



DISTRICT  
**BANNU**  
KHYBER PAKHTUNKHWA

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





# DISTRICT BANNU

Khyber Pakhtunkhwa

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

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

<b>ADP</b>	Annual Development Plan
<b>ASER</b>	Annual Status of Education Report
<b>BCC</b>	Budget Call Circular
<b>CDS</b>	Comprehensive Development Strategy
<b>E&amp;SE</b>	Elementary and Secondary Education
<b>EMIS</b>	Education Management Information System
<b>ESP</b>	Education Sector Plan
<b>FY</b>	Fiscal Year
<b>GDP</b>	Gross Domestic Product
<b>GPI</b>	Gender Parity Index
<b>KP</b>	Khyber Pakhtunkhwa
<b>MDGs</b>	Millennium Development Goals
<b>MTBF</b>	Mid Term Budgetary Framework
<b>OBB</b>	Output Based Budget
<b>PBB</b>	Performance Based Budget
<b>PCNA</b>	Post Crisis Need Assessment
<b>PFCA</b>	Provincial Finance Commission Award
<b>PTCs</b>	Parent Teacher Councils
<b>PTR</b>	Pupil Teacher Ratio
<b>Rs</b>	Pakistani Rupee
<b>RTO</b>	Right To Education
<b>UPE</b>	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 Bannu. 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, and articulate their voices with public representatives for need based, gender sensitive, equitable, and transparent budget making process. Such voices are also important for the efficient and effective utilisation of budgets. This report is a step in this direction and it provides information on E&SE budgeting for the last four Fiscal Years (2011-12 to 2014-15) for district Bannu.

Over the said years, E&SE department district Bannu has been consuming an average 4.7% of the Khyber Pakhtunkhwa's (KP) provincial E&SE current budget. This percentage is somewhat more than the estimates of Bannu's E&SE current budget which is 4% (on average) of the KP's provincial E&SE current budget. It is normal in under developed countries that actual expenditure exceeds estimated budget and the main reason for this is professional inefficiency or lack of expertise of the budget making personnel.

District current budget is divided into salary and non-salary heads. For the last four years, in district Bannu non-salary budget allocation has been very meager in terms of percentage share of the district current budget. It is measured to be 0.8% on average for the FYs 2011-12 to 2014-15. However, actual expenditure under non-salary head is 2.7% on average for the FYs 2011-12 to 2013-14. It means that the Lion's share of 97.3% has been earmarked for staff salary (teaching and non-teaching staff). Non-salary expenditure mainly consists of operational and maintenance costs of education institutes. Budget trends, in terms of percentage share for non-salary expenditure have been deficient for meeting up the operational and maintenance costs of schools up to a good standard. In order to suffice the non-salary budget deficit, in 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 Bannu had received — up till Feb 2015 — a sum of Rs. 68.87 million and consumed it for purchase of different sorts of equipment for school operations.

Distribution of budget allocation/expenditure along primary and secondary levels of education provides a line for policy analysis of the E&SE department's objective of the Universal Primary Education (UPE). For district Bannu, on average (for the last four years) 49% of the total current budget has been spent on primary education. This percentage is not justified since more than 83% public schools, 75% of the students enrolled and 60% teachers in public schools belong to primary level. This situation reveals the passive behavior of government officials against the policy objective of UPE for which the government is

bound by virtue of the Millennium Development Goals (MDGs) as well as by article 25 A of the constitution of Pakistan.

Development to current budget ratio of district Bannu was 13:87 for the FY 2011-12 and FY 2012-13. In FY 2013-14 it was 9: 91. In the FY 2014-15 it has gone further down to 3: 97. Average development expenditure on primary education in Bannu for FYs 2011-12 to 2013-14 is about 43% which is even lower than the current budget percentage share for primary education.

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 gender disparity in education. As of the gender aspect in provision and enrolment is concerned, the percentage of schools for girls is 43% of the total schools in Bannu. The percentage of girls enrolled in schools constitutes 40% of the total number of students enrolled and the percentage of female teachers in Bannu is a little less than 40%. It is a noticeable fact that there are nine higher secondary schools for girls in Bannu but not a single female teacher for these nine higher secondary schools. However there are 222 female students enrolled in these higher secondary schools who are taught by male teachers.

Budget allocation for girls compared with boys is also lesser; for example the Parent Teacher Council (PTC) funds provided to girls' primary schools for the FY 2014-15 are Rs. 8,435 million whereas for boys' primary schools they are Rs. 13,552 million. For girls' middle, high and higher secondary schools, PTC funds are Rs. 6 million whereas for boys' middle high and higher secondary schools they are Rs. 9 million.

In view of the facts stated, existing trends in budget require a revisit and a new commitment for measures for achieving policy objectives of UPE, gender parity in education, allocation of more resources for non-salary and development expenditure. Capacity building of the budget makers, public participation in budget making, measures to ensure transparency and holding the public officials accountable to people require organized mechanism and civil society activism. Both the government and people 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, their priority areas in budget allocation, and how far it complies with sectorial policy objectives and manifestos of the ruling parties. It also offers gender and level of education (primary versus secondary) specific analysis with respect to resource allocation.

It identifies both the strengths and weaknesses in budget making and expenditure in education sector at district level. The report also provides material to initiate a debate among civil society members, 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 envelope<sup>1</sup> and resource gap in E&SE in district Bannu
- » To outline trends of resource allocation and expenditure in the E&SE department of district Bannu with a focus on gender
- » To conduct a trend analysis of the E&SE budget of district Bannu against policy priorities of education sector, relevant strategic policy objective of the sitting government, as well as against the needs on ground
- » To enhance technical capacity of the stakeholders, mainly the public officials involved in budget making and execution in district Bannu
- » To conduct an assessment of mechanisms in place for public participation (inclusion) in budget decisions, transparency and public accountability of the E&SE budget in district Bannu
- » To identifying main issues and problems as well as strengths and weaknesses in the processes of budget cycle
- » To furnish recommendations for improvements in the budget processes and education governance in district Bannu

*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 resource gap indicates activities excluded in the public budget for non-availability of funds.*

## Methodology

This report is heavily based on a 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 contribute also significantly in shaping the report. The key informants interviewed for these studies include district education and finance officers, officials of provincial finance department, planning and development department, headmasters and teachers of public schools, and parents of school going children (both of public and private schools).

