

Comprehensive Evaluation of the Universal Primary Education (UPE) Programme

Theme: "Financing and Costing of UPE"

Abstract

With the introduction of UPE in 1997, Government committed to providing the basic facilities and resources to enable every child enter and complete primary school. The Government commitments included: (i) payment of school fees; (ii) provision of instructional materials in the form of text books; (iii) construction of basic physical facilities in form of classrooms, laboratories, libraries and teachers' houses; (iv) payment of teachers' salaries and; (v) training of teachers. This specific policy brief presents insightful findings and recommendations on the Financing and Costing of UPE; one of the six thematic areas of the independent comprehensive evaluation of the Universal Primary Education (UPE) Policy, undertaken by the National Planning Authority. The over-arching findings show that the UPE policy has been pro-poor, making education affordable to the poorer households, nonetheless, financing of the UPE policy remains a critical challenge. While public expenditure allocations to UPE have been increasing in nominal terms over the years, it has not kept pace with the government commitment, the ever increasing cost of living and enrolments due to the growing school-age population among other factors. This has pushed up the household expenditure on primary education to about 57% of the total household education expenditure, hence making it a challenge for especially poor households to meet their children's school costs. It is hence recommended that in order to improve the benefits of UPE, the capitation formula should be revised, to enable schools cope with the demands of providing quality primary education as committed by government.

Introduction

The implementation of UPE resulted into increased access, as enrolment doubled between 1995 and 1997 (from 2.6 million to 5.3 million). After 1997, enrolment continued to rise steadily and reached a level of 7.6 million in 2003 and 8.7 million in 2017. As a result, spending on education as a total share of government expenditures rose from an average of 20.2 percent of the budget in the three fiscal years preceding the UPE announcement, to an average of 26.3 percent in the three years following the announcement with, an increasingly large share of the education budget devoted to primary education (averaging 65 percent). However, the dramatic increase in primary school enrolment saw the emergence of a number of challenges including shortage of teachers, instructional materials and classrooms.

This evaluation therefore, sought to find out whether the resources are adequate for realization of the UPE objectives, specifically objective 1 - provision of facilities and resources to enable every child to enter school and objective 2 - making education equitable in order to eliminate disparities and inequalities.

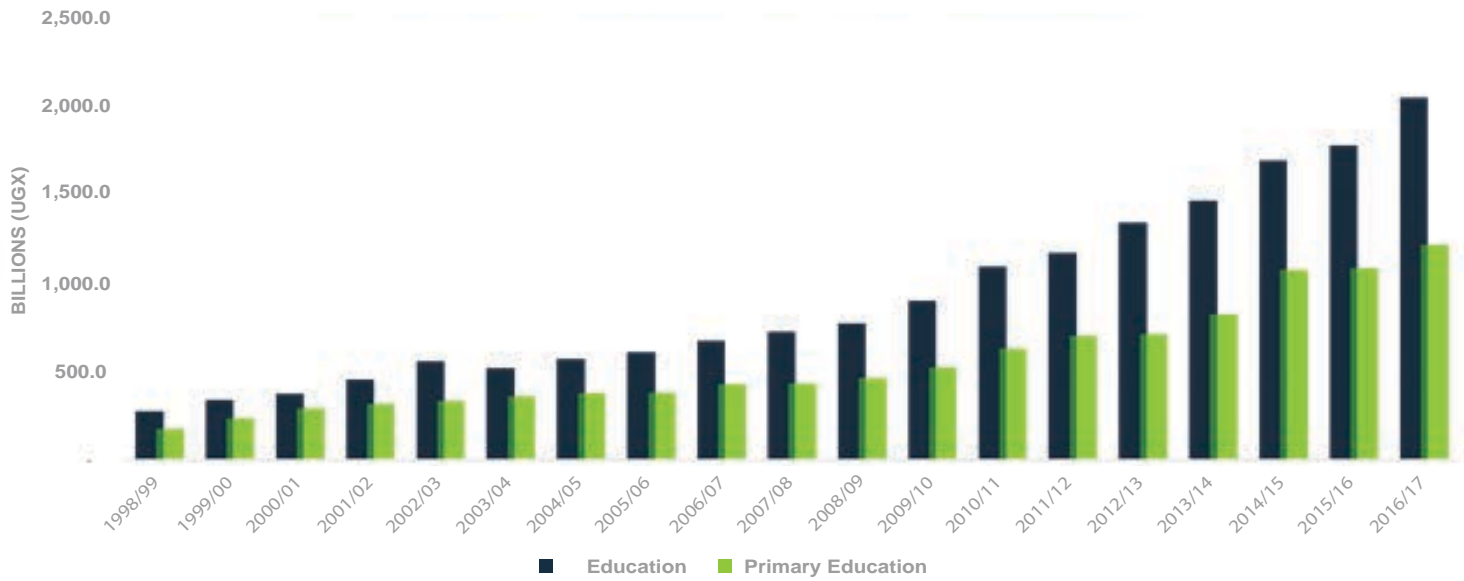
The findings are based on mixed approaches, entailing analysis of both quantitative (secondary and primary) and qualitative data sourced from: UNHS, EMIS, UNEB, NAPE, MTEF, World Bank, UNESCO (UNESCO's Education Policy and strategy simulation (EPSSim)), and an NPA Survey among others.

