending on education. Even if there has not been a recent fiscal space study, the option that could be the most effective for advocacy is how to maximize the impact of current education budgets (i.e. doing more with the same amount of resources). This information will be readily available if there is a recent PER or PETS. If not, there are a number of inefficiency indicators to look for from general education studies. Note that these issues could also be addressed in the final section of the brief (Section 8. Other Sector Issues and Reforms):
 - *Personnel*: High rates of teacher absenteeism, “ghost” teachers, poorly trained or poorly motivated teachers or administrative staff, high vacancy rates or high turnover rates for certain positions, high per pupil costs in general or wide variances across different regions.
 - *Goods and equipment*: Paying above market prices or not using generic brands (e.g. for buses, computers, printers, pencils, paper, laboratory equipment), oversupply or overuse of goods (e.g. of didactic materials) or supply bottlenecks (e.g. text books are produced and the government pays to store them in a warehouse since it does not have capacity to deliver them to all schools, forcing out of pocket expenditures to purchase books or photocopies or going without).
 - *Infrastructure*: Underuse or overuse of classrooms or learning facilities.
- Suggested length for this section: 1-1.5 pages, including any graphics.

Possible data sources

- National budget, consolidated sub-national budget, education sector performance reports, education sector strategic plan monitoring and reporting, donor reports, global databases (UNESCO, World Bank), Government Spending Watch, OECD-DAC, fiscal space analyses.

Content

- **Financing snapshot**: This section should start by presenting a high-level picture of the main financing sources of the education sector over time, e.g. government revenue (both sub-national and national, if relevant), foreign aid and the private sector. The remainder of this section then allows for specific breakdown and analysis of each general category.
- **Government revenue**: Identify if there are any specific sources used to finance the education sector (earmarked funds), including the role of local revenue in financing education (e.g. property taxes) and/or domestic or foreign borrowing, if applicable.
- **Foreign aid**: Analyze the role of donor contributions if they play a significant role in financing education services in your country. This should describe the total contribution of donors to education as % of the total education budget, including the implications of growing or declining support, as well as the different funding modalities used (budget support, SWAp, donor pooling, etc.). It should also mention whether donor support is recorded on budget. Other questions to consider: Does the government have an aid management platform or similar reporting framework? Is donor reporting up to date? Is donor funding stable and predictable?
- **Private funding**: Discuss recent trends in out-of-pocket expenditures (formal and informal) used to pay for public education services. If there is a growing or vibrant system of private (for profit) education providers, discuss the size relative to the public system and the equity implications, especially around learning.

- **Additional financing options:** Discuss feasible options for increasing investments in the education sector, paying special attention to the potential for improving the efficiency of existing resources (e.g. how much money could be freed up by eliminating ghost teachers?).
- **Takeaways:** Using bullet points, summarize key findings and implications on poor households and children.

Examples: Refer to Section 7 of the [Education Sector Budget Brief Template](#), which presents the data requirements for each figure, a short description of how the information should be interpreted, and suggested titles and sources. Some examples are presented below.

Figure 7.1. Main sources of financing the education sector, 2017-19 average (as % of total)

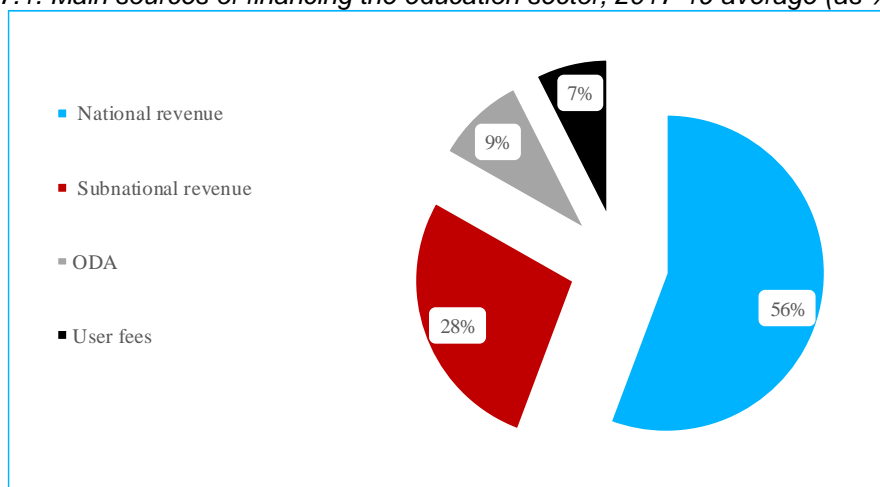


Figure 7.2. Main sources of financing the education sector, FY2015-19 (in billions of local currency and as % of total)

