



UNESCO
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Education expenditure: Conceptual framework, data collection, processing and dissemination

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OBJECTIVES

- ❑ **Overall** : Contribute to sustainable and harmonized methods for the collection, processing, analysis and dissemination of education expenditure data
- ❑ **Specific**
 - Explain the international concepts of education financing and / UIS questionnaire B
 - Introduce the NEA
 - Describe the various data sources on the financing of education
 - Recall the basic functionalities of the UIS education finance data template

Sustainable Development Goals and Education 2030

- Growing needs for comprehensive and comparable data on education financing at national and international levels including for the monitoring of SDG4
 - Indicator on financing: **Education expenditure per student by level of education and source of funding**
- Current situation: difficulties in making adequate monitoring of education financial flows at the national level and to provide full and regular data to UIS

Why an NEA?

Comprehensive

- All education levels, all sources of funding, all education providers

Systematic

- Cohesive financial flows and accounting framework

Comparable

- Anchored within existing international classifications (ISCED, SNA)
- Classification balances between national and international needs
- Data can easily be transferred to UIS' Questionnaire on Education Financing with little additional work/estimations
- Satellite/sector accounts already exist in other sectors---tested concept, and much can be learned from experience and methodologies of other sectors

Key questions on Education Finance /NEA

Who finances education? **Source of funds/Financing units**

How much do they spend?

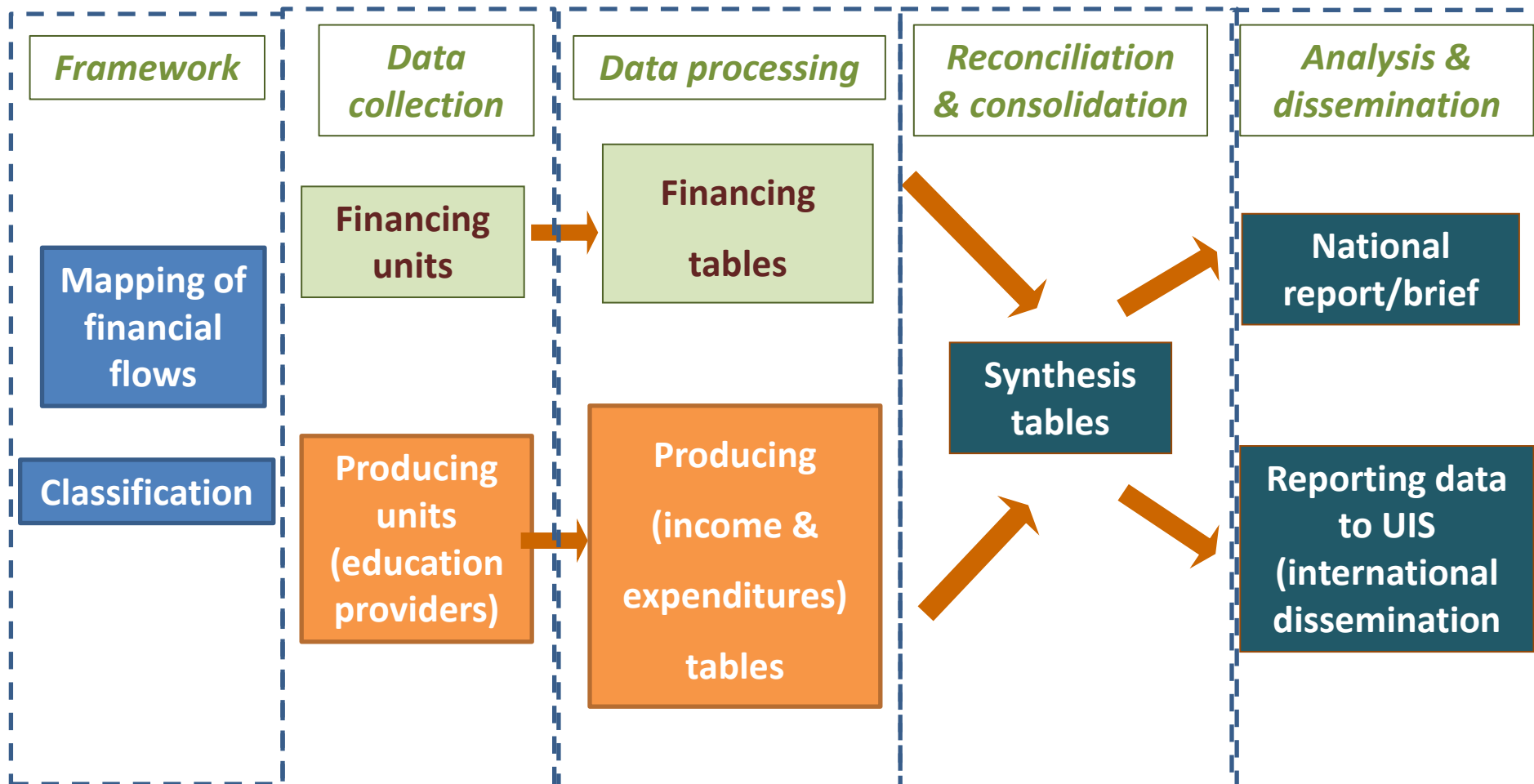
Where do the funds go?

