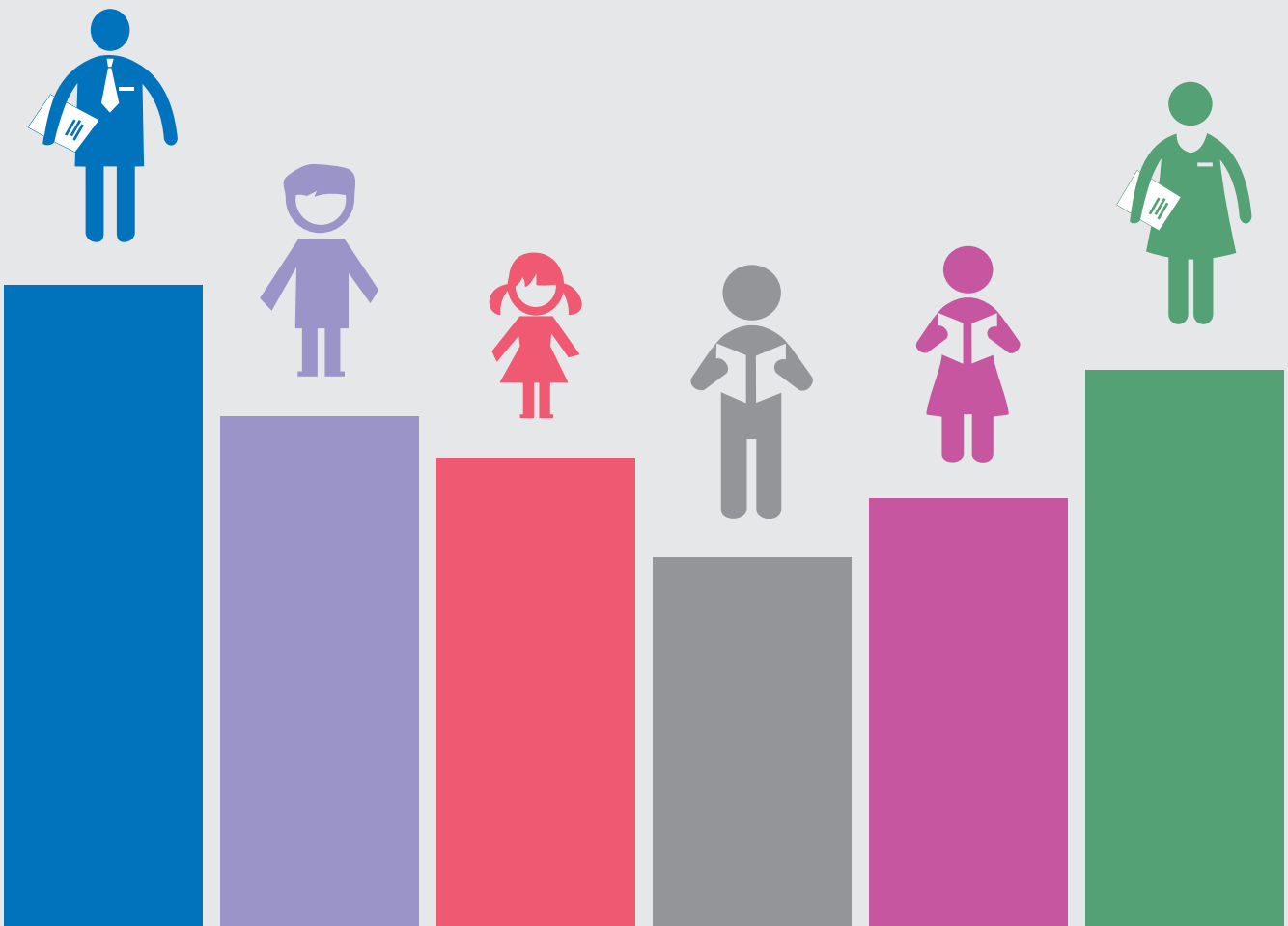




DISTRICT
ABBOTTABAD
KHYBER PAKHTUNKHWA

ELEMENTARY AND SECONDARY EDUCATION
BUDGET ANALYSIS
(2011-12 to 2014-15)



DISTRICT ABBOTTABAD

Khyber Pakhtunkhwa

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This education budget analysis study is one among the six education budget analysis studies commissioned by Alif Ailaan and carried out by the Center for Governance and Public Accountability (CGPA). CGPA has been carrying out district level education budget analyses in Khyber Pakhtunkhwa in cooperation with other partners and donors as well. The present series of education budget analysis studies includes five districts of: 1) Abbottabad; 2) Mardan; 3) Bannu; 4) Kohat; 5) Tank; and 6) FATA and is jointly concerted by CGPA and Alif Ailaan.

July, 2015

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List of Acronyms

ADP	Annual Development Plan
ASER	Annual Status of Education Report
BCC	Budget Call Circular
CDS	Comprehensive Development Strategy
E&SE	Elementary and Secondary Education
EMIS	Education Management Information System
ESP	Education Sector Plan
FY	Fiscal Year
GDP	Gross Domestic Product
GPI	Gender Parity Index
KP	Khyber Pakhtunkhwa
MDGs	Millennium Development Goals
MTBF	Mid Term Budgetary Framework
OBB	Output Based Budget
PBB	Performance Based Budget
PCNA	Post Crisis Need Assessment
PFCA	Provincial Finance Commission Award
PTCs	Parent Teacher Councils
PTR	Pupil Teacher Ratio
Rs	Pakistani Rupee
RTO	Right To Education
UPE	Universal Primary Education

Executive Summary

This report provides an overview of the major trends observed in the Elementary and Secondary Education (E&SE) budget allocation in district Abbottabad. The objective of this report is three-fold. Firstly, it intends to generate informed debate on budget making procedures of public sector education delivery. Secondly, it aims to demystify the budget-making procedures and encourage citizens to engage in the governance of public sector education delivery. Finally, the report hopes to use its findings to mobilise readers to raise their voices and to influence the education budget making process.

The public budget should be a matter of prime public concern and citizens should be able to influence its decision-making processes. Citizens should be able to influence the discourse on budgets, articulate their voices with public representatives for a needs-based, gender-sensitive, equitable, and transparent budget making process. Such voices are also important for efficient and effective utilisation of budgets. This report is a step in this direction and provides information on E&SE budgeting for the last four financial years (2011-12 to 2014-15) for district Abbottabad.

District E&SE department Abbottabad has, on average, consumed 6.5% of the provincial E&SE department's current budget against 5.7% allocation for FYs 2011-12 to 2014-15. Difference in allocated budget amounts and actual expenditure is normal in under developed countries and the main reason for this is lack of professional expertise of the budget making personnel.

District E&SE current budget has mainly two budget heads: one is salary and the other is non-salary budget. On average, for the last four years, in district Abbottabad non-salary budget allocation has been less than 3% of the district's current budget and the lion share of 97% has been earmarked for staff salary (teaching and non-teaching staff). Against this allocation, average non-salary actual expenditure has been a little less than estimated; it is 2.5% of the total current budget for FYs 2011-12 to 2013-14. Non-salary expenditure mainly consists of operation and maintenance costs of education institutes. This 3% allocation and 2.5% expenditure is a very meager proportion for keeping up operations and conditions in schools to a good standard.

In order to suffice the non-salary budget deficit, in the FY 2014-15, Khyber Pakhtunkhwa (KP) government had earmarked a block grant of Rs. 7 billion which is being disbursed to district E&SE departments. District Abbottabad has received – up till Feb 2015 – a sum of Rs. 75.997 million and consumed it for the purchase of different sorts of equipment for school operations.

