

Sector Budget Support in Practice
Case Study
Education Sector in Uganda

Final Draft

February 2010

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Acknowledgements

Thanks are due to the many officials from MoES, MoFPED and other Government stakeholders who gave generously with their time for interviews. We are also grateful to the EFAG donors who participated in meetings for the study and to the District authorities in Iganga and Jinja for hosting valuable field visits by the consultant team.

The consultants are responsible for any errors of fact or judgement.

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List of Acronyms

AfDB	African Development Bank
CAO	Chief Administrative Officer
CCT	Centre Coordinating Tutor
CG	Central Government
CIDA	Canadian International Development Agency
COFOG	Classification of Functions of Government
CSO	Civil Society Organisation
DEG	Donor Economists Groups
DEO	District Education Officer
DFID	Department for International Development (UK)
DIS	District Inspector of Schools
DP	Development Partner
EC	European Commission
EDF	European Development Fund
EDP	Education Development Partners
EFA	Education For All
EFAG	Education Funding Agencies Group
EMIS	Education Management Information System
EPRC	Education Policy Review Commission
ESA	Education Standards Agency
ESAC	Education Sector Adjustment Credit
ESC	Education Service Commission
ESCC	Education Sector Consultative Committee
ESIP	Education Sector Investment Plan
ESR	Education Sector Review
ESSAPR	Education Sector Strategy Annual Performance Report
ESSP	Education Sector Strategy Plan
EU	European Union
FENU	Forum of Education NGOs in Uganda
FTI	Fast Track Initiative
FY	Financial Year
GBS	General Budget Support
GDP	Gross Domestic Product
GEM	Girls Education Monitoring
GFATM	Global Fund for AIDS Tuberculosis and Malaria
GFS	Government Finance Statistics
GIR	Gross Intake Rate
GoU	Government of Uganda
GPEN	Gross Primary Enrolment Rate
GTZ	German Technical Cooperation
HIPC	Highly Indebted Poor Countries (Initiative)
HQ	Headquarters
IDA	International Development Association
IDD	International Development Department (University of Birmingham)
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
JAF	Joint Assistance Framework
JBSF	Joint Budget Support Framework
LCD	LINK Community Development
LDPG	Local Development Partners Group
LG	Local Government

LGDP	Local Government Development Programme
MDA	Ministries, Departments and Agencies
MDEDP	Masindi District Education Development Project
MDG	Millennium Development Goals
MFA	Ministry of Foreign Affairs
MFPED	Ministry of Finance, Planning and Economic Development
MoES	Ministry of Education and Sport
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MTEF	Medium Term Expenditure Framework
NER	Net Enrolment Rate
NGO	Non-Governmental Organisation
NPER	Net Primary Enrolment Rate
NRM	National Resistance Movement
OAG	Office of the Auditor General
ODI	Overseas Development Institute
OECD	Organisation of Economic Cooperation and Development
OPM	Office of the Prime Minister
OPM	Oxford Policy Management
PAC	Public Accounts Committee
PAF	Poverty Action Fund
PBW	Planning and Budgeting Workshop
PEAP	Poverty Eradication Action Plan
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PLE	Primary Leaving Examination
PRSC	Poverty Reduction Support Credit
PSC	Public Service Commission
PTA	Parent Teacher Association
PTC	Primary Teaching College
QEI	Quality Education Initiative
SBS	Sector Budget Support
SBSiP	Sector Budget Support in Practice
SFG	School Facilities Grant
SMC	School Management Committee
SPA	Strategic Partnership with Africa
SQ	Study Question
SSA	Sub Saharan Africa
SUPER	Support to Uganda Primary Education Reform
SWAp	Sector Wide Approach
SWG	Sector Working Group
TA	Technical Assistance
TDMS	Teacher Development Management System
TMM	Top Management Meeting
TSC	Teacher Service Commission
TVET	Technical and Vocational Education and Training
TWG	Technical Working Group
UBOS	Uganda Bureau of Statistics
UGX	Ugandan Shilling
UPE	Universal Primary Education
UPPET	Universal Post Primary Education and Training
USAID	United States Agency for International Development
USE	Universal Secondary Education

Executive summary

1. This case study report documents the experience with Sector Budget Support (SBS) in the education sector in Uganda. It forms part of a broader research study commissioned by the Strategic Partnership with Africa (SPA) Task Team on Sector Budget Support. The research covers ten sector case studies from six different countries. The purpose is to draw together experience of SBS in order to guide future improvements in policy and practice by partner countries and donors as a means to enhance the effectiveness of SBS in improving sector outcomes.

Sector Context

2. Uganda has made very significant progress in providing access to schooling for primary and lower secondary school aged children. There has been a steady increase in enrolment of primary school pupils since the introduction of UPE in 1997. Enrolment rose from 3.1m in 1996/97 to 5.3m after the start of UPE in 1997/98, climbing progressively thereafter to 7.4m pupils by 2002/03. It has since levelled at 7.2m pupils in 2006/07 and 7.5m pupils in 2007/08. There has also been a significant expansion in access to secondary education during the decade since 2000. Total secondary enrolment increased from 518,000 students in 2006/07 to 954,000 students in 2007/08.

3. The increases in enrolment have especially benefitted rural and urban poor communities, and Uganda has made decent progress in reducing gender disparities in access to education services. However, the quality of public education remains poor, with low numeracy and literacy rates in primary education. This challenge of quality in primary education is best illustrated by the fact that, despite the number of children in primary education more than doubling, the number of pupils passing their primary leaving exams (PLE) has only increased marginally. Finally, it is important to note that, whilst there has been progress in improving equity in access to services, considerable inequities remain in the quality of education regionally, and across social groups.

4. GoU launched a policy of Universal Primary Education (UPE) in 1997 and followed that with the introduction of Universal Post-Primary Education and Training (UPPET) as a major policy initiative in 2006. In 1998 the Ministry of Education developed and launched the Education Sector Investment Plan (ESIP) 1998-2003 as its development framework for education, with UPE as the primary focus. The Education Sector Strategic Plan (ESSP) 2004-2015, prepared in 2003, is the current government strategy for education and was developed to cover the fiscal years 2004–2015. The ESSP also commits government to ensuring that universal access to primary education is the highest sector priority. It targets the removal of financial impediments to that objective, and it focuses attention on improving regional and gender equity. A Re-Costed Education Sector Strategic Plan (ESSP) 2007-15 was developed by MoES to include UPPET and EFA FTI funds and it remained in draft until 2009. Once adopted, the new ESSP 2007-15 will form the major strategy and policy document for the sector.

5. A key element of the framework for implementing the ESIP and subsequently the ESSP has been the institution of sectoral coordination and review processes. The key decision-making body is the MoES Top Management Meeting (TMM), which has exclusive MoES participation and provides oversight and assurance for the ESIP/ESSP. The Education Sector Consultative Group (ESCC) provides the main consultative forum on education strategy, policy and financing. It meets every two months and has participation of MoES, MFPED, MoPS, MoLG, the main education institutions, development partners, civil society and the private sector. The MoES Planning Department provides a secretariat function. The third level consists of a series of Technical Working Groups (TWGs) which relate to the education sub-sectors and to cross-cutting issues (e.g. financial management, sector policy and management, monitoring and evaluation) and which

provide technical inputs to the work of the ESCC. These mechanisms have also been the basis of donor coordination through the Education Funding Agencies Group (EFAG), since renamed the Education Development Partners (EDPs).

6. Education sector expenditures have increased substantially since 1997. In nominal terms the increases in education appear particularly dramatic – with allocations increasing from UGX 250bn in 1997/98 to UGX 900bn in 2008/09. Even taking into account inflation, the increases are still very large, with expenditures more than doubling in real terms over the same period. There are three distinct periods. Expenditures in the education sector grew most rapidly following the launch of UPE in 1997, at an average of 17% a year in real terms until 2001/02. Between 2001/02 and 2006/07, education sector expenditures only just kept pace with inflation, growing at an average of 0.3% a year. Following the introduction of UPPET in 2006, allocations to the education sector increased by 33% over two financial years in nominal terms. However, this has been undermined by high inflation. The real growth rate in expenditure averaged only 2% per year for 2007/08 and 2008/09.

7. Education sector expenditures have not kept pace with the overall budget. They have declined as a share of government expenditure over the last 12 years, initially from 24% in 1997/98 to 22% in 1999/2000. Until 2005/06 the share was stable at between 21% and 22%. Since 2006/07, despite the introduction of USE, the share of education sector spending has fallen to 17% as the overall priority of government has shifted towards productive sectors.

8. Overall resource allocation and expenditures have responded to changes in education policy – most notably the introduction of UPE and UPPET. Broadly, this implies a degree of allocative efficiency in resource allocation. However four major weaknesses in operational efficiency persist. Leakages of resources between central government and school (e.g. ghost teachers, misuse of UPE grants to districts); leakages of resources within schools (e.g. high rates of absenteeism by pupils, teachers and head teacher); deployment of teachers across districts in a way which is unrelated to measures of need; and inefficient allocation of resources within government schools (e.g. large class sizes in early grades and lower sizes at higher grades).

Nature of SBS

9. External support to the education sector through SBS has spanned the twelve years since 1998/99 and has involved eight different international donors: DFID, World Bank, USAID, Irish Aid, CIDA, Netherlands MFA, and Belgian Embassy. SBS emerged following the GoU commitment to UPE as embodied by the ESIP and in response to the establishment of the Poverty Action Fund (PAF) as a set of earmarked expenditure programmes intended to support implementation of the national development strategy (the Poverty Eradication Action Plan).

10. Once the ESIP was established and related SBS was in place from the World Bank, DFID and USAID, other donors were encouraged to shift their support from projects. By that stage, the institutional arrangements for a Sector-Wide Approach (SWAp) were also in operation. A framework for policy dialogue, conditionality, monitoring and evaluation, and accountability was formalised. Irish Aid joined dialogue on ESIP implementation alongside its support to the PAF and CIDA shifted to SBS. The establishment of a holding account for donor SBS funds emerged in the second stage of the SWAp evolution as a mechanism to improve the governance and predictability of donor financial support. Formalisation of the financial management arrangements for SBS proceeded in parallel with strengthening of the formal bi-annual joint sector reviews which become focused increasingly on setting the GoU sector performance undertakings which governed donor SBS commitments and on reviewing achievements against that conditionality as a trigger for SBS disbursements.

11. Categorisation of SBS is by two key variables – the degree of earmarking and the focus of dialogue and conditionality. The extent of earmarking is the main distinguishing feature of the various SBS programmes to education in Uganda. Three different types of SBS have been provided by donors since 1997/98: SBS earmarked to the whole sector and thus intended to support flexibly GoU priorities across the sector ('Type 1'); SBS earmarked more tightly to a particular sub-sector, e.g. primary education ('Type 2'); and SBS intended to support specific areas of expenditure, e.g. text book procurement or classroom construction ('Type 3'). In all cases the earmarking is non-traceable in the sense that SBS donors have not tried to make their funds separately identifiable through the budget. Across all SBS programmes, the non-financial SBS inputs, and in particular dialogue and conditionality, have focused on sector-wide policies and systems.