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) 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 of last four years (FY 2011-12 to FY 2014-15) of E&SE department district Bannu has also been incorporated into the analysis.

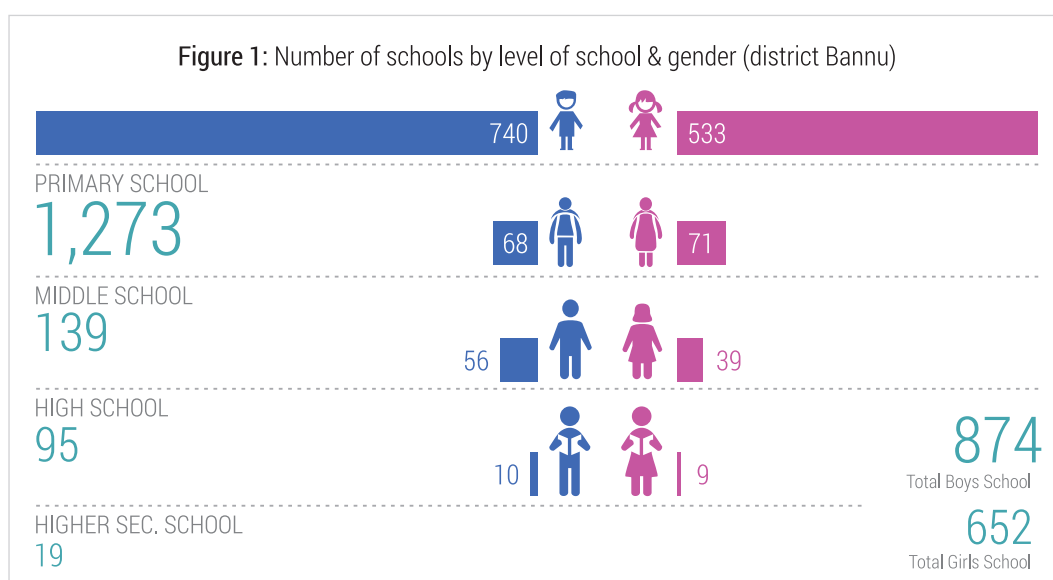
## E&SE School Infrastructure and Budget

### E&SE School Infrastructure District Bannu

Elementary and secondary education comprises of 12 years of schooling. It is divided into elementary and secondary education. Elementary education comprises of schooling grades one to five (1-5). Secondary education comprises of schooling grades six to 12. School facilities in Pakistan include 4 levels of schools. The first level is primary school and provides elementary education (grades 1-5). Terms 'elementary education' and 'primary education' may be used synonymously. Other three levels of schools provide secondary education. Their names and respective school grades are as follows:

- » middle schools                                    they provide education for grades six to eight
- » high schools                                      they provide education for grades nine to 10 (or six to 10)
- » higher secondary schools                    they provide education for grades 11 to 12 (or six/nine to 12)

A budget is a financial statement of cash in-flows and outlays. The World Education Forum<sup>2</sup> has set a minimum benchmark of 4% to 6% of Gross Domestic Product (GDP) of a country to be spent on education. This rate is not yet achieved in Pakistan. According to the World Bank, in 2013 (the last measured) Pakistan's public spending on education as percentage of GDP was 2.49%. Moreover, the available resources are not utilised to get optimum results. Misappropriation of funds, political influences, nepotism and vested interests practiced in education governance hinder the pace of progress otherwise possible. In Pakistan, education is a provincial subject and provincial governments are spending 20% to 25% of their budget on education. More finances for education in the public sector are direly needed along with governance reforms.



2. Framework for Action Education 2030: Towards Inclusive And Equitable Quality Education And Lifelong Learning For All; P. 18

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 1,526 schools in district Bannu; their breakdown by school type and gender is given in the table below:

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

Level of School	For Boys	For Girls	Total
No. of Primary Schools	740	533	1,273
No. of Middle Schools	68	71	139
No. of High Schools	56	39	95
No. of Higher Secondary Schools	10	9	19
<b>Total</b>	<b>874</b>	<b>652</b>	<b>1,526</b>

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

There are 120,224 (one hundred and twenty thousand, and two hundred and twenty four) students enrolled in these 1,526 schools of district Bannu. Their breakdown by gender and school type is given in the table below:

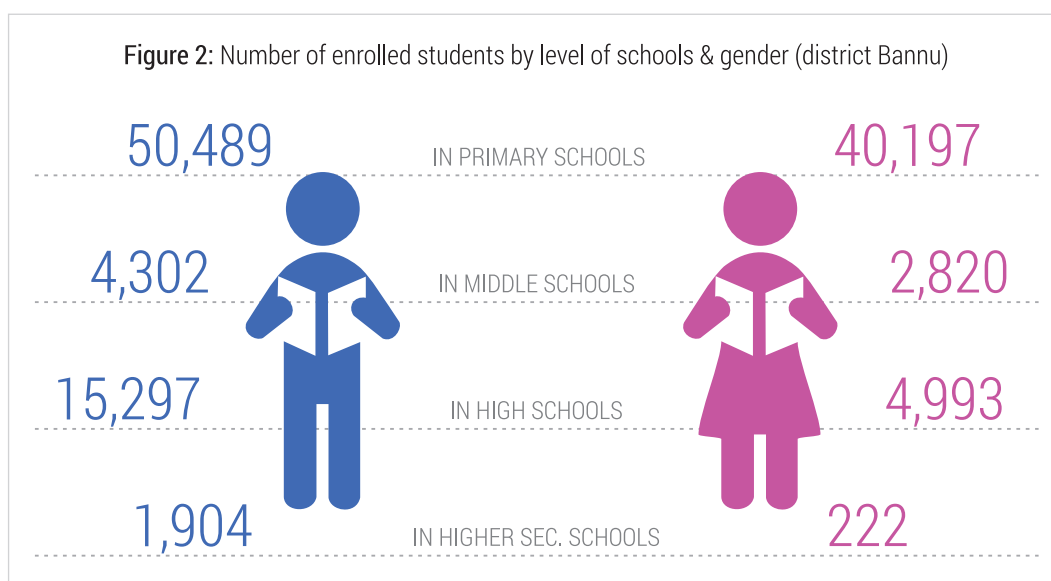


Table 2: Number of students (enrolled) by level of school and gender in district Bannu