Key Findings

Public Financing

1. **Overall, the Budget for Primary Education has been credible since it is protected from public budget cuts.** The approved budget is effectively released to execute the intended programs.
2. **In as much as public expenditure on education has grown in nominal terms, as a percentage of the national budget, it has either been declining or stagnant since 2001/2 when it peaked at 22%.** Amidst pressure from

Share of Primary Education Budget to Total Education budget



increasing enrolment, the primary education budget as a percentage of the total education budget has stagnated at about 59% (2016/17) compared to 69.7% in 1999/2000.

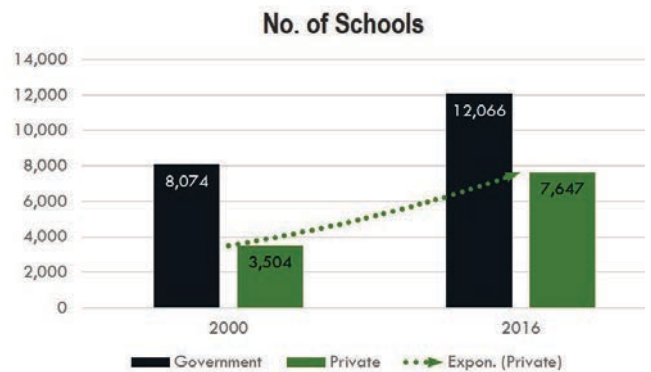
- The unit UPE capitation grant of UGX10,000 is far below the estimated threshold of UGX59,000 to deliver meaningful equitable education results.** Over the last 20 years, unit capitation grant, has stagnated between UGX5,737 and UGX10,000. The capitation grant formula is biased towards high enrolments and not towards providing the minimum requirements that enable equitable access to quality education. Additionally, the allocation formula is tilted towards reducing the variable grant component, other factors constant; and encourages more enrolment at the expense of quality learning. Also, the capitation formula does not consider: inflation; changes in the purchasing power; special needs; and disparities in administrative costs between running rural and urban schools.
- There exists both allocative and technical inefficiencies.** Whereas primary education recurrent expenditure increased marginally from an average of 83% in the 1990s to 84% between FY1997/98 and FY2017/18, Teachers' wages account for the largest share (83%). Non-wage costs, which are critical for effective teaching and learning, have not kept pace with the growth of pupil enrolment. In 1998/99, non-wage recurrent expenditure reached 36% of total recurrent expenditure but has declined steadily over the UPE period. This implies low commitment to pedagogical activities including; operation and maintenance expenses, expenditure on textbooks and other teaching and learning materials.
- Primary education development expenditure has not grown to the level required to provide adequate facilities to enable quality teaching and learning.** The School Facilitation Grant (SFG), which takes the largest share of the development expenditure of primary education, increased consistently from 30 percent in 1998/99 to over 40 percent

in 2014/15, before falling below 30 percent in the subsequent years. Expenditure on instructional materials increased from 5 percent in 1998/99 to 13 percent in 2004/05, before being cut-off. Expenditure on teacher development has declined from 43 percent in 1998/99 to 27 percent in 2016/17.

- Regarding the SFG, the number of primary schools increased by 31.6% within just 3 years of UPE** from 8,531 schools in 1996 to 12,480 in 2000 and this growth has persisted hitherto. As a result, the pupil to classroom ratio has significantly declined from 110 in 2000 to 56 in 2016. On average, 84% of the school-going children live within a 3Km radius from the schools they attend.

Private Financing (or Private Education Spending)

- UPE has had a great impact on private sector investment in education.** There has been a 54.2% increase in private schools from 3,504 in 2000 to 7,647 in 2016, compared to 33.1% for Government owned schools.



- Contrary to the UPE policy of free primary education, expenditure on school fees for primary education takes the largest share of household expenditure on education.**

In addition to school fees, parents pay for over a variety of school items for their children to go to school, including scholastic materials (27.7 percent) and school feeding (19.5 percent). Other physical school requirements include: brooms, toilet papers, building materials and sanitary pads. These extra requirements increase the cost of education to households devastating access to education.