Primary and secondary levels of education provide a line of distribution of the E&SE budget and help analyse E&SE department's performance towards Universal Primary Education (UPE) objective. For district Abbottabad, average current budget share for primary level has been 45.5% for the FYs 2011-12 to 2014-15 whereas, 84% of the total number of schools, 68% of the students enrolled and 57% of the teachers in Abbottabad belong to primary schools. Keeping these figures in sight, this 45.5% current budget share for

primary education is very low and reveals district government's passive behavior towards UPE. Contrarily, UPE is Pakistan's international commitment by virtue of the Millennium Development Goals (MDGs). Also, article 25-A of the constitution of Pakistan makes it binding for government(s) to provide free and quality primary education to all children of age 5 to 16.

Pattern of the development budget expenditure in E&SE department Abbottabad is also discriminatory against primary level. The development budget expenditure ratio for primary and secondary level education in Abbottabad has remained 29.5: 70.5 for FYs 2011-12 to 2014-15 (on average). Moreover the E&SE development budget Abbottabad is not adequate for meeting up the development challenges on ground. Gender disparity is very obvious at all levels of education governance in the district. This is contrary to the policy objective and governmental pronouncements of resolving the gender disparity issue in education. The government has time and again, resolved to assign high priority to girls' education to bring them at par with boys in terms of literacy ratio but the trends of budget expenditure tell a different story. As of provision, Girls' schools are 37.28% of the total number of schools in Abbottabad. Percentage of girls enrolled in schools constitutes 47.36% and the percentage of female teachers there is 40%. With these figures in sight, it is quite astounding that Abbottabad ranks first in KP on the Gender Parity Index. This however is to mention here that Abbottabad being more advanced and developed than other KP districts, faces less cultural barriers for coeducation. Especially at primary level, coeducation in Abbottabad is not an issue like it is in some other districts of KP. Therefore there are many girls enrolled in boys' primary schools bringing girls' enrolment to a higher percentage than otherwise and this fact contributes to Abbottabad's highest standing on GPI (within KP).

Existing trends in the budget require revisit and committed initiatives for achieving UPE, gender parity in education, and allocation of more resources for non-salary and development expenditures. Capacity building of the budget makers, public participation in the budget making process, measures to ensure transparency and holding public officials accountable to people must be introduced in the governance of E&SE which further calls for civil society activism. Both the government and the public should join hands to eradicate illiteracy, bring all out-of-school children to school, provide adequate facilities in public schools in order to create enabling learning/teaching environment and improve learning outcomes among students.

Introduction

The purpose of this report is to demystify the budget for a layman's understanding of the monetary flow of public finances and to provide an insight into the processes of education budget preparation and execution. However, the scope of this report includes only the E&SE department budget, while E&SE department is the principal provider of public sector education and the biggest consumer of KP's provincial budget, it consumes more than one fourth of the KP's annual budget.

This report deals with the questions of what the district education annual budget trends are, the priority areas in budget allocation, and how far the budget complies with sectorial policy objectives and manifestos of the ruling parties. It also offers an analysis of resource allocation that is gender specific and considers the level of education (primary versus secondary).

It identifies both the strengths and weaknesses in the budget making and expenditure procedures in education sector at district level. The report also provides material to initiate a debate among civil society, media, policy makers and scholars on equitable, need-based and efficient budgeting. It is desirable and expected that the proceeding debate will generate suggestions for improvement in fiscal discipline and informed engagement with public authorities for reforms and policy compliance. It will support the overall objective of optimum utility and public scrutiny of public finances (in the education sector) and of education department's good governance.

Our Objectives

- » To furnish a general understanding of the budget system, resource envelope¹ and resource gap in E&SE in district Abbottabad
- » To identify trends of resource allocation and expenditure in the E&SE department of district Abbottabad with a focus on gender
- » To conduct a trend analysis of the E&SE budget of district Abbottabad against policy priorities of the education sector, against relevant strategic policy objectives of the sitting government, as well as against the needs on ground
- » To assess technical capacity of the stakeholders, mainly the public officials involved in budget making process and its execution in district Abbottabad
- » To carry out an assessment of mechanisms in place for public participation (inclusion) in budget decisions, transparency and public accountability of the E&SE budget in district Abbottabad
- » To identify main issues and problems as well as strengths and weaknesses in the processes of the budget cycle
- » To furnish recommendations for improvements in budget processes and education governance in district Abbottabad

1. Resource envelope is the sum of resources allocated by the government against activities planned in a budget at the time of budget preparation and a resource gap indicates activities excluded in the public budget for non-availability of funds.

Methodology

This report is heavily based on the review of statutory sources which provide guidelines for budgeting and help develop a framework for budget analysis, and data bases sought from a number of public departments. However, primary information collected from the field from key-Informant in-depth interviews and other secondary sources of information also contribute significantly in shaping this report. The key informants interviewed for this study include district education and finance officers, officials of provincial finance department, planning and development departments, headmasters and teachers of public schools, and parents of school going children (both of public and private schools).

Other important information sources used for the analysis include: Education Sector Plan (ESP) 2010-15, White Paper on budget, Comprehensive Development Strategy (CDS) Paper, Annual Status of Education Reports (ASER), district education ranking reports produced by Alif Ailaan, Education Management Information System (EMIS) database for public and private schools, Budget Call Circular (BCC) and initiatives of Performance Based Budget (PBB) / Output Based Budget(OBB), Medium Term Budgetary Framework (MTBF), Post Crisis Need Assessment (PCNA), and Parent Teacher Councils' (PTC) Guide along with some other relevant documents. Data on last four years' education budget (2011-12 to 2014-15) for the district Abbottabad has also been incorporated into this analysis.

Before going into the budget details, here it seems pertinent to have a look on the statistics of school infrastructure; teachers and students of the district in order to better understand how much financial resources are spent on how many schools, teachers and students. There are a total of 1,851 schools in district Abbottabad; their breakdown by level of school and gender is given in the table below:

Table 1: Number of schools by level of school and gender in district Abbottabad

Level of School	For Boys	For Girls	Total
No. of Primary Schools	993	556	1,549
No. of Middle Schools	88	88	176
No. of High Schools	66	39	105
No. of Higher Secondary Schools	14	7	21
Total	1,161	690	1,851

Source: School Statistics by Education Management Information System (EMIS) 2013-14

There are 177,128 (one hundred seventy-seven thousand and one hundred and twenty-eight) students enrolled in these 1,851 schools of district Abbottabad. Their (students') breakdown by gender and school level is given in the table below:

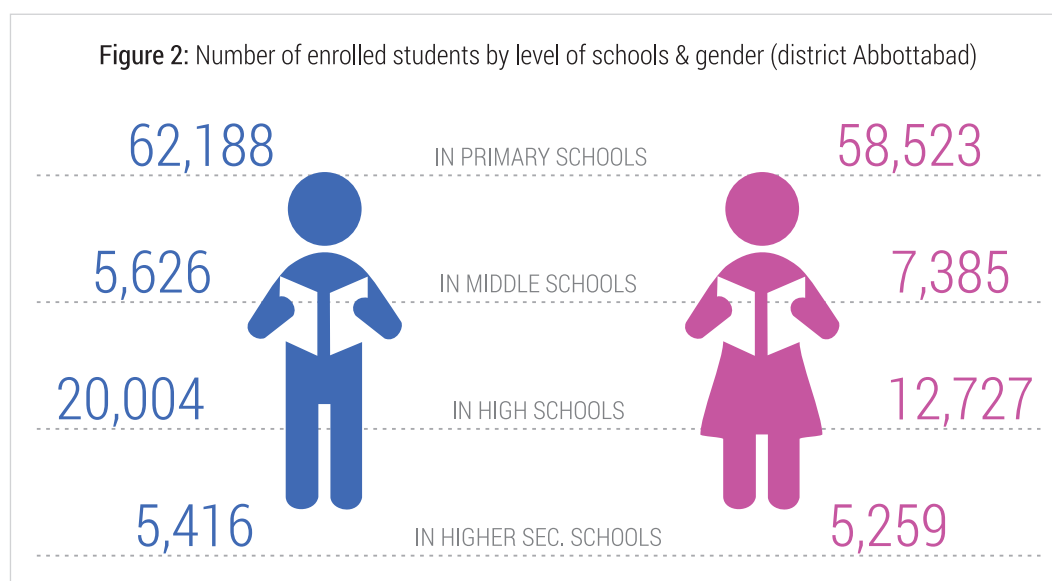


Table 2: Number of students (enrolled) by level of school and gender in district Abbottabad

Number of Students Enrolled	Boys	Girls	Total
In Primary Schools	62,188	58,523	120,711
In Middle Schools	5,626	7,385	13,011

Number of Students Enrolled	Boys	Girls	Total
In High Schools	20,004	12,727	32,731
In Higher Secondary Schools	5,416	5,259	10,675
Total	93,234	83,894	177,128

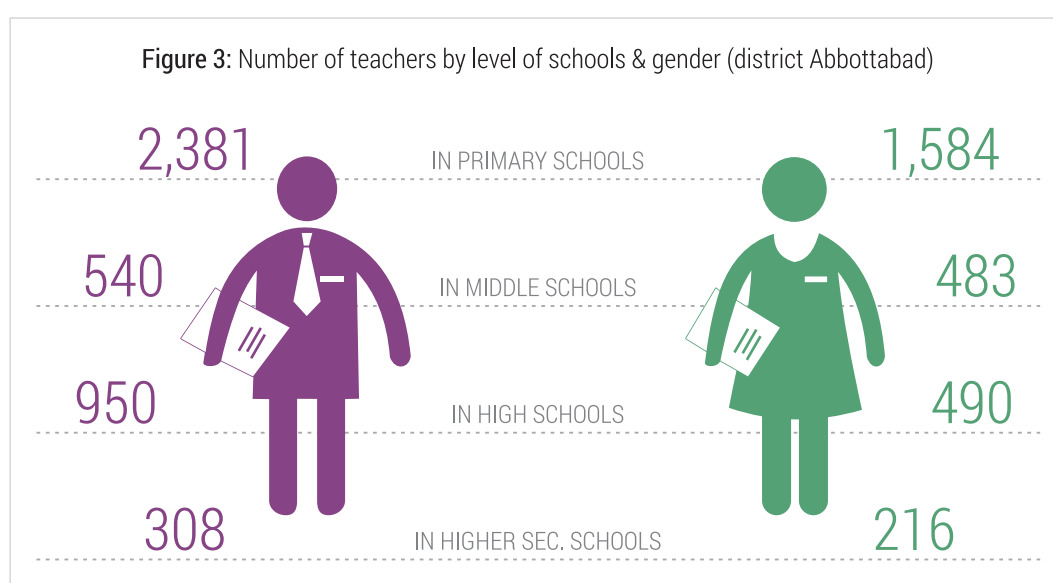
Source: School Statistics by EMIS 2013-14

There are 6,952 teachers for these 177,128 students teaching in 1,851 schools of district Abbottabad. Their breakdown by school of appointment and gender is given below in the table:

Table 3: Number of teachers by level of school and gender in district Abbottabad

Number of Teachers	Male	Female	Total
In Primary Schools	2,381	1,584	3,965
In Middle Schools	540	483	1,023
In High Schools	950	490	1,440
In Higher Secondary Schools	308	216	524
Total	4,179	2,773	6,952

Source: School Statistics by EMIS 2013-14



E&SE Budget District Abbottabad (2011-12 to 2014-15)

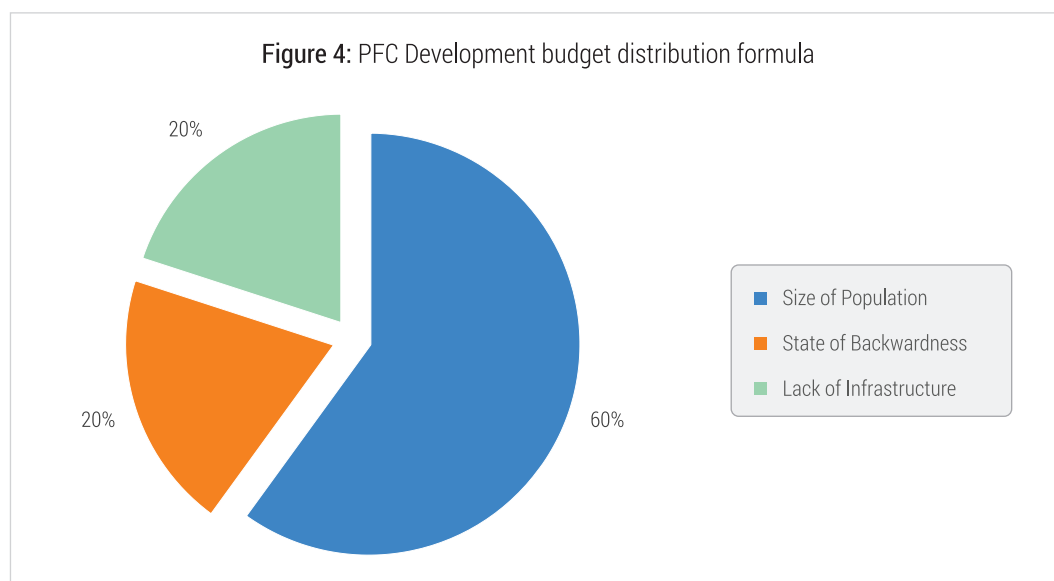
There are two budget lines for public financing of E&SE. One is current budget and the other is development budget. The current budget comprises of funds for staff salaries and pensions, operational and maintenance expenses of education institutes while the development budget comprises of funds for the construction of new schools, new rooms in existing schools, provision of missing facilities in schools, up-gradation of schools and incentives for female students in certain locations, etc. The current budget and

the development budget are drawn from two separate provincial budget slots of current and development budget. However, there seems to be no synchronization between the current and development budgets' planning for an integrated approach of governance in the KP's E&SE department at provincial and district levels.

The budget cycle starts with budget estimates and ends with expenditure. The provincial finance department issues BCC to respective departments on a yearly basis for making estimates of their expenses for the year ahead. After the BCC forms are filled and submitted, they enter the process of scrutiny and approval. When approved by the relevant committees after discussion and consultation with stakeholders, they are sent to the accounts department and after monetary allocations against specific heads, funds are released according to the rules of procedure.

The district level administration has meager sources of revenue generation and receives finances mainly from the provincial government. Some funds are disbursed also by the federal government and from donor organizations. It is expected that after the 30th of May 2015 Local Government Elections in KP, the distribution of district development fund will be done through Provincial Finance Commission (PFC) award. The PFC award is based on three factors. The first is population size of a district (weighing 60%), while the second and third are lack of education infrastructure and the state of backwardness³ in a district (each weighing 20%). Rs. 30 billion has been allocated under districts annual development program for year 2015-16 budget of KP.

The PFC needs to be constituted as early as possible. Without this formula, public officials and members of KP provincial assembly have been using their arbitrary powers for allocating funds, thus providing room for manipulating public authority for political interests.