Destination/Activities Level of education

What are the funds being spent on?

Nature/Economic transaction

The NEA exercise



Guinea

Zimbabwe

Viet Nam

Côte d'Ivoire

Lao PDR

Senegal

Nepal

Uganda

**Allocation of resources
within the system**

Private expenditure

External funding

**Full National
Education Accounts**



Analysis of public expenditure on education for national monitoring and sector reviews



**Reporting to the UIS of international
education finance statistics**

**International expertise on NEA + development
of methodology + 1st international guidelines on
NEA**

Mapping education financing: flows and dimensions

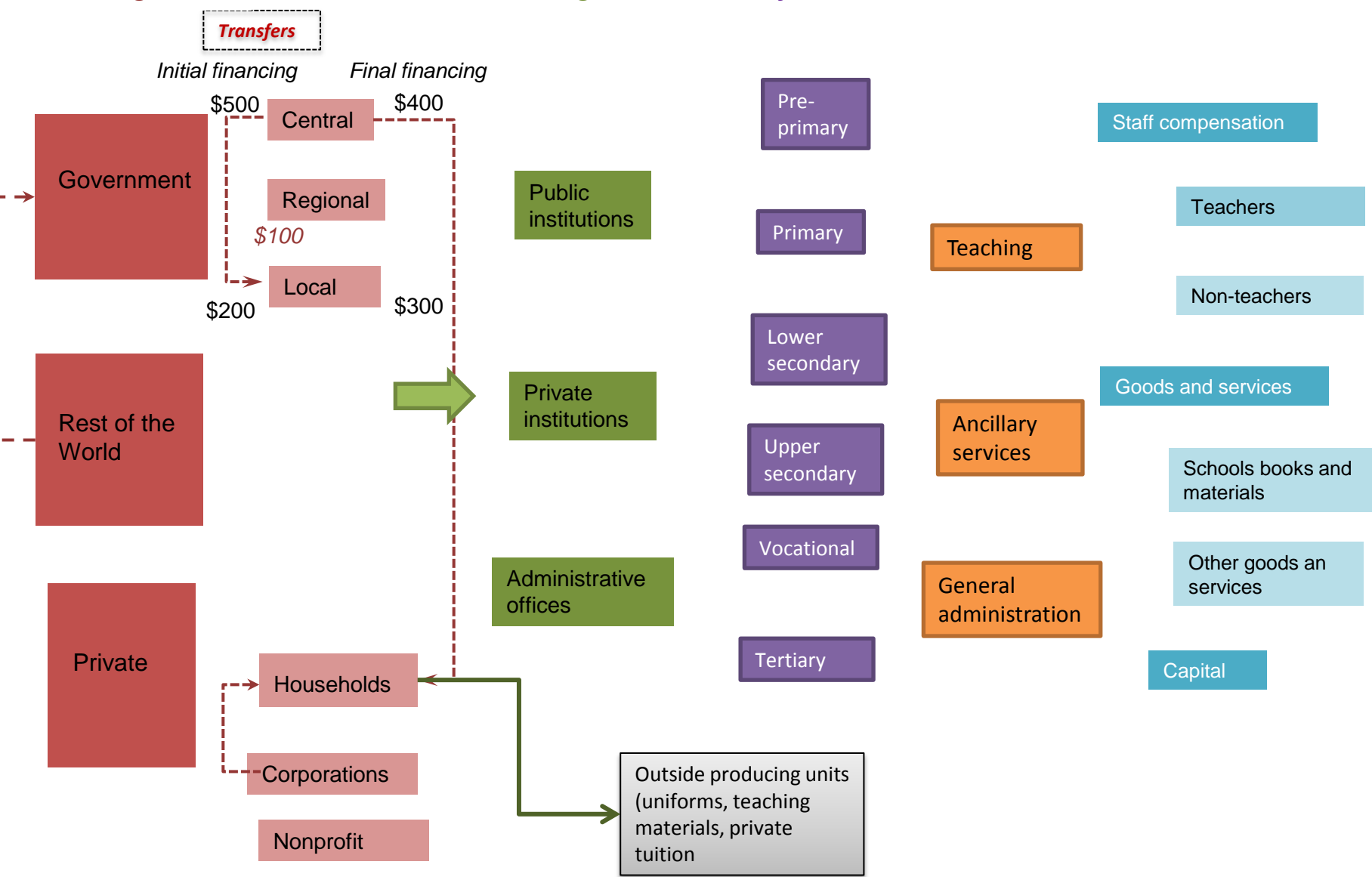
Financing units

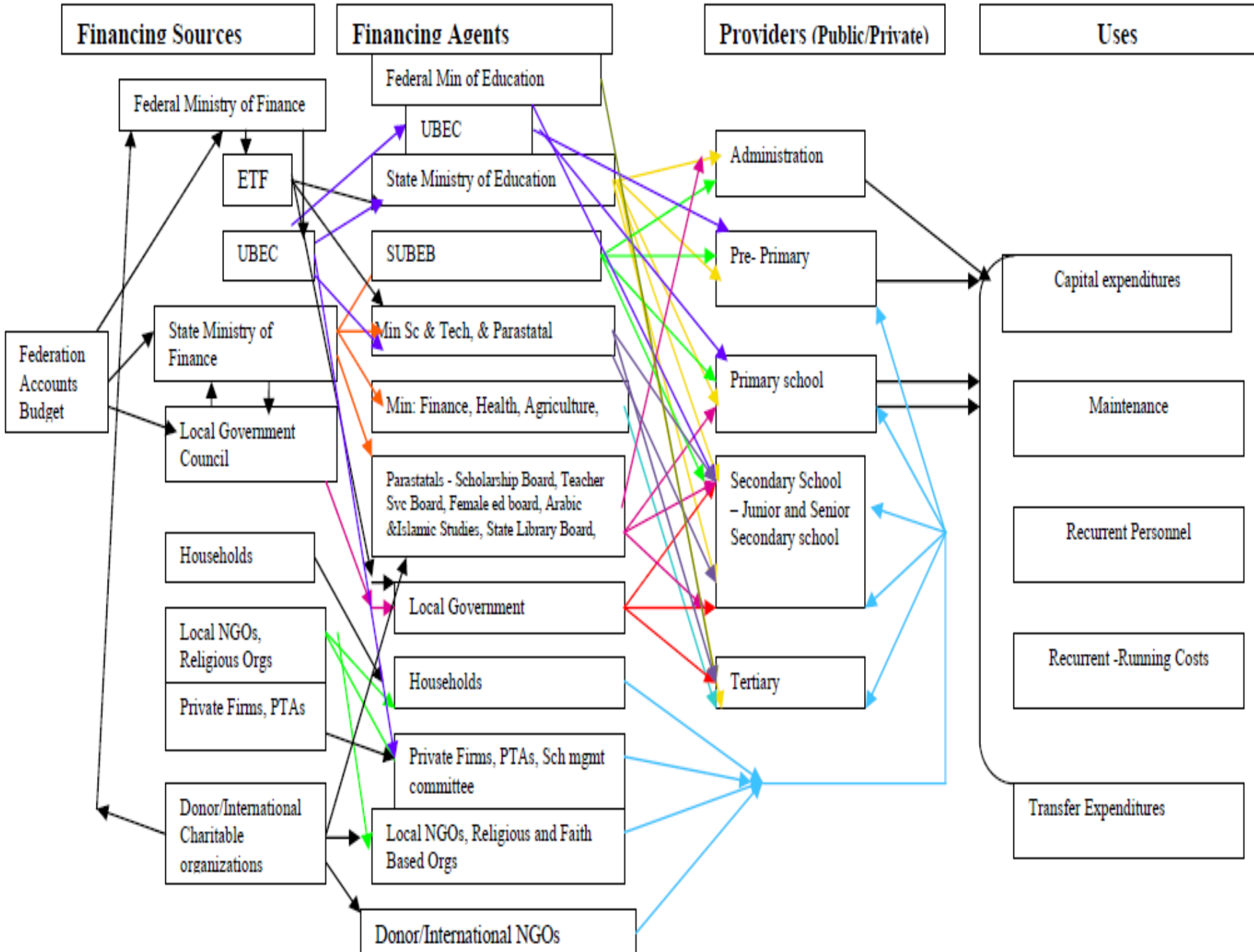
Producing units

Level of education

Activities

Economic transaction





To which level of education does the expenditure benefit?(4)