Number of Students Enrolled	Boys	Girls	Total
In Primary Schools	50,489	40,197	90,686
In Middle Schools	4,302	2,820	7,122

Number of Students Enrolled	Boys	Girls	Total
In High Schools	15,297	4,993	20,290
In Higher Secondary Schools	1,904	222	2,126
<b>Total</b>	<b>71,992</b>	<b>48,232</b>	<b>120,224</b>

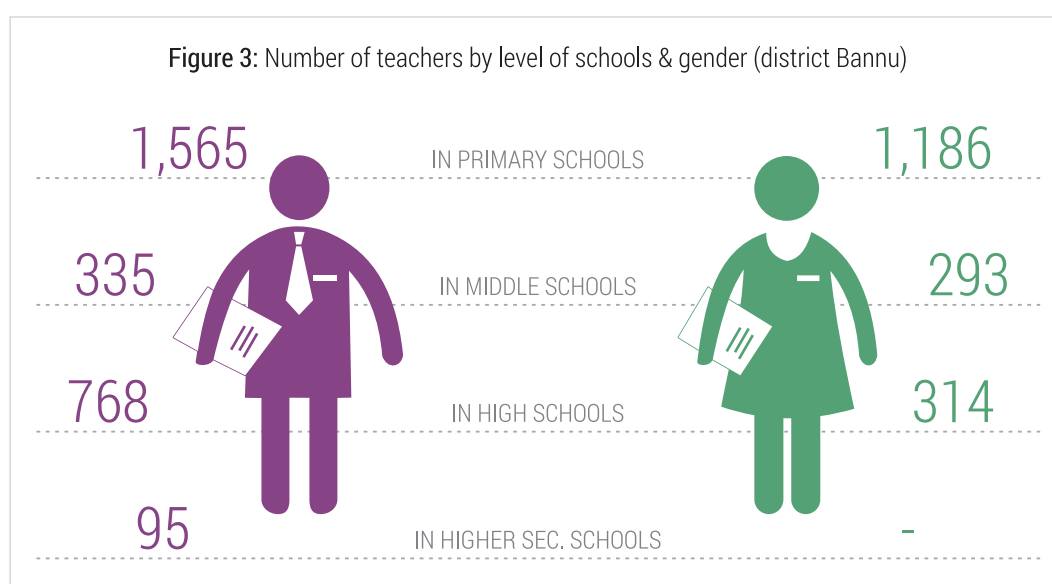
Source: School Statistics by EMIS 2013-14

There are 4,556 teachers (for these 120,224 students) teaching in 1,526 schools of district Bannu. Their (the teachers') 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 Bannu

Number of Teachers	Male	Female	Total
In Primary Schools	1,565	1,186	2,751
In Middle Schools	335	293	628
In High Schools	768	314	1,082
In Higher Secondary Schools	95	-	95
<b>Total</b>	<b>2,763</b>	<b>1,793</b>	<b>4,556</b>

Source: School Statistics by EMIS 2013-14



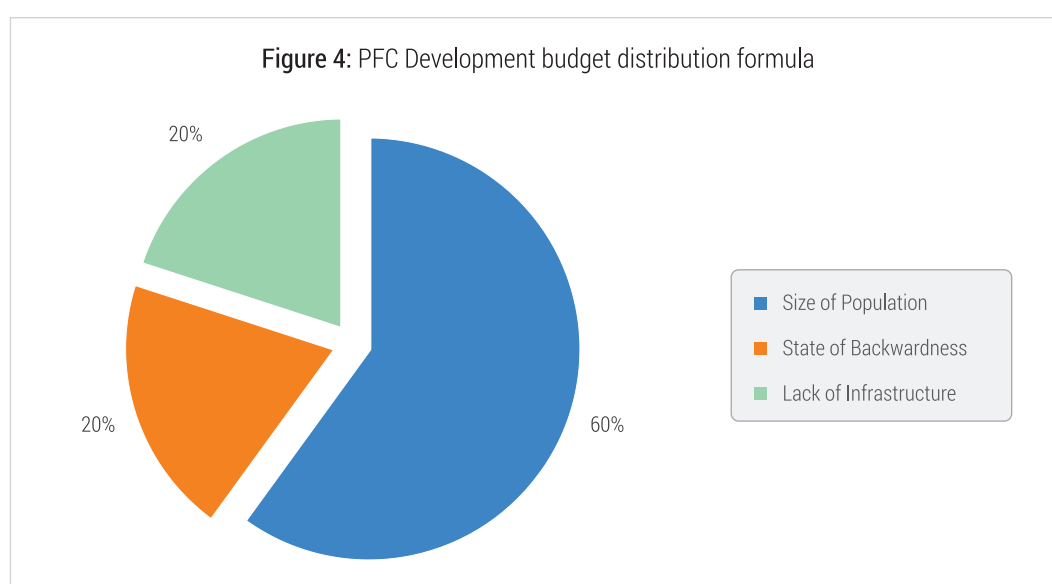
It is very important to note that there is not a single female teacher for nine higher secondary schools for girls in Bannu and 222 female students enrolled in higher secondary schools are being taught by male teachers. As per Pakistan District Education Rankings 2015 documented by Alif Ailaan Bannu ranks 13th in KP (from a total of 25 districts within the province) and 64rd in Pakistan (out of a total of 144 districts) with an education score of 67.00.