3. Here, the state of backwardness would refer to absence or scarcity of civic amenities, market access, poverty and usage of simple technology as well as lack of development.

Current Budget E&SE Department District Abbottabad

Before discussing district Abbottabad's E&SE budget, it would be appropriate to have a look at the provincial E&SE budget. At the provincial level, education is a major consumer and takes away almost one third of the provincial current budget. Schools sector (E&SE) takes the lion's share in the education budget. Traditionally the allocated share or E&SE is about 27% (on average for FYs 2011-12 to 2014-15) of provincial current budget whereas actual expenditure usually exceeds a little over the estimated budget as shown with actual figures in the table below:

Table 4: Share of KP E&SE Department in total current revenue budget of KP (Rs. in Billions)

Year	Budget Estimates			Actual Expenditure	
	KP's Total Current Budget	KP's E&SE Budget	% Share of E&SE	Actual Expenditure	% Share in KP's Total Current Budget
2011-12	149	37.2	25%	45.4	30.5%
2012-13	192	46.6	24%	46.6	24%
2013-14	211	60.6	29%	60.8	29%
2014-15*	250	73.7	29%	42.9	17%

* Expenditure is up to Feb 2015. Source: Budget Database-Finance Department

For district Abbottabad, an average of 5.7% (for the FYs 2011-12 to 2014-15) of the provincial E&SE current budget is allocated whereas the actual expenditure exceeds to an average (for the FYs 2011-12 to 2013-14) of 6.5%. This is a prominent observation of budget figures over the years that actual current expenditure exceeds estimates whereas the development expenditure remains underutilised against allocated funds. The current budget of the E&SE department for district Abbottabad for the years 2011-12 to 2014-15 (both the budget estimates and actual expenditure) and its percentage share in the provincial E&SE budget is shown in the table below:

Table 5: E&SE Department district Abbottabad current budget (2011-12 to 2014-15) (Rs. in Millions)

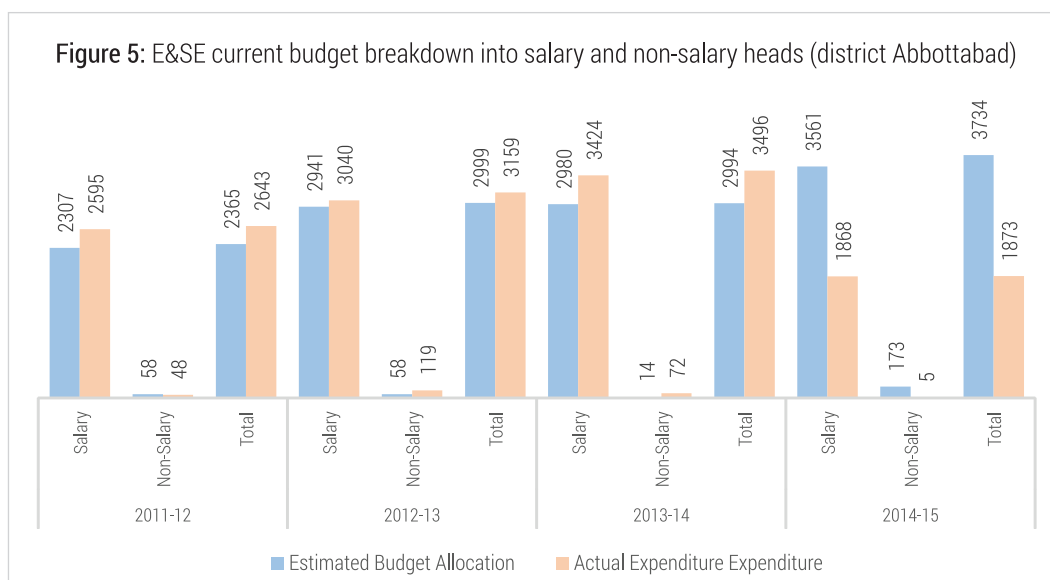
Years	Khyber Pakhtunkhwa	District Abbottabad			
		Budget Estimate		Actual Expenditure	
		Allocation	% Share in KP's E&SE Current Budget	Expenditure	% Share in KP's E&SE Current Budget
2011-12	37,230	2,365	6.4%	2,643	7.1%
2012-13	46,602	2,999	6.4%	3,130	6.7%
2013-14	60,553	2,994	4.9%	3,496	5.8%
2014-15	73,684	3,734	5.1%	1,872	2.5%

(Expenditure for the FY 2014-15 is up till February 2015. Source: KP Finance Department Budget Database)

Differences between estimated and actual expenditure in the current budget and underutilisation of development budget indicate poor planning on part of the E&SE department. Allocation for education development budget has been very low compared to the current budget. Yet, even that small percentage is not properly utilised. Inclusive governance requires some sort of mechanism for gathering public opinion on budget issues (especially allocation) and it can be well administered through involving local body governments and participation of Parent Teacher Councils (PTCs). However, in 2014-15, a major portion of the development budget has been utilised through the PTCs. It is expected that local government bodies will be fully involved in the budget making process for E&SE now, as the local government election has already been held on May 30, 2015.

Salary and Non-Salary Expenditure

The current budget is classified into salary and non-salary heads wherein salary head ingests the principal part. It includes salaries, pensions and salary increments of teaching and non-teaching staff of the E&SE department. Provincial budget (current) salary head normally comprises 95% to 97% (on average) and the non-salary head comprises 3% to 5%. Average non-salary expenditure in district Abbottabad is more or less the same but with great variance in percentage share of non-salary expenditure from year to year. For the last 4 years, average allocation against non-salary head in Abbottabad is 2.9% of the current budget but the average actual expenditure is even lesser than this allocation. This is a deviation from normal trends of the current budget expenditure of other districts of KP. The average non-salary expenditure for the FYs 2011-12 to 2013-14 (three years) is 2.5%. Actual expenditure of FY 2014-15 could not be included in the average calculation because the figures were not available at the time of data collection for this study. However,



year wise non-salary allocation and expenditure reveals the fact that it was only during the FY 2011-12 when actual expenditure was lesser than the allocation. Non-salary allocation in FY 2011-12 was Rs. 58 million (4.6% of the district current budget) but actual expenditure was Rs. 48 million (1.8% of the district

current expenditure). For rest of the FYs included in this analysis, it has been in compliance with general trend of excessive expenditure. Details of salary and non-salary allocation and actual expenditure for FYs 2011-12 to 2014-15 are given in the table below:

Table 6: District Abbottabad E&SE Department current budget breakdown into salary and non-salary heads (estimates and actual expenditure) 2011-12 to 2014-15 (Rs. in millions)

Years	Budget Heads	Estimated Budget		Actual Expenditure	
		Allocation	% Share	Expenditure	% Share
2011-12	Salary	2307	95.4%	2595	98.2%
	Non-Salary	58	4.6%	48	1.8%
	Total	2365	--	2643	--
2012-13	Salary	2941	98%	3040	96.2%
	Non-Salary	58	2%	119	3.8%
	Total	2999	--	3159	--
2013-14	Salary	2980	99.52%	3424	98%
	Non-Salary	14	0.48%	72	2%
	Total	2994	--	3496	--
2014-15	Salary	3561	95.4%	1868	99.93%
	Non-Salary	173	4.6%	5	0.27%
	Total	3734	--	1873	--

(KP Finance Department Budget Database)

As mentioned in the preceding text, non-salary expenditure mainly comprises of operational and maintenance costs of schools. It includes payment of utility bills, procurement of class consumables and laboratory equipment, furniture and jute mats, and repairs. Provision of all these goods and services is of vital importance for creating a congenial learning and teaching environment in schools and maintaining the quality of education. The prevalent bad-off situation of schools in respect of quality of education and the teaching/learning environment is due to the meager budget allocation for all these enabling goods and services. For example the electricity bills of a number of schools are not paid on time due to the shortage of funds. It further increases dropout rates and causes poor learning outcomes among students. Private sector schools do not face such problems and provide a comparatively better learning/teaching environment. That is why the learning outcomes in private schools are better than in public schools. There are a number of public sector primary schools in Abbottabad which are run by two or less than two teachers and have two or less than two rooms.