ISCED 2011

ECD Pre-primary Primary Lower sec. Upper sec. Post-sec. non tert. Tertiary

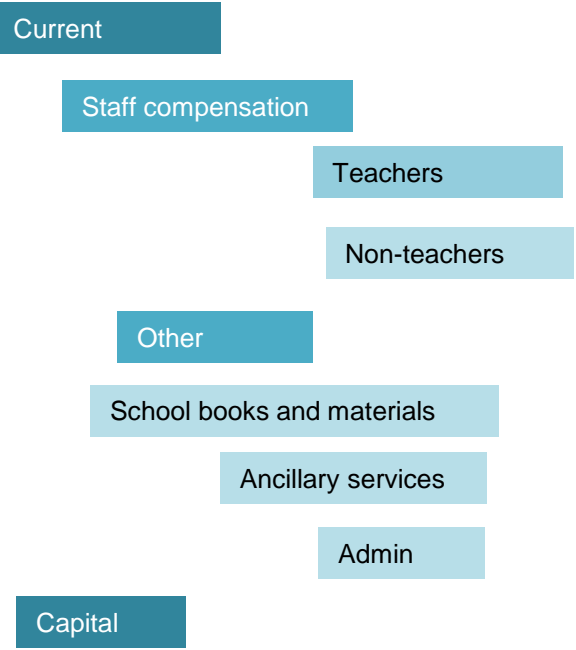
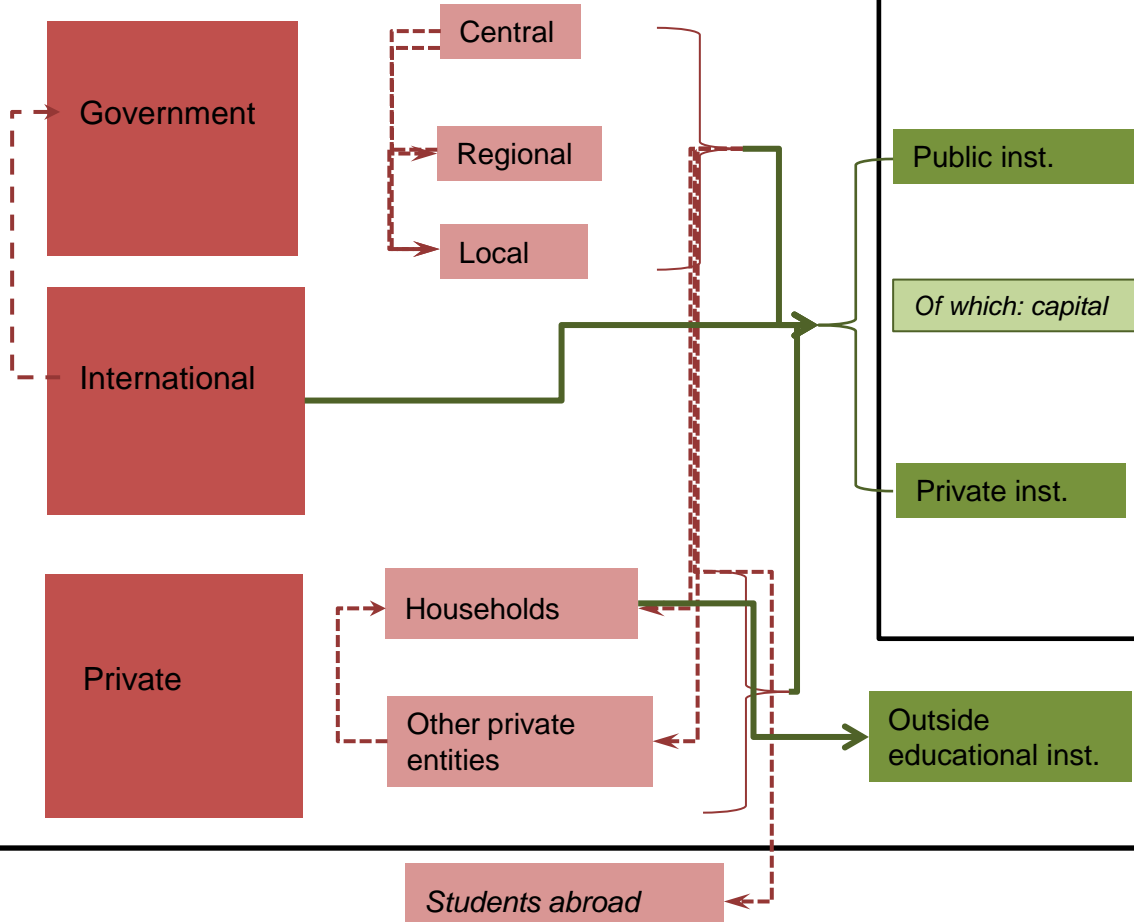
Who funds education? (1)

Who produces the education services? (2)

What is the nature of expenditure? (3)

Transfers

Direct expenditure



Domain and coverage: like QA and QC

- Formal education
- Within the borders of the country

B2: Sources and destination (by ISCED level)

B2: Educational expenditure by level of education, source and destination

Split by ISCED 2011 levels

GOVERNMENT SOURCES				Early childhood educational development		Pre-primary		Primary		Lower secondary
				ISCED 01	ISCED 02	ISCED 02	ISCED 03	ISCED 1	ISCED 2	
CENTRAL GOVERNMENT EXPENDITURE										
Direct expenditure for educational institutions										
Direct expenditure for public institutions						500				
Direct expenditure for private institutions						100				
Total: Direct expenditure for all educational institutions	C5					600				
<i>of C5: Direct expenditure designated for capital</i>	C5a									
Intergovernmental transfers for education										
Net transfers to regional governments						60				
Net transfers to local governments						0				
Total: Intergovernmental transfers	C9					60				
Transfers and payments for education to the private sector										
Subsidies to households and students						30				
Transfers and payments to other non-educational private entities	C13					5				
Total: Transfers and payments to the private sector	C14					35				
Total: Central government expenditure for education										
Total: Central government expenditure for education	C20					695				
REGIONAL GOVERNMENT EXPENDITURE										
Direct expenditure for educational institutions										
Direct expenditure for public institutions	R1									