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

There are two budget lines for public financing of E&SE. One is the current budget and the other is the development budget. The current budget comprises of funds for staff salary and pension, and operation and maintenance expense of education institutes while development budget comprises of funds for 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. Current budget and development budget are drawn from two separate provincial budget slots of E&SE budget and of development budget. However, there is no synchronization between current and development budget planning for an integrated approach of governance in the KP's E&SE department at provincial and district levels.

The budget cycle starts from budget estimates and ends with expenditure. The provincial finance department issues BCCs (Budget Call Circular) to respective departments on a yearly basis for making estimates of their expense for the year ahead. After the BCC forms are filled and submitted, they enter the process of scrutiny and approval. Once 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 also disbursed from 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 funds will be done through the 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 backwardness<sup>3</sup> in a district (each weighing 20%). Rs. 30 billion has been allocated under districts annual development program for the year 2015-16 budget of KP.

The PFC award 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 opportunity for manipulating public authority for political interests.

### Current Budget E&SE Department District Bannu

Before discussing district Bannu's E&SE budget, it would be appropriate to take 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 estimated budget as shown 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

On average 4% of the provincial E&SE budget is allocated for district Bannu whereas the actual expenditure exceeds to 4.7% of the provincial allocation. This is a prominent observation of budget figures over the years that actual current expenditure exceeds estimates whereas the development fund remains underutilised against allocated funds. The reason of over expense of the current budget is inefficient planning. For example, a salary increment is a yearly expense but in district Bannu's current budget estimates it is usually ignored. Later, it is added in revised estimates and causes irregularities in the official working on the budget. The current budget of the E&SE department for district Bannu for the FY 2011-12 to 2014-15 (both the budget estimates and actual expenditure) and its proportion in the provincial E&SE department budget is shown in the table below:

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.

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

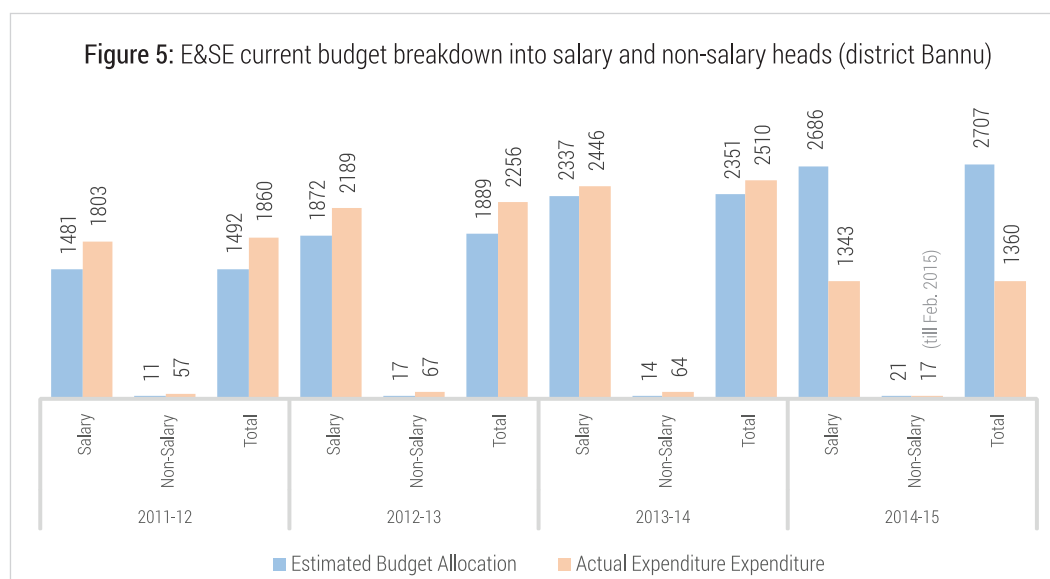
Years	Khyber Pakhtunkhwa	District Bannu			
		Budget Estimate		Actual Expenditure	
		Allocation	% Share in KP's E&SE Current Budget	Expenditure	% Share in KP's E&SE Current Budget
2011-12	37,230	1,492	4.01%	1,860	4.99%
2012-13	46,602	1,890	4.06%	2,256	4.84%
2013-14	60,553	2,351	3.88%	2,509	4.14%
2014-15	73,684	2,707	3.67%	1,360	1.85%

(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 the development budget indicate poor planning on part of the E&SE department. Allocation for the 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 the FY 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 divided 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. Although the provincial budget (current) salary head normally comprises 95% to 97% (on average) and the funds for non-salary expenditure remain deficient, the situation in district Bannu is even worse. For the last 4 years allocation against non-salary head has remained at 1% of the current budget. Contrary to this estimation and allocation, the actual expenditure under non-salary head has remained 3%. Detailed breakdown of budget amounts (estimated and spent) into salary and non-salary with proportions in allocated and spent budget for district Bannu is provided in the following table:

Table 6: District Bannu 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	1481	99.3%	1803	97%
	Non-Salary	11	0.7%	57	3%
	Total	1492	--	1860	--
2012-13	Salary	1872	99%	2189	97%
	Non-Salary	17	1%	67	2.6%
	Total	1889	--	2256	--
2013-14	Salary	2337	99.4%	2446	97.5%
	Non-Salary	14	0.6%	64	2.5%
	Total	2351	--	2510	--
2014-15	Salary	2686	99.2%	1343	98.75%
	Non-Salary	21	0.8%	17 (till Feb. 2015)	1.25%
	Total	2707	--	1360	--

(KP Finance Department Budget Database)

As already mentioned, non-salary expenditure is mainly about 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. It is important to note that maintaining the quality of education service and provision of congenial learning and teaching environment in schools falls under non-salary expense. Prevailing negative situation of schools with respect to quality of education and teaching/learning environment is due to the meager budget allocation for all these 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 causes drop out and poor learning outcomes in government schools comparing private schools.