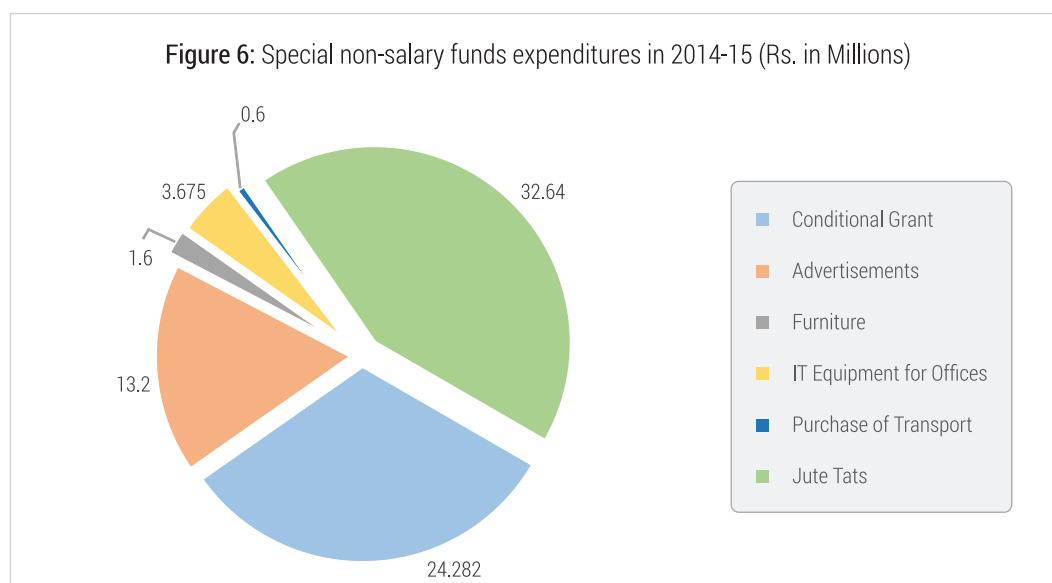
Special Non-Salary Budget (2014-15)

For the FY 2014-15, a special non-salary allocation of Rs. 7 billion for Khyber Pakhtunkhwa province is being made for improving the quality of school environment and education which is a very positive move

in filling the resource gap of non-salary expenditure. Target actions under these special non-salary grants include provision of missing facilities and adding equipment in schools. This money is being disbursed to district E&SE departments. District Abbottabad has received Rs. 75.997 million (up till February 2015) and spent it for the purchase of items mentioned in the table below:

Table 7: Special non-salary funds expenditure in 2014-15

S #	Expenditure Head	Amount (Rs. in Millions)
1	Conditional Grant	24.282
2	Computers	13.2
3	Furniture	1.6
4	IT Equipment for Offices	3.675
5	Machinery & Equipment	0.6
6	Petty Repairs	32.64
Total		75.997



Development Budget E&SE District Abbottabad

At provincial level, about 15% of KP's total development budget is allocated to E&SE on average, through the Annual Development Plan (ADP). It is underutilised (10% of the total development budget for KP against 15% allocation) due to a capacity lag. The development budget helps meet the upcoming needs of school infrastructure and provision of missing facilities in schools for balancing population growth. It is however, not sufficient to meet the development challenges in education sector. Moreover, its underutilization indicates the lethargy of concerned stakeholders. Percentage share of E&SE development budget in

provincial development budget along with allocated amounts and actual expenditure for FYs 2011-12 to 2014-15 is shown in the table below:

Table 8: Provincial E&SE development budget with its percentage share in the total development budget of KP (Rs. in Billions)

Year	Budget Estimates			Actual Expenditure	
	KP's Total Development Budget	KP's E&SE Development Budget	% Share of E&SE Development Budget	Expenditure	% Share of E&SE Development Budget
2011-12	85	10.2	12%	8.5	10%
2012-13	97	17.1	18%	9.5	10%
2013-14	118	24.1	20%	9.3	8%
2014-15	140	19.9	14%	4.4	3%

Expenditure up to Feb. 2015: Source: Budget Database-Finance Department

For district Abbottabad, the development budget of the E&SE was Rs. 206 million in the FY 2011-12, Rs. 298 million in the FY 2012-13, Rs. 264 million in the FY 2013-14, and Rs. 516 million in the FY 2014-15. Unfortunately the distribution of development budget along primary and secondary education has also been very unjust against primary education over the years in Abbottabad. On average, 29.5% of the district development budget has been allocated for primary education and the remaining 70.5% to secondary education. Year wise detail of figures and percentage share of development budget for primary and secondary level expenditure has been given in the table below:

Table 9: Development expenditure by primary and secondary education district Abbottabad (Rs. in Million)

Year	Primary Education		Secondary Education		Total Expenditure
	Expenditure	% Share in Expenditure	Expenditure	% Share in Expenditure	
2011-12	35	17%	172	83%	206
2012-13	118	39%	181	61%	298
2013-14	126	48%	138	52%	264
2014-15	72	14%	444	86%	516

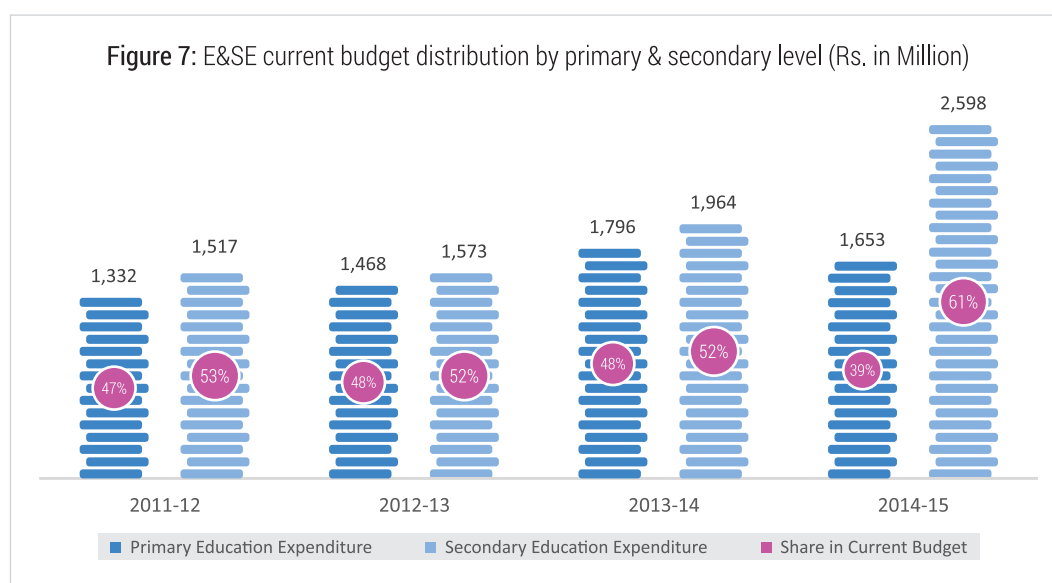
Major Issues in E&SE Budget District Abbottabad

Keeping in sight the policy objectives of the education sector, major trends of prime concern within the E&SE department's budget spending, are gender discriminatory expenditure, under spending, meager proportion of budget spent on teaching aid material, low provision of missing facilities, low investment in the quality of education, retaining enrolment and bringing the out of school children to schools. Details

of expenditure on some of these aspects are covered in the preceding text. Further details of expenditure along primary and secondary level education and along gender lines is discussed with evident data in the forthcoming text.