Expenditure by source/financing unit

Direct expenditure

Transfers between levels of government

Transfers to private entities

Automatic totals

B2: Institutions and nature (by ISCED level)

B3: Education expenditure by level of education, type of institution and nature

Split by ISCED 2011 levels

Expenditure by institutions and nature

		Early childhood educational development	Pre-primary	Primary
		ISCED 01	ISCED 02	ISCED 1
EXPENDITURE IN PUBLIC INSTITUTIONS				
Current expenditure on staff compensation				
Teaching staff	X1		150	
Non-teaching staff	X5		45	
Total: Current expenditure on staff compensation	X6		195	
Current expenditure other than for staff compensation				
School books and teaching material	X10		X	Included in X12
Ancillary services	X11		X	Included in X12
Administration and other activities	X12		200	W Includes X10 and X11
Total: Current expenditure other than for staff compensation	X13		200	
Total: Current expenditure				
Total: Current expenditure	X14		395	
Capital expenditure				
Capital expenditure	X15		75	
Total: Expenditure in public institutions				
Total: Expenditure in public institutions	X20		470	
EXPENDITURE IN PRIVATE INSTITUTIONS				
Current expenditure on staff compensation				
Teaching staff	W1			
Non-teaching staff	W5			

If not possible to disaggregate, Please use the 'X' and 'W' codes

Main challenges in filling QB

- Expenditure from private and international sources often missing
- Difficulties in identifying the nature or destination of some budget lines
- Difficulties in splitting expenditure by ISCED levels, especially for administration expenditures: precision vs complexity → Methods for splitting
- Going from national classification to QB → Education Finance Data Template

Key principles for finance data collection

- Sustainability and institutionalisation of processes
- Paint the big picture first to make sure there will not be major gaps in your research
- Focus on **priorities**--don't spend too much time on sources likely to be negligible
- Choice of methods for estimations: trade-off between preciseness and simplicity

Data Sources: government expenditure

- Government expenditure
 - Government final accounts: Usually available from the Ministry of Finance. ***Must be obtained for all levels of government spending on education (federal, states, local.)***
 - Accounts/details of spending from sector Ministries spending on education
 - Pay scale and number of teachers for splitting assumptions
 - Accounts of autonomous public institutions, ex. universities and technical and vocational institutions
- International expenditure
 - For ‘on-budget’ aid to education: generally recorded in education budgets/accounts
 - For ‘off-budget’ aid to education: donor coordination unit may have this data
 - For international NGOs: often difficult, but they are often associated by theme (ex. education NGO group)
- Private expenditure
 - Household expenditure surveys

Objectives of the Template

- Organize education finance data in one place : multiple sources of funds, multiple years;
- Document the processing of education finance data, particularly assumptions on how to split expenditure on education;
- Produce reliable education expenditure statistics by **level of education** and **nature of spending** using transparent estimations;
- Produce analytical outputs for the purpose of national planning and monitoring of education financing;
- Convert national education finance data into international formats and transmit data on **UIS QB**

Overview

1. National data sheets

Education expenditure data from country sources

Data entry_education exp.

Additional data for assumptions (ex. teacher payroll, enrolment)

Data entry_split assumptions

2. Transformation sheet

Template:

- Drop-down choices for each line-item
- Assumptions for splitting expenditure
- Formulas to send data to the right place in QB

Data transformation

3. Output sheets

UIS finance questionnaire

Output1_UIS QB

Graphs/tables for national analysis

Output2_graphs

Thank you
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