12. Significant SBS flows started in 1998/99, with provision of sector funding from the World Bank and DFID, and PAF-related funding from USAID and the Netherlands. SBS flows averaged US\$55m per annum from 1998/99, but tailed off between 2003/04 and 2007/08 to average only US\$10m. The fall in SBS levels from 2003/04 onwards is explained by a combination of the transition to GBS as the preferred instrument for key donors, the reduced appeal of SBS following the rejection by MFPED of 'additionality', and the renewed preference for project interventions in response to donor concerns about quality since 2003/04.

Effects of SBS

13. Even allowing for a judicious approach to the matter of attribution, it is clear that SBS made a substantial contribution to sector processes between 1998/99 to 2008/09, and especially in the first half of that period. That contribution may be characterised in two ways: 1) decisive additional contributions to education sector processes which probably would not have occurred in the absence of SBS; and 2) supportive or catalytic contributions to sector processes where SBS worked 'with the grain' of government priorities to consolidate or accelerate emerging developments or existing dynamics. In the case of SBS to the education sector in Uganda, the balance of contribution probably falls into the second category.

14. Based on the evidence and analysis from the SBSiP case study, it is possible to infer the major positive contributions to sector policy processes, public financial management, sector institutions and service delivery systems, and accountability.

- Sector policy processes – Notable improvements have emerged at central government level through the engagement between SBS donors and MoES on policies, planning and costing. A more harmonised, systematic and sustained approach by multiple donors in the period from 1998/99 both incentivised and supported the Planning Department in MoES in particular to take a leading role in the development of successive multi-year strategies for the education sector. The ready alignment between EFAG and GoU preferences on policy priorities during the ESIP period, together with early establishment of the institutional arrangements for the SWAp, permitted a common focus on detailed policy development to deliver UPE. The limited earmarking of funding inputs from SBS boosted GoU budget comprehensiveness and discretion to allocate resources to highest priorities in the sector and this – along with the greater engagement of MFPED in sector planning – improved the quality of the sector budgeting process. The availability and robustness of data on sector performance benefited from technical support by SBS donors to the EMIS. Finally, enhanced participation in sector policies was encouraged by the SBS package and served to enhance the quality and inclusiveness of those processes as a result.
- Public financial management – Use of domestic systems for procurement, accounting, reporting and audit, with minimal derogations, has served to strengthen those systems and to promote them as a key area of GoU reform action. The synergy between SBS dialogue

on sector PFM systems and GBS dialogue on whole-of-government PFM systems has provided an important reinforcing mechanism, although GBS remains the primary domain for engagement on PFM strengthening. Progressive reliance by SBS donors on GoU expenditure tracking, financial reporting and external audit has elevated the importance of those underlying systems and processes from the perspective of all stakeholders, including politicians up to the level of the President. Lesser attention has been paid to strengthening financial management at District level and that remains a key weakness despite the long track record of SBS to the sector.

- Sector institutions and service delivery systems – The substantial funding channelled to the education sector through SBS and imputed shares of GBS was used principally to boost capacity in the education sector to deliver UPE targets. Sector institutions at central government level have been strengthened selectively by virtue of their engagement with EFAG as part of the SBS package, but that has not cascaded to increased capacity of institutions and systems at district and school levels. Attention at different ends of the spectrum to strategy issues and to detailed challenges to access has succeeded in building strong capacity for planning, monitoring and reporting on the one hand and has boosted substantially the supply of schooling capacity on the other hand. SBS has been an important contributor to both achievements, but neither has proved sufficient to really address local service management and delivery. One emerging area of progress to which SBS donors have laid some contributory claim is increased funding for district inspection. Evidence from pilot studies shows it to be a driver of sector performance and SBS dialogue has encouraged MoES to prioritise it.
- Accountability – The contribution of SBS to GoU ownership, incentives and accountability processes lies as much in its avoidance of damaging and distortionary practices as it does in specific measures intended to bolster accountability. With such a dominance of funding, technical expertise, reporting obligations and stakeholder numbers, the fact that SBS donors largely succeeded in privileging domestic ownership and promoting domestic accountability is itself significant. Despite some tendencies to insist on excessive conditionality, most of the ‘undertakings’ negotiated by EFAG with MoES were aligned to consensus objectives. From another angle, the strong emphasis on use of country systems has caused SBS to rely increasingly on GoU financial accountability mechanisms, such as the Auditor General and the Public Accounts Committee, to provide assurance about the proper use of SBS funds. Where SBS has succeeded less well is in strengthening the accountability for financial management and service delivery at district and local levels. By prioritising central government stakeholders and by viewing service delivery exclusively in terms MoES principals and school level agents, the political economy of delivery has been insufficiently acknowledged and the role of the DEO has been weakened.

15. Set against these positive contributions are the areas where SBS has either been less successful in contributing to improvements in sector processes or where it has failed to have an effect or may even have risked a detrimental influence.

- Neglect of quality and efficiency concerns – The initial focus of sector policy, planning and budgeting from 1998 was on scaling up the provision of basic education and increasing the rates of enrolment and completion. A greater balance has been sought since 2004 towards the quality and efficiency of the education system and education expenditure. Nevertheless, learning achievement remains stubbornly behind improvements in access. The fact that quality was on the ESR agenda for so long before it was singled out by EFAG and GoU as an issue for priority attention suggests consensus in an approach that sequenced access first. Greater early attention could also have been paid to operational efficiency issues. With such a rapid scaling up of funds by donors and GoU following UPE introduction, value-for-money concerns did not feature prominently and wastage in the system went unchecked and unaddressed until a thorough PER was undertaken in 2007.

- Disproportionate focus on central government processes over local service delivery systems – Primary attention by SBS donors has been directed especially to policy, planning and budgeting at the central government level and the MoES Planning Department; to teacher recruitment, teacher training and instructional materials; and to school level capacity issues in terms of facilities and teachers. Until recently, lesser emphasis was given to curriculum development. What has apparently received least attention and priority by SBS inputs is District level service planning, management and inspection. The model for UPE implementation disregarded the District government tier as a substantive component in the delivery chain for basic education and the financing mechanism of the UPE Capitation Grant excluded any role other than a simple pass-through arrangement for District engagement. None of the package of SBS inputs has been directly substantially or consistently to the District level and that seems to represent a failing on the part of SBS donors, and EFAG more widely, to contribute fully and coherently to the systemic challenges of improving education sector processes.
- Retreat from SBS back to projects – It is only recently that the disciplined avoidance of separate parallel systems appears to have weakened, with DPs moving part of their assistance into projects and off-budget support such as the Quality Education Initiative (QEI). The reasons are partly political and partly a response to DP frustration over the persistence of low standards of educational attainment in primary education and a desire to balance the portfolio with more direct technical intervention. That approach suggests an excessively narrow appreciation of the possibilities for SBS design and threatens to undermine the historical gains in harmonisation and alignment. It appears to isolate the financial component of SBS and to disregard the option of rebalancing the SBS package between funding and technical assistance, capacity building, dialogue and conditions. It seems also to exclude the intermediate possibility of tolerable derogations from use of country systems within the context of an SBS package.

16. Moving further along the results chain, the major improvements in sector service delivery outcomes over the period of study relate to the dramatic scaling up of enrolment in primary education and the broadly equitable incidence of that access across regional, income and gender differentials. Scaling up of access to secondary education was also pronounced, albeit to a lesser degree.

17. It seems clear that SBS (along with the imputed share to education from the GBS programmes which evolved out of SBS) facilitated the scaling up of primary education capacity which made the increases in enrolments possible. SBS supported investment in new facilities, upgrading of existing facilities, procurement of instructional materials, training and recruitment of new teachers, and running costs for schooling a rapidly multiplying pupil population. Alongside the flow of funds effects, the non-financial SBS inputs supported MoES to translate the Presidential strategic policy imperative of free universal primary education into systems and processes of policy-making, planning, budgeting, monitoring and reporting through the education SWAp and the ESIP, ESSP and ESSP-2. Policy dialogue, conditionality, technical assistance, capacity building, coordination and harmonisation all served to enhance MoES implementation of the access agenda and to ensure highly-inclusive coverage of primary education.

18. SBS certainly cannot claim an exclusive contribution to these achievements, but it seems reasonable to argue that it was instrumental in allowing the scale-up to proceed as rapidly as it did. The UPE Capitation Grant, the Primary Schools Facilities Grant and the payroll for primary-level teachers could not readily have been afforded by GoU in the early period following UPE introduction, without funding from SBS and GBS donors.

19. Despite this achievement, the primary education sub-sector has exhibited persistent weakness in the quality of education as measured by learning achievements such as literacy, numeracy and

test scores. Operational efficiency and value for money in the sector also remained limited throughout the SBS period. Since SBS has now ceased to be a major feature of donor support to the education sector in Uganda, a key question is whether the legacy of SBS inputs and effects will lead to better sector systems and processes which are capable to addressing the challenge of improved quality in education. It is likely the SWAp will be an important vehicle for tackling education quality throughout the sector as the returns to expenditure in both primary and secondary are challenged, but it is uncertain whether the SWAp will function so effectively in the absence of SBS.

Conclusions and Recommendations

20. It is difficult to offer a single definitive response to the question of whether SBS to education in Uganda has met its objectives. Some tentative conclusions may be drawn. Based on the policy objective of free Universal Primary Education, SBS was intended to offer scaled up funding to support achievement of the UPE target and to deliver a package of non-financial inputs and direct effects which would support GoU, the education SWAp, and the sector systems and processes associated with UPE implementation. It seems clear that SBS succeeded in its immediate aim of facilitating the scale-up of primary education capacity to accommodate greatly increased demand for basic education.

21. As to the subsequent aim of tackling the deficit in primary education quality, it is necessary to add the qualification that SBS declined in both total volume and number of providers following the early period after UPE introduction. The influence of the package of SBS inputs, including the influence of the donors themselves on sector systems and processes and less directly on sector outcomes, may therefore have diminished at precisely the juncture when greater influence was required to tackle the substantially more complex and challenging objectives of improving primary education quality and guarding against diversion of focus to secondary education following the announcement of USE. Against these 'second-round' objectives, SBS has not proven so effective. The non-financial SBS inputs have not proven so adept at addressing inadequate learning outcomes as they were at boosting the supply of classrooms, textbooks and trained teachers.

22. Evidence shows SBS practices have contributed positively and negatively to sector processes, outputs and outcomes. However, many of the practices with positive effects are concentrated in the domain of 'sector policy, planning, budgeting, monitoring and evaluation'. By contrast most practices yielding negative effects – or at least failing to promote positive effects – are found in the domain of 'capacity of sector institutions and systems for service delivery'. Greatest attention by EFAG and SBS donors was directed to upstream engagement with central government stakeholders and the most-neglected dimension by those donors was education management and inspection at the District level.

23. Some good practice lessons and recommendations emerge from the analysis and are relevant for future SBS to the education sector in Uganda.