As of learning outcomes, only 43% of Grade 3 students in government schools can read at least a sentence in Urdu/Pashto while in private schools this ratio is 62%. Only 46% students of grade 5 in public schools can read at least a sentence in English while this ratio is 59% in private schools.

As far as the expenditure along primary and secondary education, as well as along administration of the E&SE department is concerned, more than 50% of the total E&SE department's expenditure for district Bannu is incurred on secondary education. Total expenditure on primary education remains between 46 to 47% while the total expenditure on administration ranges from 2% to 4% with an average of almost 3%. The table below shows budget allocation and total expenditure for E&SE department district Bannu with its breakdown for primary and secondary levels of education and administration along respective proportions and rate of increase for the years 2011-12 to 2014-15.

Table 7. Distribution of Bannu's Current Budget by Primary, Secondary and Administration (Allocated and Actual Expenditure) (Rs. in Millions)

Category	2011-12		2012-13		2013-14		2014-15	
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure
Primary	708.59	880.40	884.34	1094.29	1072.54	1179.81	1236.14	636.35
%age	47%	47%	47%	48%	46%	47%	46%	47%
Secondary	736.71	921.75	953.69	1114.70	1182.01	1218.38	1377.04	689.01
%age	49%	50%	50%	49%	50%	49%	51%	51%
Admin	46.50	57.50	51.94	47.43	96.60	111.15	94.27	34.92
%age	3%	3%	3%	2%	4%	4%	3%	3%
Total	1491.80	1859.65	1889.98	2256.42	2351.15	2509.34	2707.44	1360.27
% Increase		25%		19%		7%		

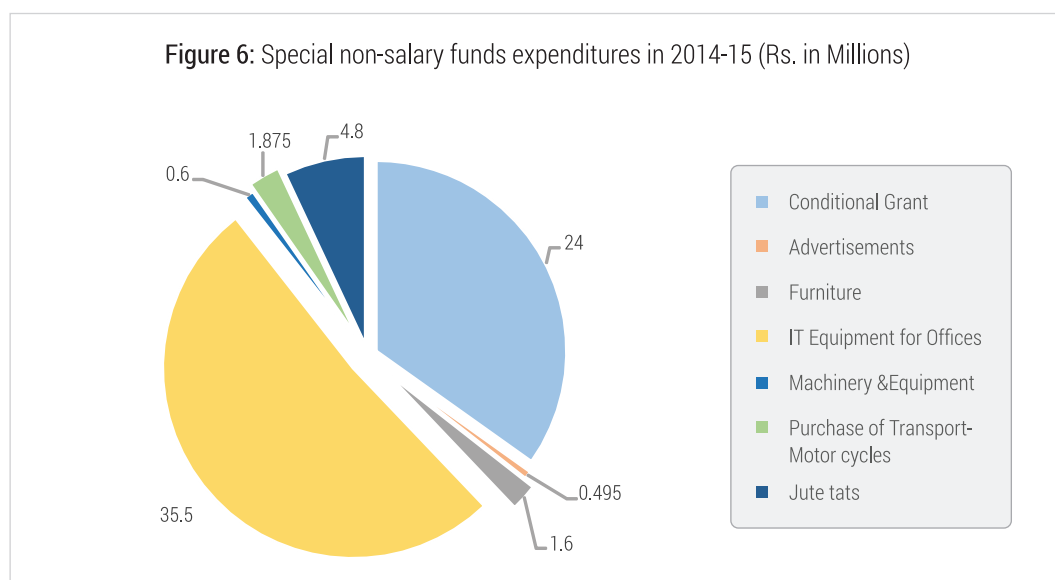
### Special Non-Salary Budget (2014-15)

For the FY 2014-15, a special non-salary allocation of Rs. 7 billion for KP province is being made for improving the quality of school environments and education which is a very positive move in filling the gap of non-salary expenditure. Target action under this grant would include provision of missing facilities in schools. This money is being disbursed to district E&SE departments. District Bannu has received Rs. 68.87 million up till February 2015 and spent it on actions described in the following table:

Table 8: Special non-salary funds expenditure in 2014-15

S #	Expenditure Head	Amount (Rs. in Millions)
1	Conditional Grant	24.00
2	Advertisements	0.495
3	Furniture	1.60
4	IT Equipment for Offices	35.50
5	Machinery & Equipment	0.60

S #	Expenditure Head	Amount (Rs. in Millions)
6	Purchase of Transport-Motor cycles	1.875
7	Jute tats	4.80
<b>Total</b>		<b>68.87</b>



### Development Budget E&SE District Bannu

About 15% of the provincial development budget is allocated to E&SE on average, through the Annual Development Plan (ADP) in KP. It is underutilised (10% of the total development budget for KP against 15% allocation) due to capacity lag. The development budget expenditure is inequitable between elementary and secondary levels of education. Anyhow, it helps meet the upcoming needs of school infrastructure and provision of missing facilities in schools for balancing population growth. The proportion of the E&SE development budget in provincial development budget along with allocated amounts and actual expenditure is shown in the table below:

Table 9: 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%

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
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 Bannu, proportion of development to current budget of the E&SE was 13% and 87% in FYs 2011-12 & 2012-13 but in FY 2013-14 it dropped down to 9% and 91%. For the FY 2014-15 it has further decreased to 3% and 97%.