Breakdown of E&SE Budget by Primary and Secondary Levels in District Abbottabad

In terms of the percentage share of primary versus secondary level education, a constant of 45% of the district E&SE department Abbottabad's current budget has been earmarked for primary education. This share of resource allocation for primary education is proportionally unfair since 84% of the total number of public schools in Abbottabad are primary schools. Same is the case with number of students and teachers; 68% of the students enrolled and 57% of the teachers in district Abbottabad belong to primary schools.



This trend of budget allocation is a deviation from the policy commitment of attaining UPE to which we are bound by the MDGs as well as by the article 25-A of the constitution of Pakistan wherein it is obligatory on part of government to provide free quality education to every child aged 5 to 16. Figures and percentage share of the primary and secondary level education expenditure in Abbottabad for FYs 2011-12 to 2014-15 are provided in the table below:

Table 10: E&SE district Abbottabad current budget distribution by primary and secondary level (Rs. in Millions)

Year	Primary Education		Secondary Education		Total Expenditure
	Expenditure	% Share in Current Budget	Expenditure	% Share in Current Budget	
2011-12	1332	47%	1517	53%	2849
2012-13	1468	48%	1573	52%	3040

Year	Primary Education		Secondary Education		Total Expenditure
	Expenditure	% Share in Current Budget	Expenditure	% Share in Current Budget	
2013-14	1796	48%	1964	52%	3760
2014-15	1653	39%	2598	61%	4250

Expenditure is up to Dec 2014. Source: Provincial Budget Database

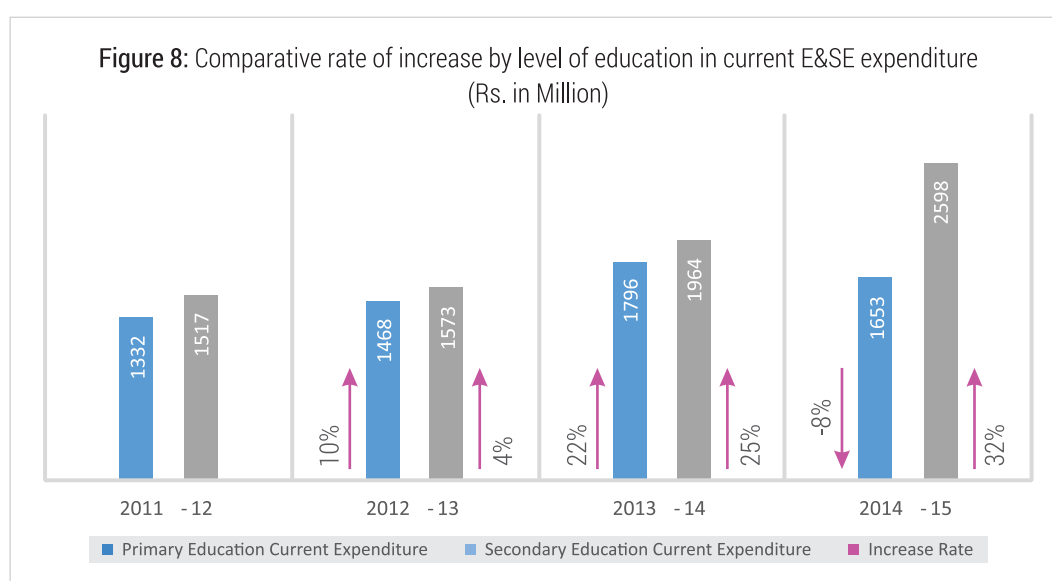
Although, actual expenditure on E&SE has been increasing over the years but the rate of increase has hardly dealt with the inflation only and the net effect of increase has not shown noticeable improvement. Moreover, the yearly rate of increase on education expenditure in Abbottabad for primary and secondary levels of education has not been proportionally fair. It is more favourable for secondary level than for primary level except FY 2012-13. Actual figures of the rate of increase along primary and secondary levels are shown in the table below:

Table 11: Comparative rate of increase by level of education in current E&SE expenditure of district Abbottabad (2011-12 to 2014-15) (Rs. in Millions)

Year	Primary Education		Secondary Education		Total Expenditure
	Current Expenditure	Increase Rate	Current Expenditure	Increase Rate	
2011-12	1332	-	1517		2849
2012-13	1468	10%	1573	4%	3040
2013-14	1796	22%	1964	25%	3760
2014-15	1653	-8%	2598	32%	4250

Expenditure is up to Feb 2015 and the % is projected on the trend of expenditure for the last 8 months. Source: Provincial Budget Database

Administration of the E&SE department is also one of the main budget heads. The expenditure incurred on administration is included in the level of education expenditure when budget distribution is presented



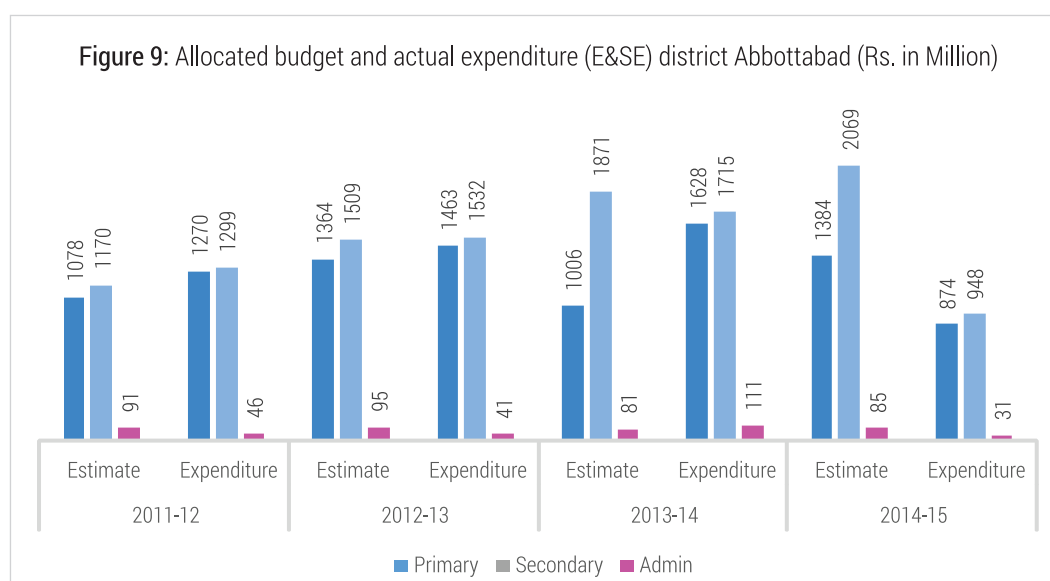
along primary and secondary lines. However, when the administration budget head is dealt separately, the composite primary and secondary education administration of E&SE department consumes 4% to 6% of the total budget expenditure at the provincial level. Percentage share of the budget allocation and actual expenditure for district Abbottabad E&SE administration is shown in the following table along with allocated and actual expenditure on primary and secondary education heads for FYs 2011-12 to 2014-15.