- It is critical that SBS inputs pay attention to the full delivery chain in the education sector and do not neglect the role of District governments in the context of a decentralised primary education system. Disproportionate focus has tended to be given to central government institutions; to upstream policy, planning and budgeting; and downstream financial management arrangements, without sufficient regard to the factors which drive service delivery.
- Donors should be more assertive in their challenge function on sector service delivery performance and should use policy dialogue and technical advice as mechanisms to interrogate MoES objectives and measures in areas such as quality and efficiency. The purpose is not to supplant legitimate domestic accountability processes, but rather to

engage MoES on the difficult or intractable issues and to encourage them to develop policy responses or mitigation strategies for agreed weaknesses.

- A shift is necessary from the narrow sub-sector focus of donors on the primary education sector to taking a broader and more coherent perspective on the current and future challenges across the education sector. The second-round priority for GoU of secondary education as the 'UPE bulge' passed through the system has not seemed to register sufficiently as a concern with SBS donors.
- If SBS is to continue being a significant influence in the sector, it will need to regain its popularity with EFAG donors as an aid instrument of choice ahead of project support. The positive influence of SBS, and of SBS donors, was rooted partly in its success in crowding in multiple donors and of bringing them together as a coherent group for the purposes of engaging with and supporting sector stakeholders, systems and processes.
- A greater understanding of the ways in which SBS may be designed and delivered is important if donors are to use the package of SBS inputs intelligently to contribute to sector outputs and outcomes more effectively. The full range of possibilities for applying and linking together funding, policy dialogue, conditionality, technical assistance, capacity building, coordination and harmonisation under the SBS framework (and linked to complementary GBS inputs) does not yet seem to have been explored.

1. Introduction and Study Objectives

1. This case study examines Sector Budget Support (SBS) to the education sector in Uganda. It forms part of a broader study commissioned by the Strategic Partnership with Africa Task Team on SBS which covers ten sector case studies from six different countries.

2. The overall purpose of the study is to draw together experience of SBS to guide future improvements in policy and practice by partner countries and donors. The additional objective of this case study is to assess the lessons from experience to date in the education sector and to provide the Government of Uganda and donors with guidance that will help them improve the design and implementation of SBS in future.

1.1 Methodology

3. The case study has been carried out using a methodology (ODI and Mokoro, 2008) which draws from evaluation frameworks of General Budget Support (IDD and Associates, 2006; Lawson and Booth, 2004; Caputo, Lawson and van der Linde, 2007) and the specific requirements of the Terms of Reference for the Assignment. The assessment framework has four levels:

- Level 1 breaks down SBS into financial and non-financial inputs such as dialogue, conditionality, technical assistance and capacity building.
- Level 2 identifies the immediate effects of SBS inputs on the overall nature of external assistance to the sector.
- Level 3 examines the outputs influenced by SBS in terms of sector policy, budgeting, financial management, institutional capacity, service delivery and accountability systems and processes.
- Level 4 examines the likely influence of SBS on outcomes in the sector, in terms of the achievement of sector policy objectives and service delivery.

4. The assessment framework also recognises the importance of external factors on the effects of SBS, the context within which it is provided, and the existence of feedback loops between and within each of the levels. A diagram of the assessment framework is provided in Annex 1.

5. The primary question posed for the case studies by the terms of reference is as follows:

How far has SBS met the objectives of partner countries and donors and what are the good practice lessons that can be used to improve effectiveness in future?

6. A key purpose of the study is the identification of good practice. Therefore the assessment framework will be used as the basis for the identification of instances of good practice. For the purpose of this study, good practice is defined as:

Instances where SBS inputs (level 1), and their influence on the overall nature of external assistance to the sector (level 2), have helped strengthen sector processes (level 3) in areas which have improved, or will plausibly improve, service delivery outcomes (level 4).

7. The case studies follow four steps in applying the assessment framework:

- The first step involves analysis of the country, sector, and aid environment, in particular evolution of sector systems and service delivery outcomes (i.e. the context from levels 1 to 4).
- The second step involves documenting and assessing the specific nature of SBS provided to the sector, and its effects on the quality of partnership in the sector (level 1).
- The third involves an assessment of the effects of SBS from inputs to outputs (i.e. across Levels 1 to 3). This is carried out along four dimensions:
 - (i) Policy, planning and budgeting processes and monitoring and evaluation systems;
 - (ii) Sector procurement, expenditure control, accounting and audit processes;
 - (iii) Sector institutions, their capacity and service delivery systems; and
 - (iv) Domestic ownership, incentives and accountability (See Figure 4).
- The fourth step involves an assessment of contribution of outputs influenced by SBS to improvements in sector outcomes (level 4).

8. The approach involved the collection and review of documentation, holding stakeholder interviews and conducting field visits to service providers. It also involved close collaboration with stakeholders through Country Reference Groups, so that findings could be further interrogated and tested.

9. The structure of this report follows the four steps. Under each of the four steps Main Study Questions (SQs) have been identified, as shown in Box 1.

Box 1: Main Study Questions

<p>Step 1: Setting the Country, Sector and Aid Context</p> <p>SQ1.1: What have been the main national trends in poverty, economic performance, governance, and public sector delivery prior to and during the provision of SBS?</p> <p>SQ1.2: How have sector processes, institutions, accountability and service delivery outcomes evolved prior to and during the provision of SBS?</p> <p>SQ1.3: What has been the environment for external assistance at the national and sector level?</p> <p>Step 2: The Key Features of SBS Provided and its Effects on the Quality of Partnership</p> <p>SQ2.1: What are the key features of the SBS that has been provided?</p> <p>SQ2.2: Has SBS contributed positively to the quality of partnership and reduction in transaction costs between development partners, the recipient government and civil society?</p> <p>Step 3: The Influence of SBS in Practice on the Sector and Lessons Learned</p> <p>SQ 3.1: What has been the influence of SBS on Sector Policy, Planning, Budgeting, Monitoring and Evaluation Processes, and what are the constraints faced and lessons learned in practice?</p> <p>SQ3.2 What has been the influence of SBS on Procurement, Expenditure Control, Accounting and Audit Systems at the Sector Level, and what are the constraints faced and lessons learned in practice?</p> <p>SQ3.3: What has been the influence of SBS on Sector Institutions, their Capacity and Systems for Service Delivery, and what are the constraints faced and lessons learned in practice?</p> <p>SQ3.4: What has been the Influence of SBS on Domestic Ownership, Incentives and Accountability in the Sector, and what are the constraints faced and lessons learned in practice?</p> <p>Step 4: The Effectiveness of SBS, and the Conditions for Success</p> <p>SQ4.1: What are the main contributions that SBS has made to the improvement of sector policy processes, public financial management, sector institutions, service delivery systems and accountability, and what were the conditions for success?</p> <p>SQ4.2: Have the improvements in sector systems and processes to which SBS has contributed, had a positive influence on sector service delivery outcomes, and are they likely to do so in future?</p>
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10. The Conclusion draws out the answer to the primary questions, and examines how the practice of the provision SBS to the education sector in Uganda can be improved in future.

1.2 Activities Carried Out

11. An extensive range of documentation and data was reviewed for this study, which covers the period from FY 1998/99 to FY 2008/09.

12. The case study researchers undertook fieldwork between 18th February and 3rd March 2009. Meetings were conducted with officials or specialists from Government of Uganda, Development Partners working in the education sector, District Administrations, schools, and local NGOs. In addition, brief visits were made to Jinja and Iganga Districts. The team participated in two meetings of the Education Funding Agencies Group (EFAG).

13. A full list of persons met is included as Annex 4.

2. Country, Sector and Aid Context

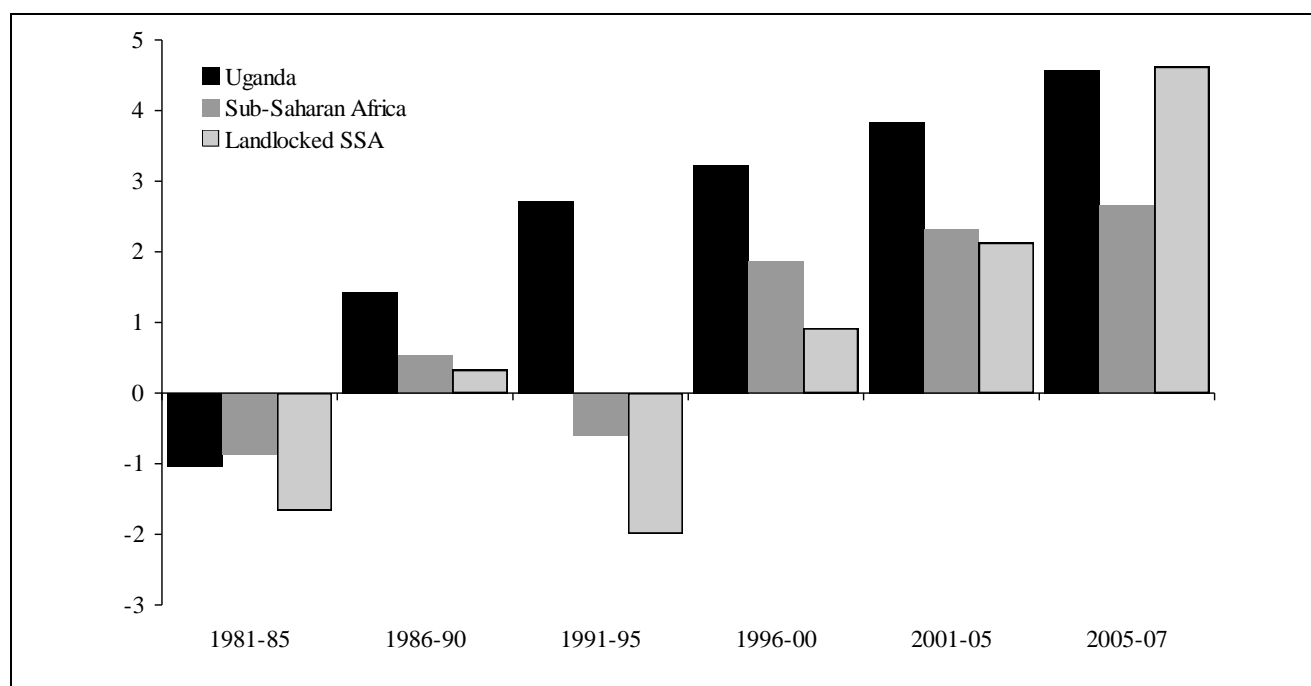
2.1.1 Country Context

SQ1.1: What have been the main national trends in poverty, economic performance, governance, and public sector delivery prior to and during the provision of SBS?

Economic growth and poverty reduction

14. Since emerging from decades of conflict and civil war in 1986 Uganda has enjoyed sustained per-capita economic growth, which Figure 1 shows has gained pace over time. From the early 1990s this growth has occurred in the context of a progressive liberalisation of the economy and macroeconomic stability underpinned by fiscal discipline. In recent years, Uganda has enjoyed some of the highest GDP growth rates in Africa, with real GDP growth averaging about 7.6% per year over the last decade. In 2008/09 financial year, real GDP grew by 7%, substantially higher than the Sub-Saharan average of 2.4%. There has been a significant restructuring of the country's economy, with service sector output now exceeding agricultural production, although the majority of the population still depends on subsistence farming.