9. **Indirect costs of accessing primary education remain high albeit government abolishing fees.** Household expenditure on education as a percentage of GDP stood at 3.6 percent in 2013/14. Spending on education by the poorest 20% of households grew by 11% over the last 15 years. Poor households are increasingly finding it difficult to meet their children's scholastic and non-scholastic materials such stationery, meals, building materials and uniforms. This partly explains the 12% of the school-age children that are currently out of school.
10. **Overall, the UPE policy has been pro-poor, with expenditure on UPE benefiting more poor households than the rich.** The policy has a major redistribution impact on government educational resources, making the poorer households benefit to a larger extent than the wealthier households. For example, average Government spending on primary education for the poorest quantile increased from 24% in 2002/03 to 30% in 2016/17, compared to a decline for the rich from 13% to 9%.
11. **UPE has been a great success in ensuring inclusiveness of all pupils into the education systems, regardless of gender, income and other capabilities.** Since 1997, the gender gap in accessing education has been closed. Further, there has been increased access to primary education for all, irrespective of capabilities. Government has continued with affirmative action to address special needs of children with disabilities.
12. **The growing school-age population is a challenge for financing of the primary education sub-sector.** Uganda's rapid population growth, young age structure and consequent high child dependency burden pose a financing challenge to the primary sector. Public spending on education has grown significantly over the last 15 years, albeit at a slower rate than GDP; public education spending was 2.1% of GDP in 2013/14, compared to 4.0% of GDP a decade earlier. In general, public education spending has barely kept pace with the primary school-age going population and this may have increased the burden on households to use their own resources. The per-unit cost for each child has either remained constant or declined due to increased population.
13. **Introduction of other Government policies such as Universal Secondary Education (USE) and BTVET is crowding out UPE funding, given a fixed Government resource envelope.** Between 2002/03 and 2012/13, government spent on average between UGX 60,130 - UGX 108,321 for primary compared to UGX 78,917 - UGX 262,826 for secondary. The higher per-unit cost at the secondary level may be attributed to the introduction of USE in 2007.
14. **By 2017, all parishes of Uganda were covered by either a government aided/owned (92%) or a private owned primary school.** However, the Government policy of construction of a primary school per parish should be implemented cautiously, based on the needs analysis per parish. Further, due to the limited budget resources and high costs of building a school per parish, the decision to build a specific school should be based on prioritization parameters.
15. **UPE is understood as free education and not as subsidized education.** This illusion has made some parents, particularly from poor households to assume that UPE policy is a relegation of all education responsibilities to Government. Yet, the responsibilities of stakeholders in education and training are defined in the Education Act (2008), with shared responsibilities among Government, Households and the Community.
16. **Government financing of school feeding is unaffordable and unsustainable.** As already alluded to, Government financing is already below the required amounts for quality education, therefore, Government cannot afford and sustain school feeding. Even within the household expenditure of primary education, school feeding contributes only 19.5 % of the total, behind school fees (40.8%) and scholastic materials (27.7%).

Policy Recommendations

To improve UPE financing and the quality of primary education, the following are recommended:

1. Develop community-based partnerships and financing models to bridge the existing and envisaged financing gap.
2. Pursue a less ambitious strategy that progressively ensures more private sector participation, particularly at higher education levels, so as to free more resources for UPE.
3. Implement the provisions of the BTVET Act (2008) and Education Act (2008) to raise education funds through Training levies and Education Tax.

4. Address wastage arising from allocative inefficiencies in the resources for UPE implementation by among others:
 - a. Revising capitation grant allocation formula to ensure that it provides for minimum requirements to enable equitable access to quality education. Additionally, government should increase the per unit cost between rural and urban primary schools to UGX 59,503 and UGX 63,546 respectively, at the current inflation rate.
 - b. Differentiating the unit cost based on locations.
 - c. Urgently establish a clear policy framework for deployment and legitimate transfer of teachers to address the huge disparities in PTRs within the primary schools.
5. Government should correct the illusion that UPE is free, by undertaking a comprehensive sensitization on the roles and responsibilities of various stakeholders in implementation of the UPE policy. Additionally, Government should particularly make it clear that school feeding is a parents' role because Government cannot independently and sustainably finance school feeding.
6. Adopt a Pupil Identification Number (PIN) system. The system will also be able to identify and track pupils whenever they change/switch schools; or even drop out such that aspects of low funds and inaccurate statistics are dealt away with. Alternatively, the system can be integrated within the current National Identification Number (NIN) system.
7. **In the long run, investment in family planning is critical for sustainable primary education financing.** Government should tailor and emphasize deliberate family planning policies to reduce on this rapid population growth. Otherwise, it should increase the resources at the same pace as the population growth rate, something which is likely unsustainable.
8. Implement policy of construction of a primary school cautiously based on the need analysis per parish and transparently defined (by formula) prioritization parameters.
9. **Increase allocative efficiency in Government and rural schools.** This should be done by increasing the share of other critical inputs beyond teachers' costs; like scholastic materials, inspection, and school facilitation grants. Government should therefore increase the monitoring of

government inputs, outputs and outcomes in order to improve the effectiveness and efficiency of primary schools.

Conclusion

Overall, the UPE policy remains relevant, pro-poor and has largely fulfilled its primary objective of increasing equitable access. However, challenges that include leakages within the system affect learning outcomes. Similarly, to attain the desired quality of Primary Education, there is need to gradually increase the UPE capitation from 10,000 to at least UGX 63,546 for Urban schools and UGX 59,503 for rural schools. Significant progressive increases were projected in the total cost per pupil from about UGX 415,943 (2018) towards a target of UGX 1,163,262. Given the massive resources required to improve the quality of UPE, it remains an illusion that the quality of education will improve under the current financing arrangements.

References & Useful links

1. NPA (2018). *Comprehensive Evaluation of the Universal Primary Education (UPE) Policy; Financing and Costing*. National Planning Authority
2. UBOS (2017). *UNHS (2016/17)*. Uganda Bureau of Standards.

Acknowledgement

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