## Major Issues in E&SE Budget District Bannu

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

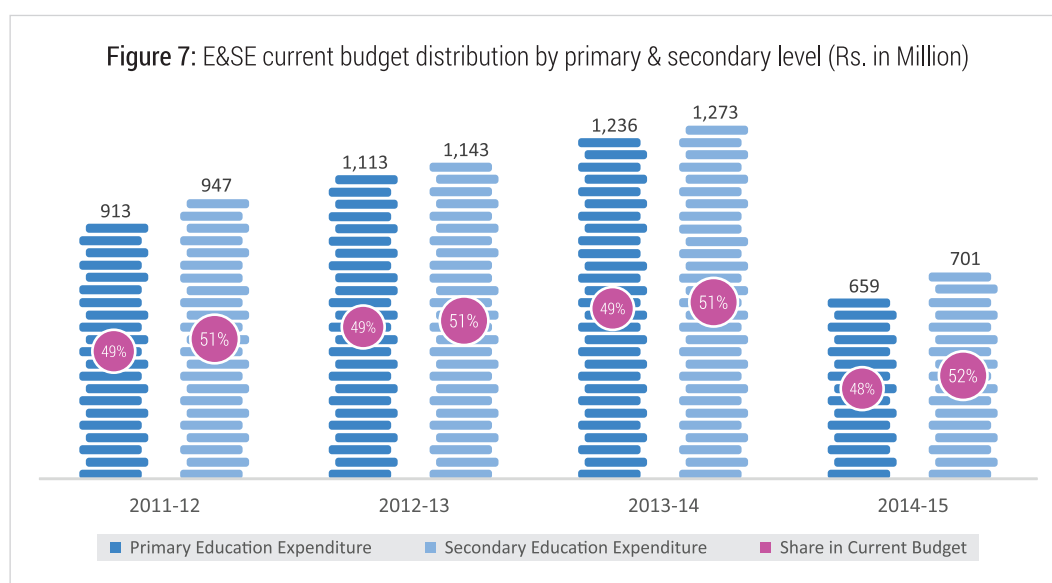
During the last 4 years, a stagnated proportion of 49% has been allocated for primary education in district Bannu despite the fact that 82% (1169) of the total number of schools, 72% of the students enrolled in all schools and 57% of the teaching staff employed by the district E&SE department belong to primary schools. In view of these facts, the budget (allocation/expenditure) proportion on primary education is inequitable and the strategic policy objective of the sitting government that is to attain UPE at the earliest possible is being ignored. This is a paradox that the policy statement entails versus budget trends. The following table shows current budget distribution by primary and secondary levels of education for district Bannu.

Table 10: E&SE district Bannu 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	912.64	49%	947.01	51%	1859.65
2012-13	1113.14	49%	1143.28	51%	2256.42

Year	Primary Education		Secondary Education		Total Expenditure
	Expenditure	% Share in Current Budget	Expenditure	% Share in Current Budget	
2013-14	1236.07	49%	1273.27	51%	2509.34
2014-15	658.868	48%	701.406	52%	1360.27

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



Spending on Primary education increased by 22% in the FY 2012-13 but declined sharply by 11% in the FY 2013-14. Spending on secondary education has also shown a similar trend of increase by 21% in the FY 2012-13 with a decline of 11% in the FY 2013-14. The expenditure for the FY 2014-15 is available till Feb 2015 and actual increase cannot be calculated at this stage. However based on the trend of past 6 months of the FY 2014-15, the increase in expenditure is anticipated to be 7% and 10% for primary and secondary education respectively. These rates of increase and decrease are given in the table below:

Table 11: Comparative rate of increase by level of education in current E&SE expenditure of district Bannu (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	913	-	947	-	1,860
2012-13	1,113	22%	1,143	21%	2,256
2013-14	1,236	-11%	1,273	-11%	2,509
2014-15	659	7%	701	10%	1,360

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

In development budget of E&SE, the primary level is even more mistreated and proportional development expenditure on primary education is also lesser than on secondary level. The table below depicts the situation with the annual rate of increase both for primary and secondary levels along with the proportion of development budget expenditure for both levels.

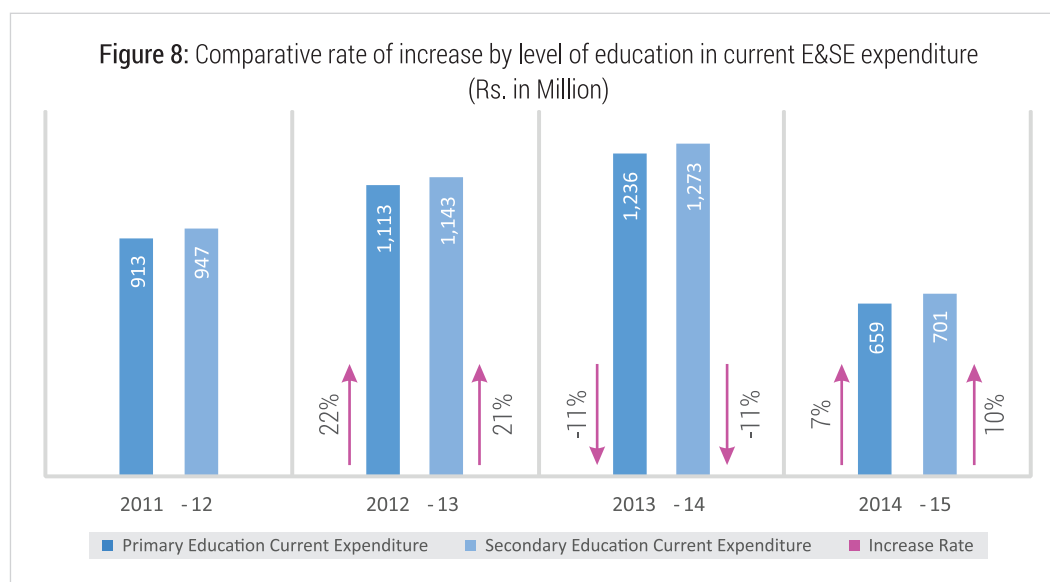


Table 12. Development Expenditure by Primary and Secondary Education District Bannu

Year	Primary Education			Secondary Education			Total
	Primary	% Share in Expenditure	Yearly % Increase	Secondary	% Share in Expenditure	Yearly % Increase	
2011-12	103	36%	--	181	64%		284
2012-13	144	42%	40%	202	58%	12%	346
2013-14	120	46%	-17%	141	54%	-30%	261
2014-15	5	11%	-96%	38	89%	-73%	43

### Expenditure by Gender

Gender disparity in education service provision, in 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 Bannu 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 but, the government has resolved to address this issue. Provision of education to all children of age 5 to 16 is the obligation of government by virtue of article 25-A of the constitution of Pakistan. In spite of this, the trends in education expenditure by gender show a discriminated allocation of the budget. The gender parity issue must be addressed on a priority basis



and more allocation for girls' education should be earmarked. More schools for easy access, incentives, enrolment and appointment in the E&SE department should be gender balanced. Table 13 and Table 14 below present detailed gender distributions of students in district Bannu.