Figure 1 Per Capita Real GDP Growth (%)



Source: Selassie (2008), based on Penn World Tables, UBoS, and IMF World

15. This period of economic growth and stability has been associated with a substantial reduction in income poverty from 56% in 1992 to 31% in 2006. This means that Uganda is on track to reach the MDG relating to income poverty. Table 1 presents Uganda's progress against all the MDGs, and this shows a mixed picture. Uganda has already achieved goals relating to gender parity in education and is on track those relating primary enrolment, HIV/AIDS and safe water. However, the majority of health targets are unlikely to be achieved. Meanwhile the achievement of gender parity and enrolment goals in education will be undermined by a failure to achieve primary education completion targets.

Table 1: Progress towards MDG targets

Goal	Indicator	MDG target 2015	Most recent indicator value	Likelihood of achieving MDG target
Eradicate extreme poverty and hunger	Population living below national poverty line (%)	28	31 (2006)	On track
	Children under five who are moderately or severely underweight (%)	11.5	20.1 (2006)	Feasible, but challenging
Achieve universal primary education	Net enrolment rate in primary education (% both sexes)	100	85 (2006)	On track
	Percentage of pupils starting Grade 1 who reach Grade 5 (% both sexes)	100	28 (2006)	Unlikely
Promote gender equality and empower women	Gender parity index in net primary enrolment (ratio of girls to boys)	1.0	1.0 (2002–03)	Already achieved
	Gender parity index in net secondary enrolment (ratio of girls to boys)	1.0	1.14 (2005–06)	Already achieved
	Seats held by women in national Parliament (%)	50	29.8 (2007)	Unlikely
Reduce child mortality	Mortality rate of children under 1 year old (per 1,000 live births)	31	76 (2001–05)	Unlikely
	Mortality rate of children under 5 years old (per 1,000 live births)	56	137 (2001–05)	Unlikely
Improve maternal health	Maternal mortality ratio (per 100,000 births)	131	435 (1997–2006)	Unlikely
Combat HIV/AIDS, malaria and other diseases	People aged 15–49 years living with HIV/AIDS (%)	No increase/ decline in prevalence	6.4 (2005)	On track
	Prevalence of malaria (number of standardised reported cases per 1,000 people)	No increase/ decline in prevalence	478 (2003)	Unlikely
Ensure environmental sustainability	Access to improved drinking water (% of rural population)	70	62 (2005–06)	On track
	Access to improved drinking water (% of urban population)	90	86 (2005–06)	On track

Source: Oxford Policy Management (2008a)

16. There are also regional disparities underlying this progress. In particular, human development lags behind in the North of Uganda, as it has suffered from rebel insurgency for most of the last 20 years. Relative peace has returned to the area after the Lord's Resistance Army was driven out of Uganda into neighbouring countries.

Political Governance and Public Sector Reform

17. The National Resistance Movement came to power in 1986. The NRM, led by Yoweri Museveni has subsequently governed Uganda through to the present day, bringing with it a period of relative political stability. By 1995 a new constitution had been approved, and democracy was restored in 1996, with presidential and parliamentary elections. Until 2006 a no-party political system (known as ‘the Movement’) was in place. According to Moncrieffe (2004), ‘The Movement is defined as a broad based, inclusive and non-partisan political system, in which anyone can present himself for election, and in which decisions are based on merit rather than political affiliation.’ The constitution was amended in the lead up to the 2006 elections, allowing President Museveni to stand for a third term, and political parties to compete for elections in 2006. The Executive has remained strong throughout the Movement’s time in power. Nevertheless, even though it is dominated by the Movement, Parliament has been growing in stature and confidence, especially since 2006 and the (re-)introduction of party politics.

18. Public sector reform was high on the agenda of the government early on. The public service was bloated and poorly paid. In 1991 the number of ministries was cut from 28 to 21 and the number of civil servants halved from 320,000 to 157,000. Most allowances and benefits were monetised to allow pay to be increased. A policy of privatisation was also pursued. A six-year recruitment freeze was imposed. The recruitment freeze was lifted in 1998 after the policies to expand basic services were introduced and the civil service has grown steadily since then, reaching 225,000 in 2005.

19. From the outset the Movement Government pursued decentralisation reforms. Early on these were politically motivated, and built on “Resistance Councils” which were an important element of the NRM’s grassroots support when they were in the bush. These were legalised 1987. A more structured form of decentralised local government was enshrined in the 1995 Constitution, and elaborated in the 1997 Local Government Act. This involved decentralising political, administrative and fiscal powers to elected local councils. Local Governments were made responsible for the delivery of basic services such as health, education, water and sanitation. Although the system of local governance has multiple layers, districts and municipalities have been the institutions of focus. Furthermore the creation of new districts has become an important political tool, and has become increasingly common in the lead up to elections. By 2007 the number of districts had over doubled to 80 from 39 in 1995. Whilst the decentralisation framework was highly decentralised, the policy has not always been implemented in this spirit. For example the funding of local governments has been highly earmarked, based on central policy priorities. The fiscal independence of local governments has been undermined by the suspension of local taxes. Also some of local governments’ powers to appoint staff have been recentralised. Nevertheless, local governments became and have remained the primary providers of basic services.

Policy, planning and public finance management

20. Whilst the early reforms of the movement government focused on the establishment of macroeconomic stability, democratic and public service reform put Uganda back on a sound footing, political concerns had emerged by the mid 1990s that the benefits were not reaching the poor. This sparked a period where poverty eradication became the buzzword of Uganda’s policies, and the focus of policy shifted towards the expansion of basic services. The 1997 Poverty Eradication Action Plan (PEAP) was developed in a consultative manner by a unified ministry responsible for finance and planning, in response to the general concerns. In the lead up to the 1996 elections the President announced the introduction of free Universal Primary Education, and then in the lead up to the 2001 elections, he announced the introduction of free basic healthcare. These and other policies relating to agriculture extensions and advisory services, water and sanitation were core elements of the three iterations of the Poverty Eradication Action Plan. As the 2000s have progressed, attention of politicians and policy makers has shifted back towards

economic development, and policy priority has shifted more towards sectors such as roads and energy. Alongside this, the PEAP is due to be replaced by the National Development Plan and responsibility for its preparation was shifted to a newly formed National Planning Authority.

21. Budgetary reforms were central to putting into operation the policy priorities which emerged in the mid 1990s. In 1997 the Ministry of Finance, Planning and Economic Development introduced a Medium Term Expenditure Framework, and a consultative budget process similar to that used in the development of the PEAP. This involved the formation of Sector Working Groups (SWGs), made up of the representatives institutions in the sector, the MFPED, and donors. SWGs were charged with preparing medium term budget strategy documents, to put into operation sector policies, and inform Cabinet decisions on resource allocation.

22. The sector based budget process also spurred the establishment of Sector Wide Approaches in many sectors, including education. SWGs were encouraged to develop sector plans, and monitor the implementation of those sector plans through joint sector review and monitoring processes.

Table 2 Domestic Budget Allocations to Sector PEAP Priorities 1997/98 --- 2006/07 (excludes donor)

UGX Billion (2000 prices)	(Pre-PAF)									
	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Universal Primary Education	167	236	277	318	379	386	389	390	396	433
Primary Healthcare	6	29	25	72	146	174	176	183	204	192
Safe Water and Sanitation	5	17	23	44	62	66	61	60	48	58
Agricultural Extension, Advisory										
Services and Strategic Exports	1	0	6	5	32	35	33	38	53	58
Rural Roads	12	28	32	39	48	47	52	43	41	38
Other Poverty Action Fund	6	12	30	74	115	129	148	154	163	261
Total Poverty Action Fund	196	323	393	552	782	836	859	866	904	1040
% of Sector Budgets	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Universal Primary Education	57%	62%	65%	68%	65%	65%	65%	64%	68%	68%
Primary Healthcare	8%	31%	24%	52%	70%	76%	74%	78%	85%	85%
Safe Water and Sanitation	97%	97%	95%	97%	99%	99%	100%	100%	100%	100%
Agricultural Extension, Advisory										
Services and Strategic Exports	6%	2%	25%	18%	59%	58%	62%	66%	65%	69%
Rural Roads	21%	32%	24%	24%	24%	25%	31%	25%	26%	23%
% of GDP	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Universal Primary Education	1.5%	2.0%	2.3%	2.5%	2.7%	2.6%	2.4%	2.3%	2.2%	2.2%
Primary Healthcare	0.1%	0.2%	0.2%	0.6%	1.0%	1.2%	1.1%	1.1%	1.1%	1.0%
Safe Water and Sanitation	0.0%	0.1%	0.2%	0.3%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Agricultural Extension, Advisory										
Services and Strategic Exports	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
Rural Roads	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
Other Poverty Action Fund	0.1%	0.1%	0.2%	0.6%	0.8%	0.9%	0.9%	0.9%	0.9%	1.3%
Total Poverty Action Fund	1.8%	2.8%	3.3%	4.3%	5.6%	5.6%	5.3%	5.1%	5.0%	5.3%

Source: Magona (2008)

23. An important innovation in the budget process, which facilitated the mobilisation and reorientation of resources towards PEAP priorities, was the Poverty Action Fund which was formed in 1998 (Box 2). It was originally conceived as a means for allocating debt relief and mobilising additional budget support resources for PEAP priorities including primary education and later secondary. Since then it has become a permanent part of the budget which highlights key budget priorities, and ensures protection of budget disbursements during the financial year. Early on, the PAF was instrumental in re-orienting sector budgets towards PEAP priorities as shown in Table 2.

Box 2: The Poverty Action Fund in Uganda

The programmes in the Poverty Action Fund (PAF), which was formed in 1998, represent the Government of Uganda's pro-poor expenditures. It is a virtual poverty fund which represents a subset of public expenditures in the budget which can be tracked through budget formulation and implementation.

Definition of PAF Programmes: At the inception of the PAF they were a selection of priority programmes from the 1997 PEAP. In 2000 a definition of pro-poor expenditures was agreed which set out criteria for new programmes to be included in the PAF. These were that programmes:

- must be in the PEAP;
- must be directly poverty-reducing;
- must deliver a service to the poor.

In addition a further requirement was that a programme must have a well-developed strategy or plan. Listed below are the original PAF programmes and the additional programmes included in the PAF since 1998. Since 2000, new PAF programmes have had to meet the PAF criteria.