Table 12: Allocated budget and actual expenditure by primary, secondary and administration district Abbottabad (Rs. in Millions)

Category	2011-12		2012-13		2013-14		2014-15	
	Estimate	Expenditure	Estimate	Expenditure	Estimate	Expenditure	Estimate	Expenditure
Primary	1078	1270	1364	1463	1006	1628	1384	874
%age	46%	48%	45%	48%	34%	47%	37%	47%
Secondary	1170	1299	1509	1532	1871	1715	2069	948
%age	49%	49%	50%	50%	62%	49%	55%	51%
Admin	91	46	95	41	81	111	85	31
%age	4%	2%	3%	1%	3%	3%	2%	2%
Total	27	27	32	5	36	42	196	19

Expenditure by Gender

Gender disparity in education service provision, school infrastructure, in enrolment and teaching staff is obvious from the figures already provided in the preceding text. This is despite the fact that the population of KP and of district Abbottabad is gender egalitarian. The number of girls and boys of school going age is



also identical. Provincial expenditure over the last 4 years along gender lines is depicted in figure 2 which is not different from the district level budget expenditure. In the cultural context, it is understandable that access to education for girls is challenging comparing boys, that is why the government – in its policy pronouncements – has resolved to address this issue but the trends in education expenditure by gender show a discriminated allocation of budget against girls.

Abbottabad stands first on GPI with a GPI score of 0.94 at the primary level but its GPI score falls down to 0.41 at secondary level. Girls are only 47% of the total students enrolled in public schools of district Abbottabad. Female teaching staff is also deficient; it is 40% of the total number of teachers. That is why the Pupil Teacher Ratio (PTR) is higher in girls than in boys. PTR in boys' schools is 22:1 whereas in girls' schools it is 30:1. For the sake of equal opportunity provision of education to girls and boys more allocation of revenue resources for girls' education should be earmarked. More schools for easy access, incentives, enrolment and appointment in the E&SE department should be made to address gender disparity. Table 13 and Table 14 below present detailed (class-wise) gender distribution of students in district Abbottabad.

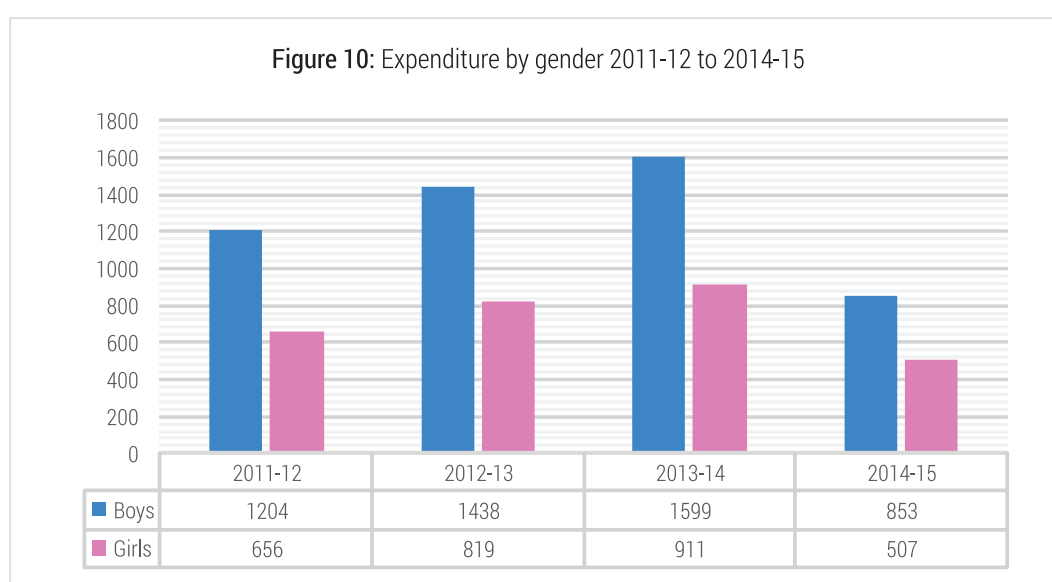


Table 13: Number of enrolled students in district Abbottabad by level of education, class of enrolment and gender as in Annual Statistics Report 2013-14

Primary Level		Un-admitted	Kacchi	Pakki	Class 2	Class 3	Class 4	Class 5	Total Enrolled
	Males	9918	22294	12709	11061	10041	9284	9647	75036
	Females	5408	14218	8065	6919	5925	5642	5411	34333
	Total	15326	36512	20774	17980	6929	14926	15058	109369

Secondary Level		Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Total Enrolled
	Males	7679	7170	6997	6189	5318	521	459	46180
	Females	5295	5165	4660	3209	2894	752	706	22681
	Total	12974	12335	11657	9398	8212	1273	1165	68861

(Note: Unadmitted Students are not included in the enrolled students' total number; Source: Annual Statistics Report 2013-14)

Table 14: Aggregate total by level of education and gender

	Primary	Secondary	Total
Males	75,036	46,180	121,216
Females	34,333	22,681	57,014
Total	109,369	68,861	178,230

Expenditure per Student

Expenditure per student has been increasing during the FYs 2011-12 to 2014-15 but the rate of increase is commensurate only to balance out the inflation. Price hike has been a constant factor which brings the net effect of increase in per student expenditure almost to a null. For the FY 2011-12 expenditure per student in Abbottabad was Rs. 2,432, in the FY 2012-13 it raised to Rs. 2,595 with an increase rate of 7%, in the FY 2013-14 it further raised to Rs. 3,209 (with an increase rate of 24%) and in the FY 2014-15 it was Rs. 3,608 (with an increase rate of 13%). However unfair distribution along primary and secondary level students is observed in per student expenditure. In the FY 2014-15 per student expenditure was almost Rs. 2,000 in aggregate but for primary school students it was Rs. 1,114 per month whereas for secondary school students it was Rs. 3,837 per student per month.

Figure 11: Expenditure per student FY 2014-15 in district Abbottabad by primary & secondary

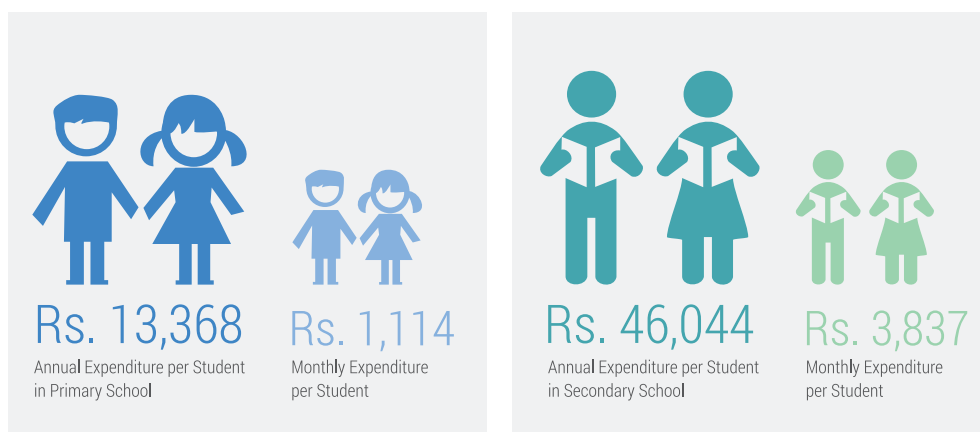


Table 15: Expenditure per student for FY (2014-15) in district Abbottabad by primary and secondary level of education

	Annual Expenditure per Student	Monthly Expenditure per Student
Primary	13,368	1,114
Secondary	46,044	3,837
Total	24,000	2,000