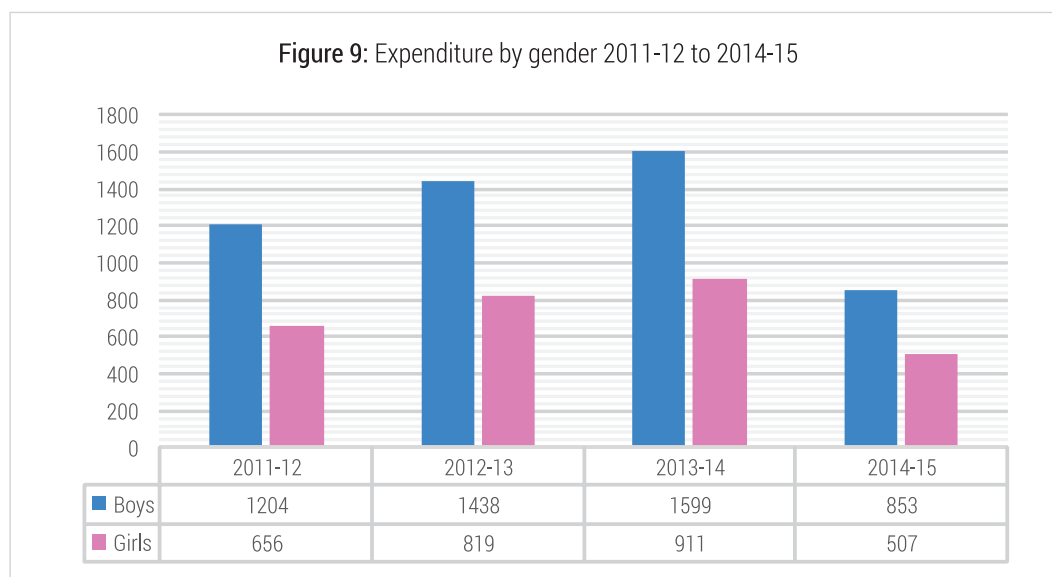


Table 13: Number of enrolled students in district Bannu by level of education, class of enrolment and gender as in Annual Statistics Report 2013-14

Primary Level		Un-admitted	Kacchi	Pakki	Class 2	Class 3	Class 4	Class 5	Total Enrolled
	Males	17,625	14,324	10,563	9,169	7,948	6,965	6,609	55,578
	Females	5,427	14,555	5,985	4,779	3,894	3,548	3,223	35,984
	Total	23,052	28,879	16,548	13,948	11,842	10,513	9,832	91,562
Secondary Level		Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Total Enrolled
	Males	5,840	5,401	4,472	3,973	3,642	560	287	24,175
	Females	2,805	2,496	2,126	1,813	1,537	523	478	11,778
	Total	8,645	7,897	6,598	5,786	5,179	1,083	765	35,953

(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	55,578	24,175	79,753
Females	35,984	11,778	47,762
Total	91,562	35,953	127,515

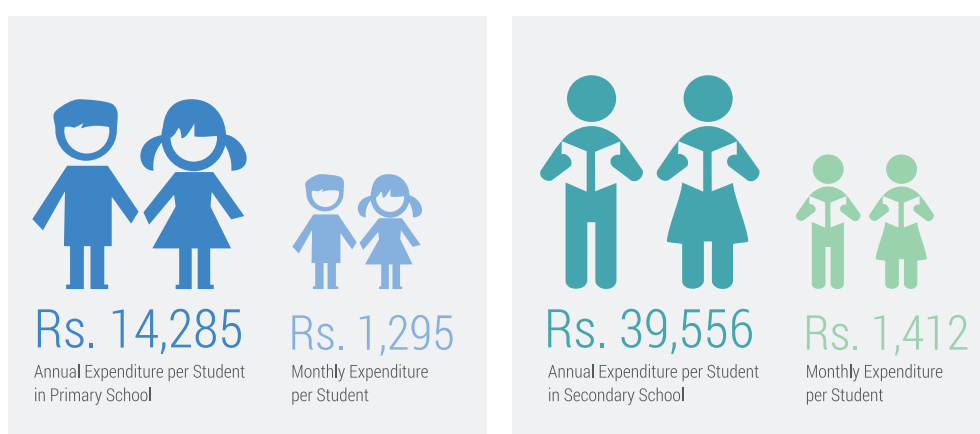
## Expenditure per Student

Expenditure per student has been increasing during the FYs 2011-12 to 2014-15 but the rate of increase is commensurate only to balance the inflation. Price hikes have been a constant factor which brings the net effect of increase in per student expenditure almost to a null. For the FY 2014-15, expenditure per student in KP is estimated at Rs. 1785 per month but this expenditure is not equitable along level of education. Its distribution by primary and secondary is Rs. 1190 and Rs. 3296 per student/month respectively. Average non-salary allocation per student is Rs. 170 per annum. Its breakdown by primary and secondary level student is Rs. 94 and Rs. 363 per student per annum respectively. This budget trend, to a considerable extent, is responsible for low learning outcomes, inadequate number of teachers and high dropout in primary schools. The following table shows salary and non-salary budget allocations for the year 2014-15 and expenditure per student with a breakdown along primary and secondary level education.