Original PAF Programmes in 1998

Primary education; Primary healthcare;
Water and sanitation; Agricultural extension;
Rural roads; Monitoring and accountability

Additions between 1998 and 2004

District and referral hospitals; Adult literacy; Wetlands
Strategic exports (cotton, coffee, etc.); Land
Microfinance and restocking; Urban Roads; Community
Rehabilitation; HIV/AIDS orphans; Reduction of court-case
backlog; Local Government Development Programme

The PAF "Budget" Whilst allocations to PAF programmes are integrated within the MTEF, a separate PAF budget is presented in budget documentation. This is made up of the PAF Resources and PAF Expenditures

- **PAF Resources:** This sets out the contribution of GOU own resources and programme aid which is provided in support of PAF programmes. This includes HIPC debt relief, sector budget support, and budget support to the PAF in general. This earmarking is purely notional, as there is not tracking of budget support resources through the expenditure cycle.
- **PAF Expenditures:** This sets out the allocations to PAF programmes, which are a subset of MTEF Allocations.

PAF expenditures in total equal PAF Resources. Originally the GOU committed to ensuring that increases to HIPC debt relief and budget support earmarked to the PAF resulted in equivalent increases in the PAF budget, but now the GOU only commits to maintaining the PAF budget as a share of the total GOU budget.

Protection of Disbursements: Releases to PAF programmes, which are protected, were reported on in PAF quarterly reports until 2000; since then they have been reported in half- yearly budget performance reports against the PAF budget. Disbursements to PAF programmes are protected. Local Governments, to which approximately ¾ of PAF resources are channelled, report quarterly on expenditures and activities resulting from the grants they receive. A share of the PAF budget, originally 5%, is allocated to accountability institutions, line ministries and local governments for the monitoring of PAF programmes.

Emerging Concerns: Whilst there have been additions to PAF programmes, no programme has been withdrawn from the PAF, which implies that the definition of pro-poor spending has been static. There are concerns that this is leading to inefficiency and rigidities in budget formulation and execution. The narrow definition of pro-poor excludes programmes which might indirectly improve the lives of the poor, whilst the early bias towards social services in the PAF has remained, despite efforts to increase attention to the productive sectors.

Source: Williamson (2008), adapted from Lister et al, 2006.

24. A key commitment under the PAF early on was to enhance the monitoring and accountability of PAF funding. The vast majority of PAF programmes were basic services implemented by local governments. Related to this, local governments have, since 2000, been required to report quarterly on the use of funds to access further releases. Between 2000 and 2008 this related to PAF grants only, however since 2009 this includes all revenues and expenditures.

Box 3: Strengths and Weaknesses of Public Financial Management

The forthcoming World Bank review of PFM using the PEFA methodology reveals the following strengths and weaknesses of the present system.

- Despite the historical achievements, the annual budget is not yet a credible predictor of financial outturns. All of the twenty largest MDAs under-spent against budget in 2007/08 and expenditure arrears remain high.
- The coverage of fiscal reports is comprehensive except for donor-funded projects. Transparency has also improved: the budget classification meets international GFS/COFOG standards and published budget documentation is comprehensive.
- There is less transparency with regard to conditional grant transfers from central government to Districts. Unpredictable vertical allocations make the subsequent horizontal allocations variable. In-year inter-sectoral shifts and political interventions compound the unpredictability of District government receipts.
- MFPED has developed an elaborate multi-year sectoral planning and budgeting system within a fiscal forecasting framework. It is linked to the policy framework contained in the PEAP. However, there are frequent unexplained year-to-year changes in the MTEF estimates, even in poverty-related expenditures. Changes on sector ceilings between the MTEF and the annual budget weaken the link to the PEAP.
- There are weaknesses in the government payroll, with inconsistencies between personnel records and the personnel database, and irregular reconciliations of teacher and civil servant records against the payrolls. Procurement is decentralised to over 200 purchasing entities in central and local government, but central reporting is heavily in arrears and field audit is inadequate.
- Internal controls exist but audit reports show that they are widely abused or ignored. Systemic controls in the IFMS limit quarterly commitments, but the IFMS is sometimes bypassed and the regulations not enforced. Internal audit is now being decentralised and strengthened under central guidance.
- The rollout of IFMS to the majority of MDAs has enabled automated bank reconciliations and contributed to the timeliness and accuracy of in-year MDA financial statements. Annual consolidated financial statements are also timely and they cover revenue, expenditure, assets and liabilities. At the service delivery level (sub-county), for primary education, data on the reception and use of resources by districts and schools is compiled regularly and reported on a quarterly basis.
- All entities of central government are audited every year using international standards of audit, but there has been some delay in submission of reports to Parliament. The Public Accounts Committee has brought its reports almost up to date, but there is little commitment in Parliament to table and debate the reports.

Source: World Bank (2009)

25. The early focus of PFM reform was therefore establishing overall fiscal discipline and improving budget formulation, in particular, the allocation of resources in line with emerging policy priorities. A degree of transparency and accountability for funds allocated towards these priorities was established via the PAF. However by the early 2000s turned to strengthening the PFM system more systematically, and shifting focus towards the systems of budget execution, accounting and

audit. Major improvements have been made in budget classification, increased budget credibility and reduced overall deviations, implementation of an Integrated Financial Management System (IFMS) across central government and several local governments, and in external audit (World Bank, 2009).

26. Recently, the MFPED has been attempting to address government-wide inefficiencies and wastage of budget expenditures in sector programmes. These problems have begun to be addressed at both the centre and local governments, through the introduction of a form of programme-based budgeting and strengthened budget monitoring. This has ensured a consistent and structured link between budgets and plans throughout all phases of budget formulation reporting, and monitoring. However, it can be argued that reforms have focused on central government, and not local governments, despite the fact that local governments are responsible for the delivery of basic services, the original PEAP priorities.

27. Overall, Uganda has made tremendous progress in improving its PFM system over the past 10-15 years, with ratings consistently above the average for Sub Saharan Africa. Underlying this success has been a strong MoFPED which has overseen the reform process, which has, by and large, been given the space by the executive to implement and manage those reforms.

2.2 Sector Context

SQ1.2: How have sector processes, institutions, accountability and service delivery outcomes evolved prior to and during the provision of SBS?

Education sector outcomes

28. By the mid-1980s the education system in Uganda had suffered two decades of post-independence civil conflict. Initially progress was slow in rebuilding education services. However, since the mid 1990s, the story of the Ugandan Education sector is one of very rapid expansion in access to primary education and, since the mid 2000s, secondary education. There has also been significant progress in addressing regional and social inequities in access. However, ultimately the quality of education in government primary schools has remained poor, and is likely to remain so in secondary education.

Expanded access: enrolment in primary and then secondary education

29. Uganda has made progress providing access to most primary and lower secondary school aged children in the country. This is best illustrated by the remarkable increase in gross enrolment in primary and secondary schools.

30. There has been a steady increase in enrolment of pupils in primary school since the introduction of UPE in 1997. The increase in enrolment rose dramatically from 3.1m in 1996 to 5.3m in 1997 after the start of UPE. By 2002 the enrolment figures had climbed to 7.4m pupils in primary schools. The proportion of enrolment in government-aided primary schools steadily rose from 82% in 2000, to 89% in 2002, to 91% in 2004 then to 90% in 2006 and 2007. Total enrolment in primary education increased by 2.4% from 7.2m pupils in 2006/07 to 7.5m pupils in 2007/08.

31. The Gross Enrolment Rate improved from 114.4% (*117.8% for boys and 111.2% for girls*) in FY 2006/07 to 113.1% (*116.5% for boys and 110.0%*) in FY 2007/08. This implies that the number of over-age and under-age children is being mopped-up successfully in the primary education system. On the other hand the Net Enrolment Rate increased from 92.0% (*94.1% for boys and 90.1% for girls*) to 93.3% (*95 % for boys and 91.4%*). This implies that there are now more children aged 6-12 enrolled in primary education.

Box 4: Calculation of Enrolment Ratios

- Primary education – The first years of formal, structured education during childhood, usually from 6-7 years of age until 12-14 years of age.
- Enrolment – Number of pupils enrolled at a given level of education, regardless of age.
- Gross enrolment ratio – Total enrolment as a percentage of the official school-age population.
- Net enrolment ratio – Enrolment of the official age group expressed as a percentage of the corresponding population.
- School attendance rate – The number of children of the official age for primary education regularly attending school as a proportion of the total population of children of the official age for primary education.
- Survival rate – Percentage of a cohort of pupils enrolled in the first grade who reach each successive grade.
- Completion rate – The total number of pupils completing the final year of primary education as a percentage of the population at the official primary graduation age.
- Dropout rate (by grade) – Percentage of pupils or students who drop out from a given grade in a given school year.
- Repetition rate – The proportion of pupils from a cohort enrolled in a given year who study in the same grade in the following school year.
- Gender parity index – Ratio of female to male values of a given indicator.
- Pupil teacher ratio – Average number of pupils per teacher, based on headcounts for both pupils and teachers.

Source: IOB (2008)

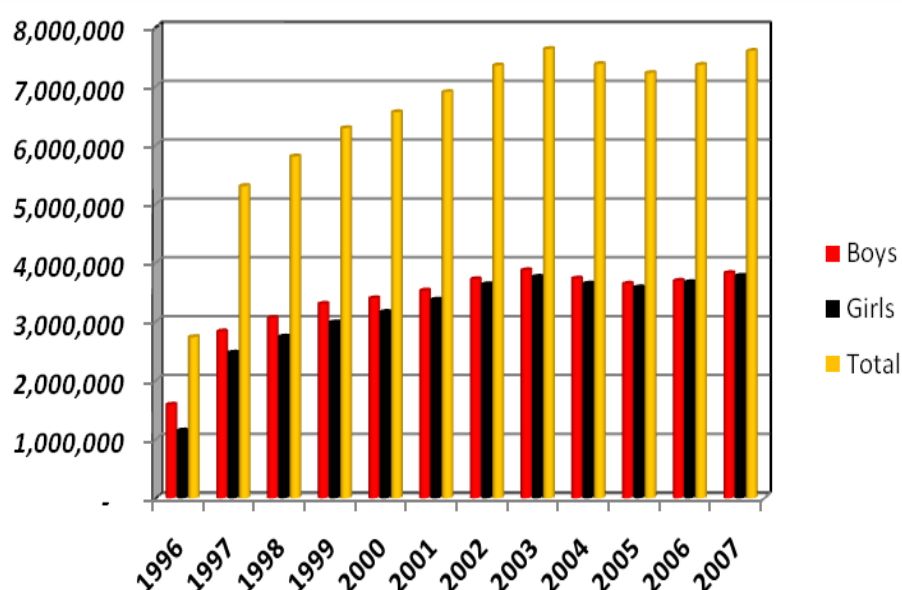
32. There has been a significant expansion in access to secondary education during the 2000s. Total enrolment increased from 518,000 students in FY 2006/07 to 954,000 students in FY2007/08.