Source: Provincial Budget Database & ASC 2013-14

Parent Teacher Councils

PTCs are a very good initiative towards community participation in E&SE budget spending and the inclusive governance of schools. PTCs are formed in all schools and delegated with some financial and administrative powers. They are supposed to act in accordance with the PTC Guide. Conventional financial audit of the PTCs' funds is acquitted. However, third party validation applies upon their funds. Mainly they deal with the non-salary head and take care for minor repairs and purchases of class room consumables as well as of the payment of utility bills. Criterion for funds to a PTC is the number of rooms in a school. Rs. 2,000 per annum for class consumables and Rs. 5,000 for repair are awarded for each class room to the PTCs. However, from conditional grants, a PTC may utilise up to Rs. 1 million (proposal for increasing the ceiling up-to Rs. 3 million is under consideration) on needs basis. It falls in their jurisdiction to hire temporary teaching staff and to get the civil works done on need bases. PTCs are very effective with some exceptions and their role in bringing out-of-school children to school is very appreciable. The formula of PTC fund allocation was set eight years back and it needs to be revisited because of the continuous price hike in country.

It has come to be known, during the interviews for firsthand information collection about functioning of PTCs in district Abbottabad, that there are complaints of discretionary use of PTC funds by the PTC chairman and the head teacher in certain communities where parents are not consulted in expenditure decisions. At certain other places, PTCs' functioning is very passive and their memberships are not renewed as per schedule. Irregularities in following the PTC's Guide are also commonplace. Third party validation has not taken place for last four years. This scenario brings the transparency of PTCs' funds to questions and raises doubts about benefits of PTC funds reaching down to the target beneficiaries. Therefore, effective monitoring, third party validation and renewal of membership of PTCs are indispensable for making the PTCs effective and their role in budget expenditure meaningful.

SWOT Analysis of E&SE Budget District Abbottabad

STRENGTHS

- » Budget allocation and expenditure of E&SE department district Abbottabad is increasing year by year in terms of figures as well as in term of expenditure per student.
- » Special non-salary budget deficit is realised and adjustments with special non-salary funds' provision are administered.
- » 70% of DFID's conditional grants are earmarked for solely the construction of girls' schools.
- » PTCs are awarded financial and administrative powers and under special circumstances of needs they may utilise up to Rs. 1 million (in the next FY this amount is suggested to be raised to Rs. 3 million).

WEAKNESSES

- » Overall current and development budget of the E&SE are deficient in view of the population size, population growth rate and needs on ground. Especially, for non-salary expenditure, resources are very deficient.
- » Distribution of the available resources along primary and secondary education is not proportionally fair.
- » Gender parity measures are given least consideration in E&SE budget expenditure.
- » Constitutional obligation of article 25 A and international commitment of UPE are neglected in the budget trends.
- » Public participation in budget decisions is almost non-existent.

OPPORTUNITIES

- » Local government institutions can contribute a lot to bring positive change in all stages of budget cycle procedures as the local government elections have already held after a gap of years.
- » Financial powers of PTCs' may be transferred to local body governments (village councils) so that public funds are spent by the public representatives and monitoring and oversight role of PTCs be enhanced.
- » PTCs can be made more effective by abiding by the rules and schedules prescribed in PTC Guide.
- » The incumbent PTI government has declared education emergency in the province. Civil society may come up with knowledge based suggestions for public private partnership and cooperate with the government for bringing up real change in the education profile of the province.
- » Underutilization of development funds can be checked with efficient planning and appropriate development proposals submitted in time.
- » International donations can be harnessed by establishing credibility observing practices of good governance, transparency, accountability and public participation in budget decisions.

THREATS

- » If local body governments keep on playing the conventional ways of power politics, it will adversely affect governance of all sectors including E&SE.
- » If the government officials are not trained for capacity building for budgeting and efficient development planning, the development funds would remain underutilised.
- » If government does not take special measures for UPE and GP, these issues would remain neglected.
- » If the recent trends of E&SE budget are not modified to comply with policy statements and pronounced commitments, the literacy profile and education outcomes could not be improved.

Findings and Recommendations

- » Abbottabad ranks first at GPI with a GPI score of 0.94 at primary level. It ranks first for GER and NER for girls as well. As per Alif Ailaan's 2015 report of district education rankings Abbottabad ranks 7th in KP and 31st (at primary level education) in Pakistan with an education score of 76.13 whereas for secondary level education it ranks 41st in Pakistan with 72.06 education score.
- » Public financing on education is inadequate and does not meet the lowest benchmark of 4% of GDP in Pakistan. This has been reflected in the district education budget as well. While the study only takes into consideration the education facilities available for the enrolled students, there is need for lots of investment in education for bringing all out of school children to schools.
- » In 2014, total enrolment in 1,851 government schools of Abbottabad was 177,128 out of which 47% (83,894) were girls and 53% were boys. Girls are 48% at primary level but only 45% at secondary level, which is the result of lack of adequate number of girls' high schools in accessible areas. The number of primary schools for girls in Abbottabad is 36% and of middle, high and higher secondary schools is 44% of the total number of respective schools. However, higher percentage of girls at primary level is accounted on the fact that girls are normally enrolled in girls' as well as in boys' primary schools in Abbottabad. Since there are more boys' primary and secondary schools, the boys' schools take higher percentage of budget compared to girls. The government should strictly follow the policy for giving 70% share to girls' schools and ensure construction of new schools in Abbottabad.
- » Lion share (almost 97%) of the current budget in Abbottabad is spent on staff salaries. This leaves little amount for running expenses. Over the years, the share of salaries in current budget has increased. Operational and maintenance, and running costs shall be allocated at least 10% of the total current budget in the district. Allocation for petty repairs or general needs of schools is also insufficient for keeping the amenities such as toilets, drinking water, electricity etc. in working condition.
- » The budget share of primary education has remained 45.5%. This is despite the fact that 84% schools in Abbottabad are primary schools and 68% of the students enrolled are primary school students. Likewise the number of teachers belonging to government primary schools constitutes 57%. While secondary education also needs resources, overall education budget of the district should be increased to meet the needs of primary education.
- » On average annual expenditure during 2014-15 is estimated to be Rs. 2,000 per student/month. There is big disparity in per student expenditure at primary and secondary level. It is Rs. 1,114 and Rs. 3,837 per student/month in primary and secondary schools respectively. While secondary education is expensive, primary education is the base for the education journey of every child and should be given importance.
- » Provincial legislation on RTO (Right To Education) should be done at the earliest and its earnest implementation materialised.
- » For the sake of transparency, details of budget expenditure should be displayed on relevant web sites. Expenditure details of the funds provided to PTCs should be displayed on school notice boards and a third party validation should be organised.
- » Participatory governance, public input in budget making and expenditure should be sought and pre

budget sessions with community and other stakeholders like civil society, media and academia should be organised.

- » Provision of funds to PTCs should be based on the number of students enrolled in a school instead of the number of rooms.
- » Primary schools with 2 or less than 2 rooms and/or 2 or less than 2 teachers should be provided adequate rooms and teaching staff. Also, schools requiring major repair should be provided funds for repair.
- » The public officials should be facilitated to improve their professional expertise and technical skills for budgeting, especially to propose development projects and minimize the estimation and expenditure gap.
- » Measures should be taken to make PTCs more effective and their monitoring along rules of business as prescribed in the PTC guide should be carried out.
- » In order to improve learning outcomes, performance based incentives may be granted to inculcate competition among teachers along with effective and regular monitoring and audit for strengthening accountability.



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