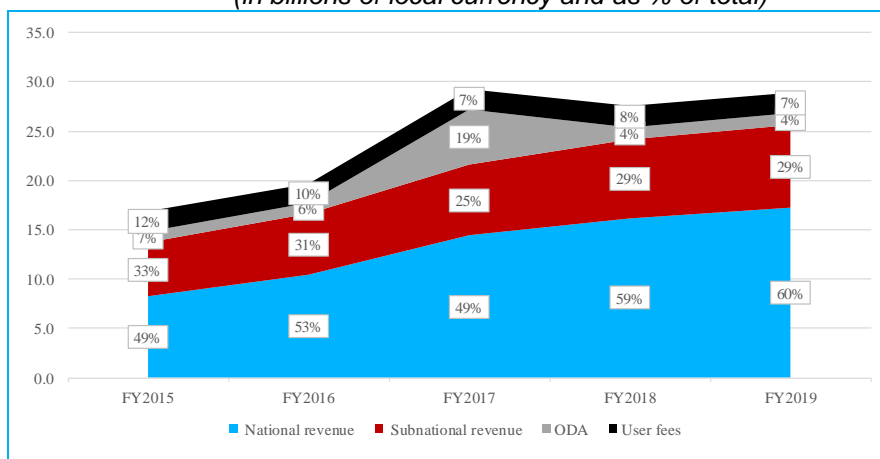


Figure 7.3. Donor funding by DAC and non-DAC members, 2017-19 average (as % of total)

<u>DAC</u>			<u>Non-DAC</u>		
DFID	UN	World Bank	China	India	
EU		Other	SIDA	EXIM Bank	Saudi Fund
				BADEA	

Section 8. Other Sector Issues and Reforms

Objectives of the section

- This section provides a space to highlight any other important issues and reforms that impact education sector budgets that have not been discussed earlier in the brief.

Key Considerations

- Policy changes can oftentimes have more impact on education outcomes than a large change in budget allocations.
- Policy changes also have budget implications. New policies might be pursued without increasing the sector budget. In fact, there is often a lack of coherence between education policy and plans and budget allocation, and this section should highlight any relevant examples (e.g. how the budget can be more responsive to existing frameworks).
- This section can also be used to highlight pertinent research that can help make the case for increasing budget allocations, such as costing exercises or a cost of inaction of study, or improving the use of existing budgets, such as through poorly designed targeting policies.
- Suggested length for this section: 0.5-1.5 pages, including any graphics.

Possible data sources

- Sector policy documents, SWAp/donor reports, sector reform plan, national reform agenda, PERs, PETS, costing exercises, investment cases.

Content

- **Policy issues:** Examples of types of issues that can be discussed include:
 - Summarizing other pieces of relevant research, including costing exercises, cost of inaction studies, cost-benefit analyses, etc.
 - Comparing the cost of the removal of school fees to the total education budget
 - Relating inadequate classrooms/teaching and learning materials to development/operational spending
 - Reviewing proposed policies against likely budget realities in the MTEF for the education sector
 - Reviewing specific policies or practices, including:
 - Teacher recruitment and retention, including salaries
 - Double shifting
 - Teacher training
 - Textbooks/learning materials
 - School grants
 - School fees
 - Pupil teacher or pupil classroom ratios
 - Gender balance
 - Enrolment of students with disabilities
 - etc.
- **Takeaways:** Using bullet points, summarize key findings and implications on poor households and children.

ANNEX 1. SAMPLE OUTLINE

Key Messages and Recommendations

- List in order of priority

Section 1. Introduction

- Education sector overview
- Main documents and targets
- Sector performance
- Takeaways

Section 2. Education Spending Trends

- Size of spending
- Spending changes
- The priority of education
- Spending against commitments
- Spending against other countries
- Takeaways

Section 3. Composition of Education Spending

- Ministries/institutions
- Levels
- Programs
- Recurrent and capital spending
- Takeaways

Section 4. Budget Credibility and Execution

- Budget credibility
- Budget execution
- Challenges
- Takeaways

Section 5. Decentralization and Education Spending

- Decentralization context
- Sub-national funding guidelines
- Sub-national spending trends
- Spending disparities based on regions
- Takeaways

Section 6. Equity of Education Spending

- Spending disparities by regions
- Spending disparities by income
- Spending disparities by results
- Causes
- Takeaways

Section 7. Financing the Education Sector

- Financing snapshot
- Government revenue
- Foreign aid
- Private funding
- Additional financing options
- Takeaways

Section 8. Other Sector Issues and Reforms

- Issue 1...