33. A major achievement in the last couple of years has been an *increase in the transition rate* from primary education to S-1 level secondary from 50.9% (FY2006/07) to 68.6% (FY 2007/08) (See: ESSAPR for the November 2008 ESSR). Also significant has been the *expansion of access* to secondary education by 17.2%. The Net Enrolment Ratio (NER) improved from 18.6% (FY 2006/07) to 21.3% (FY2007/08). The Gross Intake Rate (GIR) for S-1 also increased from 27.3% (FY 2006/07) to 33.3 % (FY 2007/08). This increased the proportion of S-1 to total enrolment at secondary education from 26% (FY2006/07) to 29% (FY 2007/08)

Table 3: Enrolment levels by sub-sector ('000)

	2000	2001	2002	2003	2004	2005	2006	2007
Pre-Primary	-	59.8	78.3	64.4	41.8	30.2	69.3	57.6
Primary	6,559	6,901	7,354	7,633	7,377	7,224	7,363	7,415
Secondary	518.9	539.8	656.0	683.6	697.5	728.4	814.1	842.7
BTVET	14.1	14.3	20.3	26.3	25.5	41.9	15.6	-
Tertiary	54.4	64.2	79.9	88.9	108.3	124.3	-	-

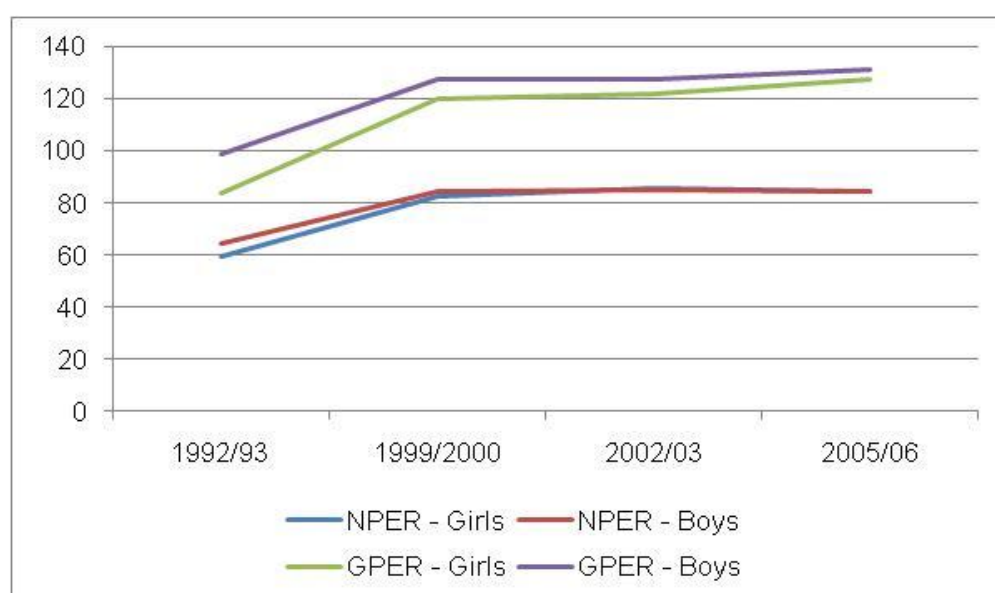
Source: EMIS 2006, cited in MoES (2008) 'Re-costed ESSP'

Figure 2: Total Enrolment under Universal Primary Education by gender (1996 – 2007)

Source: EMIS (Statistical Abstract 2006), cited in MoES (2008) 'Re-costed ESSP'

Improved equity in access: gender, region and income level

34. The increases in enrolment have especially benefitted rural and urban poor communities. However it should be noted that some children still do not have access as a consequence of civil conflict in the north of the country, disabilities or other special learning needs, and other socio-cultural factors such as early marriage.

Figure 3: Net Primary Enrolment Rate (NPER) and Gross Primary Enrolment Rate (GPER) for Girls and Boys, 1992/93 – 2005/06 (%)

Source: Adapted by Handley *et al* (2009) from Oxford Policy Management (2008a)

35. Uganda has made significant progress in reducing gender disparities in access to education services. In the early period of UPE, the government achieved close to gender parity in enrolments

at primary level (48% of total enrolments are girls) and increased the number of girls enrolled in secondary education from between 30-39% to approximately 44% (MoESd, 2003). Despite this achievement, scores in the Primary School Leaving Exam (PLE) remained lower for girls than boys (MoESd, 2003). The World Bank Study on Financing for Education for All (2002) noted that Uganda was not on track to achieve gender equality in primary and secondary schooling by 2005.

36. A reduction in the gender gap has been observed in recent years as the absolute number of girls enrolled in S-1 increased by 30,231 from 98,392 (FY2006/07) to 128,623 (FY 2007/08) representing a 31% increase. Also, the number of girls enrolled in S-2 increased by 13.4% from 84,302 (FY 2006/07) to 95,640 (FY 2007/08).

Poor Quality of Education: literacy, numeracy, and primary completion

37. The quality of education remains poor, especially (but not exclusively) that provided by the public sector. In primary education, numeracy and literacy rates remain low, although there are signs of improvement in literacy in particular. Whilst enrolment rates are high, completion rates of primary education are low – an equivalent of only 50% percentage of the population at the official primary graduation age completed their primary education in 2007.

38. This challenge of quality in primary education is best illustrated by the fact that, despite the number of children in primary education over doubling, the number of pupils passing their primary leaving exams (PLE) has only increased marginally.

Table 4: Indicators of Quality in Primary Education

Completion rates for P7 (2003-07)				Numeracy and Literacy Rates (2000-07)			
	2005	2006	2007	Education	2000	2004	2007
Boys	54%	53%	49%	Literacy P3	18%	38%	46%
Girls	47%	42%	51%	Literacy P6	13%	30%	50%
All	51%	48%	50%	Numeracy P3	29%	41%	45%
				Numeracy P6	42%	43%	41%

Source: UNEB & UBOS cited in MoES (2007b), Ministry of Education and Sports (2008)

39. A key outcome in the education sector is literacy. Adult literacy rates increased from 78.5% in 1999/2000 to 83.5% in 2005/06 (OPM, 2008). In particular there has been a marked drop in the gender gap between female and male adult literacy rates (see Table 5).

Table 5: Literacy rates for individuals aged 15–24 years (%), 1992/93-2005/06

	1992/93	1996/97	1999/2000	2002/03	2005/06
Male	83.0	80.9	84.5	85.8	86.5
Female	68.5	69.7	72.9	76.8	80.4
All	75.4	75.0	78.5	81.1	83.5

Source: Oxford Policy Management (2008a)

40. Finally it is important to note that, whilst there has been progress in improving equity in access to services, there are considerable inequities in the quality of education regionally, and across social groups.

Sector policy and strategic planning

41. After the NRM government came to power in 1986, it instituted the Education Policy Review Commission (EPRC) in 1987. The Commission recommended the introduction of universal primary education and reasoned that: “Only when every child is enrolled at the right age and does not leave school without completing the full cycle of primary education, would it be possible to ensure that all citizens have the basic education needed for living a meaningful life”. The report argued further that UPE would support greater national unity and accelerated economic growth.

42. Following the EPRC report, published in 1989, the Government appointed a White Paper Committee. The ensuing White Paper in 1992 accepted the major recommendations of EPRC on primary education reform and suggested a timeframe for completion of the programme by 2003.

Policy framework

43. The 1992 White Paper on Education is the basis of official policy in the education sector. The White Paper objectives for Uganda’s education system continue to be the primary reference point for sector policy. Its aims are to promote citizenship; to eradicate illiteracy; to promote scientific, technical and cultural knowledge, skills and attitudes; and to equip individuals with basic skills and knowledge and with the ability to “contribute to the building of an integrated, self-sustaining and independent national economy”. Furthermore, the right to education is enshrined in the Constitution of the Republic of Uganda: Article 30 makes education for children a human right, and Article 34 entitles children to basic education by the state and parents.

44. In 1997 GoU launched a policy of Universal Primary Education (UPE). It followed the recommendations of the Education Policy Review Commission (EPRC, 1989), the subsequent provisions of the White Paper and the development of Children’s Statute (1996). However, the primary driver was the presidential pronouncement as part of Museveni’s manifesto for the 1996 election.

45. The key objectives of UPE were set as:

- Making basic education accessible to the learners and relevant to their needs as well as meeting national goals;
- Making education equitable in order to eliminate disparities and inequalities;
- Establishing, providing and maintaining quality education as the basis for promoting the necessary human resource development;
- Initiating a fundamental positive transformation of society in the social, economic and political fields; and
- Ensuring that education is affordable by the majority of Ugandans by providing, initially, the minimum necessary facilities and resources, and progressively the optimal facilities, to enable every child to enter and remain in school until they complete the primary school education cycle.

46. The UPE policy emphasis is on equal opportunity for boys and girls. The policy provides for this goal in the form of objectives for enrolment, retention, and performance in primary education. This policy is one of the many education reforms that the government has implemented within the broad spectrum of Ugandan’s education system. Its implementation entered its 11th year during FY 2007/08. This policy received a major boost with the enactment of the new Education Act which made primary education compulsory for all children. In addition the sector adopted a Quality Education Initiative (QEI) for the improvement of primary education in the country.

47. Other policies which guide sector efforts to provide quality primary education include:

- Text Book Policy; intended to increase accessibility of core textbooks and other supplementary reading materials to children in order to address the low literacy rates at this level.
- Automatic Promotion Policy; this is an efficiency measure to reduce on repetition and dropout rates in primary schools.
- Instruction in Local Language Policy (*lower primary*); Supports the implementation of the thematic curriculum by putting emphasis on instruction in local language because its believed that teaching in the local language speeds up the learning rate of pupils
- Early Childhood Development Policy; this was designed to create a firm foundation for quality education at all levels.

48. The Government launched a further major policy initiative in 2006 with the introduction of Universal Post-Primary Education and Training (UPPET).

Sector strategies and plans

49. In 1998 the Ministry of Education developed and launched the Education Sector Investment Plan (ESIP) 1998-2003 as its development framework for education. The broad objectives of ESIP were:

- Achieving equitable access to education at all levels;
- Improving quality of education, particularly at the primary level;
- Enhancing the management of education service delivery at all levels; and
- Developing the capacity of MoES to plan, programme and manage an investment portfolio that will effectively develop the education sector.

50. Whilst it covered the entire sector, the ESIP was motivated by the political prerogative to deliver UPE. It was prepared at the same time as the 1997 PEAP, which also had the delivery of UPE as one of its central strategies. Given this commonality, the ESIP fell easily within the overall policy framework for poverty eradication.

51. The Education Sector Strategic Plan (ESSP) 2004-2015, prepared in 2003, is the current government strategy for education and was developed to cover the fiscal years 2004–2015. The ESSP commits government to ensuring that universal access to primary education is the highest sector priority. It also targets the removal of financial impediments to that objective, and it focuses attention on improving regional and gender equity. Implementation of ESSP is envisaged through shared contributions by the public and private sectors, households and communities.

52. The ESSP aims to build on and to take forward the successes of ESIP, particularly in the implementation of UPE, while addressing the gaps in ESIP such as providing adequate treatment of the secondary, tertiary and vocational sub-sectors. The objectives of the ESSP are:

- To build an education system that is relevant to Uganda's national development;
- To ensure that all children participating in the education system achieve education goals; and
- To maintain an effective and efficient education sector.