Table 15. Expenditure per Student for Fiscal Year 2014-15

Level of Education	Budget Allocation 2014-15 (Rs in Millions)			No. of Students Enrolled	Average Expenditure Per Student for The Year 2014-15
	Salary	Non-Salary	Total		
Primary	1,287	8.494	1,295.49	90,686	14,285
Secondary	1,398.96	12.962	1,411.92	35,694	39,556
Total	2,685.96	21.456	2,707.42	126,380	21,423

Figure 10: Expenditure per student FY 2014-15 in district Abbottabad by primary & secondary



## Parent Teacher Councils

Parent Teacher Councils are a very good initiative towards community participation in E&SE budget spending and 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 and a conventional financial audit of the funds they are provided is acquitted. However, third party validation applies upon their funds. They deal mainly with the non-salary head and take care for minor repairs and purchase of class consumables as well as of the payment of utility bills. Criterion for funds to a PTC is the number of rooms in the respective school. Rs. 2,000 per year for class consumables and Rs. 5,000 for repair are awarded for each class room to the PTC. 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). It falls in their jurisdiction to hire temporary teaching staff and 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.

PTC Funds provided to schools in district Bannu are shown in Table 15 below. This is however the case that Rs. 9,506 million is not sufficient for meeting the needs of 4753 classrooms for a whole year (2014-15). Petty repairs and general needs of schools like maintenance of toilets, provision of drinking water, electricity etc. require more money. The formula of PTC funds allocation was set eight years ago and it needs to be revisited because of the continuous price hikes in country. The following table provides the details for number of class rooms in district Bannu and their breakdown by gender, and fund released for class room consumables and petty repairs for the FY 2014-15.

Table 16. PTCs' Funds for District Bannu for the Year 2014-15

Schools	No. of Rooms by Girls & Boys			Funds Released for (Rs. in Millions)		
	Girls versus Boys	No. of Class Rooms	No. of Other Rooms	Class-Room Consumables	Petty Repair	Total
Primary	Boys	1921	1	3.842	9.61	13.452
	Girls	1205	-	2.41	6.025	8.435
Middle	Boys	266	124	0.532	1.95	2.482
	Girls	260	136	0.52	1.98	2.5
Higher	Boys	557	249	1.114	4.03	5.144
	Girls	268	153	0.536	2.105	2.641
Higher Secondary	Boys	181	45	0.362	1.13	1.492
	Girls	95	67	0.19	0.81	1.00
Total		4753	775	9.506	27.64	37.146

## SWOT Analysis of E&SE Budget District Bannu

### STRENGTHS

- » Budget allocation and expenditure of E&SE department district Bannu 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 solely for 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 will not improve.

## Findings and Recommendations

- » Public spending on education is inadequate and does not meet the lowest benchmark of 4% of the GDP in Pakistan. This under spending on education is coupled with gender inequitable spending. Girls have a lesser number of schools and teachers (female teachers) than boys. Budget trends need to be gender equitable for curbing discrimination against girls' education and achieving the gender parity in education attainment.
- » Total enrolment in 1,526 government schools of Bannu is 120, 224 out of which 4, 8232 (40%) are girls and 60% are boys. Girls comprise 44% of the students at primary level but only 25% at high school level, which is the result of lack of adequate number of high schools in accessible area. We need to focus on primary education for the sake of attaining the UPE objective but not at the cost of secondary and higher secondary level education of girls. Adequate number of schools should be built in accessible areas so that girls can come up to par with boys in education attainment.
- » Spending on primary level education in Bannu is not in line with the strategic objective of UPE. With as high percentage of schools, enrolled students and teachers as 82%, 72% and 57% respectively, an average 49% of the district current budget spending on primary education is not justified. More resources must be allocated to primary education without compromising secondary education budget. Since secondary education requires improvements and progress, overall resource allocation for E&SE should be raised to fill the primary education resource deficit.
- » Lion's share (98% to 99%) of the current budget in Bannu is spent on the salaries of staff. Traditionally only 2% to 3% of the total current budget is earmarked for non-salary expenditure. This percentage share must be raised to 10% in order to provide teachers and students in public schools with improved and congenial learning/teaching environment. This would only be possible when basic facilities (electricity, boundary wall, safe drinking water and group latrines) in all public schools are provided along with adequate quantity of class consumables, laboratory equipment, required furniture and good house-keeping of schools.
- » Variation in estimated and actual expenditure has been observed all along the four years of budget analysis. The actual expenditure of current budget has exceeded the original budget allocation by 25% in FY 2011-12. This variation has remained 19% and 7% in the FYs 2012-13 and 2013-14 respectively. This calls for public officials' capacity building and their facilitation with skill development trainings so that they can make appropriate estimates and minimize these differences of estimation and expenditure.
- » In Bannu, the percentage share of the development budget has remained very low during the FYs 2011-12 to 2014-15. It has ranged between 3% to 13% of total district E&SE budget expenditure. District Bannu is facing big challenges in terms of the education development with a particular setback of targeted attacks on education institutes. Therefore, this meager proportion of development should be raised to a reasonable percentage share to meet the challenges of UPE and gender parity in education.
- » Private schools in Bannu are 13% of total schools but their enrolment is 26% of the total enrolment. It calls for improved performance of government schools which is possible only with more investments

aimed at improving the quality of education and learning outcomes of government school students.

- » 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 third party validation audits should be organised.
- »
- » For 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, 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.
- » Understaffed primary schools should be provided adequate rooms and teaching staff.
- » Gender discriminated and level of education (primary/secondary) discriminated budgeting should be altered with gender and level equitable budgeting.
- » Female teachers should be recruited in higher secondary schools for girls. This will increase the enrolment at higher secondary level among girls. In this regard, special boarding arrangements or facilitation in commutation of the female teachers should be offered.
- » In order to improve learning outcomes, performance based incentives may be granted to encourage healthy competition among teachers along with effective and regular monitoring and audit for strengthening accountability.





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