53. The ESSP was based on the Government's White Paper for Education, its long-term commitments to the international community (EFA and MDGs), and on the medium-term goals and plans and current undertakings of the Ministry of Education. However, importantly, it did not include the policy for UPPET, which was announced soon after the ESSP was finalised.

54. A Re-Costed Education Sector Strategic Plan (ESSP) 2007-15 was developed by MoES and remained in draft in 2008. The need to update and re-cost the ESSP was promoted by changes in the education policy agenda and objectives (MoES, 2008), namely:

- Compliance with the EFA FTI goals;
- Introduction of local language instruction and simplified thematic curriculum to improve primary education quality;
- Ensuring access to post-primary education for pupils completing P-7, consistent with the UPPET policy;
- Strengthening education in science and technology through facilities and instructional materials;
- Increasing participation in tertiary education to support labour market needs; and
- Introducing a career ladder for teachers and school administrators to improve attractiveness of teaching profession.

55. Once adopted, the new ESSP 2007-15 will form the major strategy and policy document for the sector.

Institutional structure of the sector

56. Prior to the introduction of UPE, the management of education services was highly centralised. However, the education reforms mentioned above were developed alongside the policy for decentralising the responsibility of basic service delivery to local governments. The responsibility of both primary and secondary education was formally devolved to local governments under the Local Government Act of 1997. A corresponding objective for the education sector was to improve basic education by localising its administration and service delivery. Tertiary education remained centrally administered.

57. Administrative and fiscal decentralisation was effected for primary education at the outset. Districts and municipalities were made responsible for teacher recruitment, deployment and supervision. Districts also responsible for the disbursement and management of the funds received to implement UPE, namely the UPE Capitation Grant and Primary School Facilities Grant. However there were significant conditions on how these funds should be spent, and the purchase of instructional materials has remained centralised.

58. The decentralisation of secondary and technical/vocational education was less decisive, and in effect remains largely centralised. The payment of salaries and supervision was decentralised, recruitment and deployment of secondary teachers remains centralised. Similarly, capitation grants and classroom construction funds remain centralised. The institutional framework for secondary education, to this date, remains unclear.

59. The Ministry of Education and Sports is responsible for education policy, and monitoring the implementation of those sector policies. It also directly manages teacher training. Various semi-autonomous agencies are responsible for specific central. These include the Uganda National Examinations Board (UNEB), the Education Standards Agency, and the Education Service Commission.

Sector budget formulation and execution

60. In the early 1990s budget reforms had focused on “*establishing a degree of central control over broad allocations of donor and government funding between sectors, as well as screening and budgeting project proposals*” (Magona, 2009). However, it was the introduction of the MTEF and sector working groups in 1997 which resulted in changes in sector budget formulation. The MTEF incorporated two changes which impacted on budgeting at the sector level – a medium term perspective to budgeting, and a sector based presentation of the budget. Meanwhile sector

working groups were charged with preparation of medium term sector budget proposals – called Sector Budget Framework Papers - in line with budget ceilings set out in the MTEF.

61. The budget process has been deliberately consultative, and the Education sector embraced this. Sector working groups were and still are made up of representatives of institutions in the sector, civil society, donors, and the Ministry of Finance. The SWG continues to be active, and the sector budget framework paper is discussed by SWGs before submission to the MoFPED. In 2003 the sector instituted a sector budgeting workshop at which the BFP is discussed with a broader set of stakeholders.

62. At the local government level, this process is supposed to be replicated through the local government budget framework paper process. However, *de facto*, the degree of flexibility has been limited due to the conditional nature of grants to districts and municipalities. Furthermore, the education sector has resisted efforts to increase the flexibility of district funding across sectors in the context of the Fiscal Decentralisation Strategy.

63. Whilst BFPs have served the sector well in guiding broad resource allocation, until recently the links between operational (annual) plans and budgets at the central and local governments have been weak. The problems underlying this are different at the centre. At the centre, whilst the MTEF on which sector BFPs are based is consistent with the annual budget estimates, there were few demands on central agencies to develop annual operational plans based on the budget. Annual plans presented in Ministerial Policy Statements to Parliament were not well linked to the budget. In local governments, whilst BFPs were comprehensive, the centre required that annual work plans be prepared for conditional grants only and not work plans for the budget. Whilst MoFPED and MoLG guidelines changed in the mid 2000s, sector ministries, including the Ministry of Education, continue to demand work plans for conditional grants. The recent programme budgeting reforms have started to address these links, and to ensure a consistency between Budget Framework Papers, annual work plans and the Budget.

64. Overall the predictability of budget execution has improved. As a priority for poverty eradication, primary education has fallen under the Poverty Action Fund since its inception. This means that budget allocations benefit from release protection during budget execution of at least 95% from MoFPED, provided that spending agencies report on funding. More recently secondary education has also benefited from PAF release protection. There were blips – for example there was significant under-spending against the budget on primary wages in 2000 when teachers were not recruited as planned, because the cost of recruitment was not budgeted for. Whilst primary (and now also secondary) education has received disbursement protection, other elements of the education sector have not. In recent financial years overall predictability of the sector budget has improved.

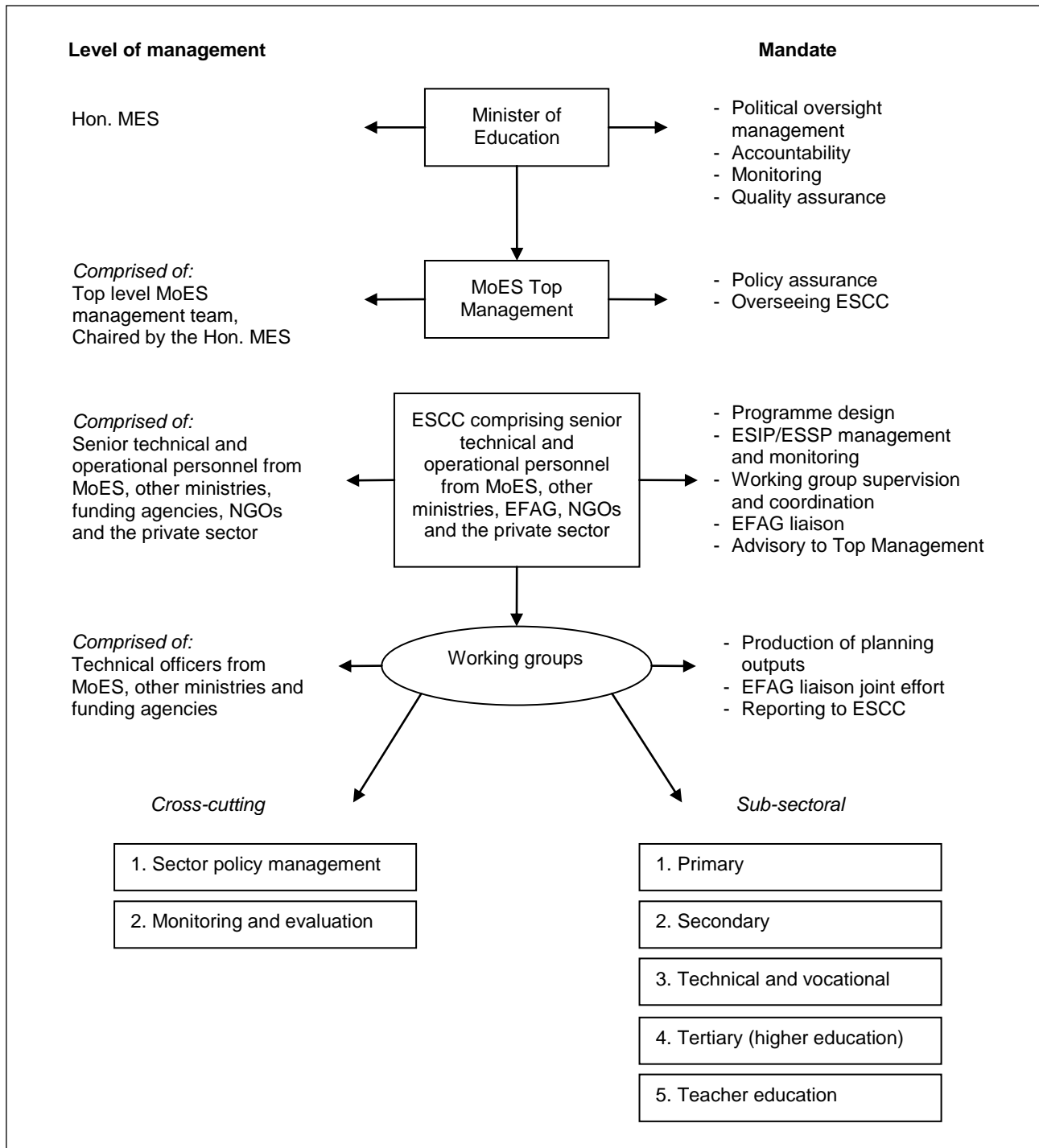
65. In the period prior to UPE, the education SWAp and SBS, there were severe and persistent problems with leakages of funds intended for education sector service delivery units. The impact of public demand for reduced leakages in the period 1994-2001 is well documented (Reinikka and Svensson, 2004), although it has since been argued persuasively that the ‘power of information’ was only one among several factors motivating the reduction in leakages (Hubbard, 2007). In fact a more credible explanation of the reduction of leakages was the introduction of the capitation grant to local governments, and its rapid expansion, alongside the abolition of school fees, which necessitated funds reaching schools. Public information was only part of the response.

66. Since these early gains, it is not apparent that leakages and delays in funding have been addressed further. The procurement process for classroom construction at local government level has reportedly been subject to maladministration and leakage. Engineering Assistants were appointed as central government representatives to supervise contracting and construction processes, but these processes were not fully open and transparent.

Sector coordination, reporting, monitoring and evaluation processes

67. A key element of the framework for implementing the ESIP was the institution of sectoral coordination and review processes. Figure 4 sets out these structures.

Figure 4: ESIP implementation and management structure (2003)



Source: Eilor (2004)

68. The initial structure set up to manage the reform processes was the Education Sector Consultative Committee, which was chaired by the Permanent Secretary of the MoES. Above this was the key decision making body – the MoES Top Management Meeting (TMM), which has

exclusive MoES participation and provides oversight and assurance for the ESIP/ESSP. The Education Sector Consultative Group (ESCC) provides the main consultative forum on education strategy, policy and financing (Ward et al, 2006). It meets every two months has participation of MoES, MFPED, MoPS, MoLG, the main education institutions, development partners, civil society and the private sector. The MoES Planning Department provides a secretariat function. The third level consists of a series of Technical Working Groups (TWGs) which relate to the education sub-sectors and to cross-cutting issues (e.g. financial management, sector policy and management, monitoring and evaluation) and which provide technical inputs to the work of the ESCC. These mechanisms were also the basis of donor coordination through the Education Funding Agencies Group (EFAG), described below.

69. A cycle of twice-yearly Joint Sector Reviews was instituted in April 1999. These consultative events were used to review the past performance and to agree undertakings to improve ESIP implementation. As is discussed in the next section these reviews and associated coordination structures became a central part of the aid coordination. As with sector working groups, they also involved civil society organisations and local governments.

70. Magona (2009) observes that “These intense, high profile events were extremely valuable in shifting attention of stakeholders from the review of individual donor projects towards the implementation of policies and strategic plans overall.” However, by 2003, it was apparent that two reviews a year represented too high a burden on the government. A single review was instituted each October, at which an Annual Sector Performance report would be discussed. The April review was replaced by the consultative sector budget workshop.

71. The sector review processes put a spotlight on reporting on sector performance. The GoU’s Education Management Information System (EMIS) was a major source of information on performance. Annual Sector Performance Reports became important instruments for presenting EMIS and other data on the implementation of sector policies. Whilst these reports provide a rich source of information, they have thus far lacked a systematic link between performance and expenditures.

72. As discussed later in this report, whilst donors were initial drivers in the establishment of these coordination, reporting and review processes, they soon became important parts of the domestic cycle for monitoring policy implementation and associated accountability.

Education sector expenditures, Inputs and Efficiency

Overall Sector Expenditure

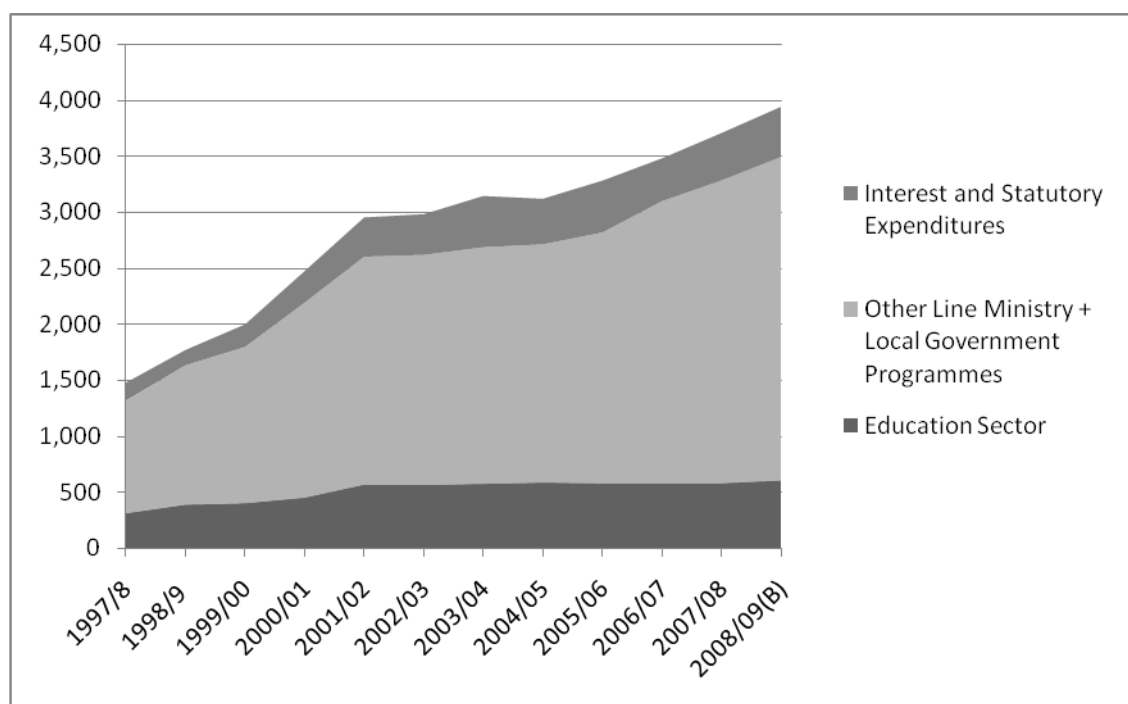
73. Education sector expenditures have increased substantially since 1997. In nominal terms the increases in education sector appear particularly dramatic – with allocations increasing from UGX 250bn in 1997/98 to UGX 900bn in 2008/09. Even taking into account inflation, the increases are still very large, with expenditures more than doubling in real terms over the same period. There are three distinct periods:

- Expenditures in the education sector grew most rapidly following the launch of UPE in 1997, at an average of 17% a year in real terms until 2001/02.
- Between 2001/02 and 2006/07, education sector expenditures only just kept pace with inflation, growing at an average of 0.3% a year.
- Following the introduction of UPPET in 2006, allocations to the education sector were increased by 33% over two financial years in nominal terms. However this has been

undermined by high inflation, and the real growth rate only averaged 2% per year for 2007/08 and 2008/09.

74. Figure 5 shows that education sector expenditures have not kept pace with the overall budget. They have declined as share of government expenditure over the last 12 years, initially from 24% in 1997/98 to 22% in 1999/2000. Until 2005/06 the share was stable at between 21% and 22%. Since 2006/07, despite the introduction of USE, the share of education sector spending has fallen to 17% as the overall priority of government has shifted towards productive sectors.

Figure 5: Total Public Expenditure and Expenditure in Education (UGX billion 2003/04 Prices)



Source: Annex 2

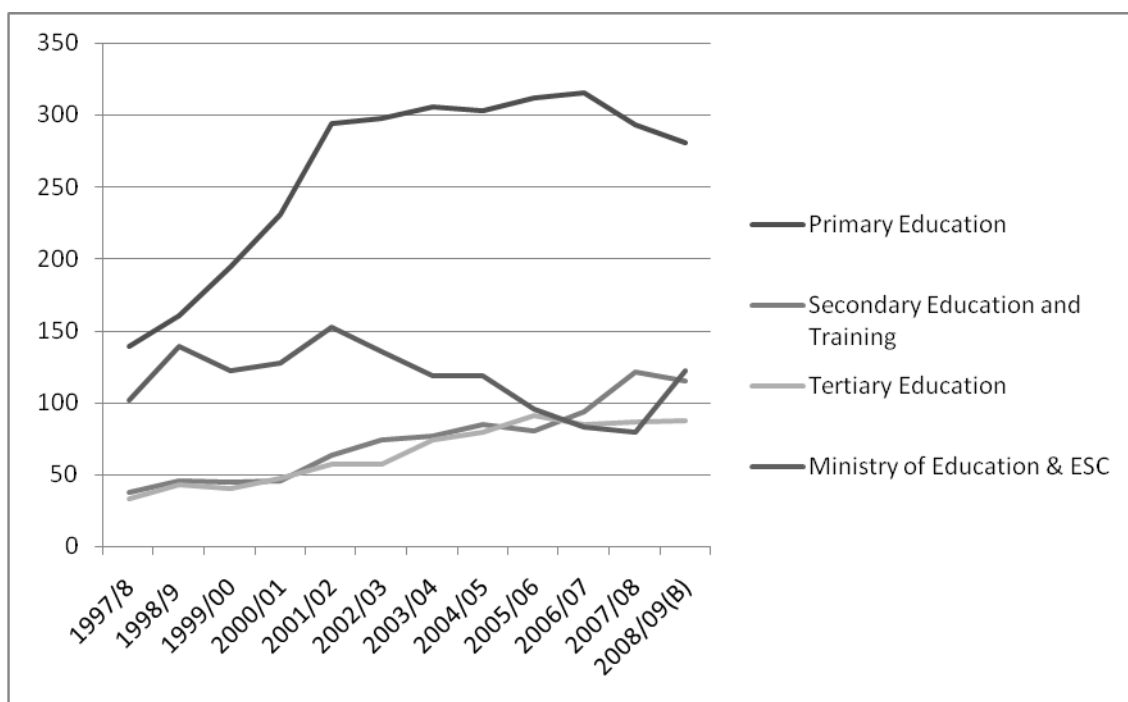
Intra-sector expenditures

75. Figure 6 shows the broad breakdown of sector expenditures in real terms. Trends can be broken down into three phases.

- Transfers to districts for primary education rose rapidly in the four years between 1997/98 and 2001/02, more than doubling in real terms and increasing from 45% to 52% of the sector budget. These were channelled via the Poverty Action Fund and, as discussed later, were boosted by non-traceable earmarking of debt relief and SBS as well as GBS. Both Secondary and Tertiary education saw significant, but less dramatic, increases of 69% and 73% respectively. Allocations to the Ministry of Education increased least dramatically, by 50% in real terms.
- From 2001/02 to 2006/07 increases to primary education flattened out, increasing only by 7% in real terms, whilst expenditures on secondary and tertiary continued to grow steadily in real terms by nearly 50%.
- From 2006/07 to 2008/9 primary education transfers declined by 11% in real terms, with 2008/09 expenditures falling below 2001/02 levels. Meanwhile, following the introduction of

USE, secondary allocations increased by 23% over the same period, and tertiary education increased by 3%.

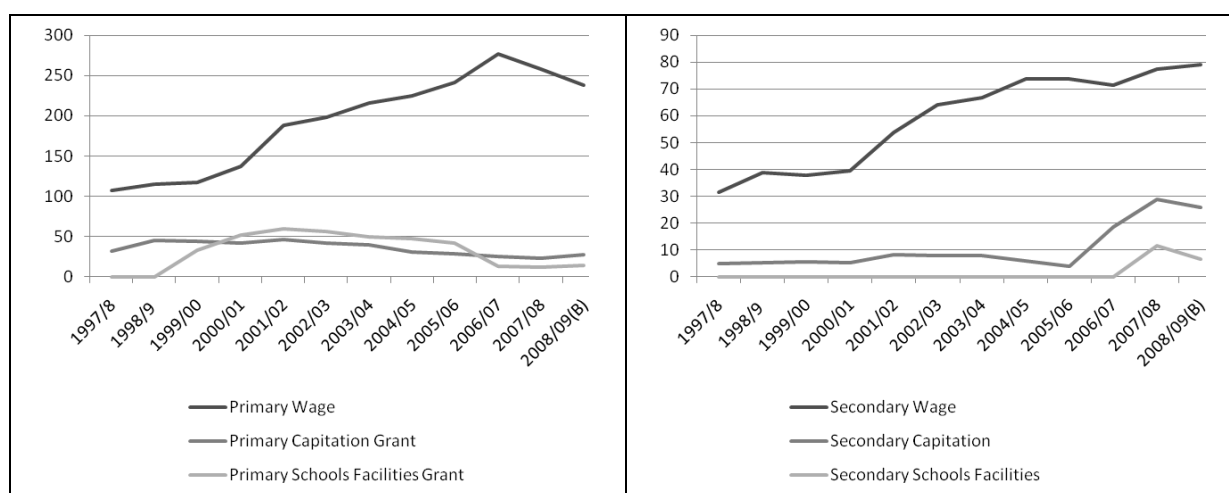
Figure 6: Subsector Budget Outturns (UGX Billion 2003/04 prices)



Source: MFPED, MoES

76. Figure 7 shows trends in key budget lines in primary and secondary education over time. There are some marked contrasts with different categories of expenditure.

Figure 7: Key Budget Lines in Primary and Secondary Education (UGX Billion, 2003/04 Prices)



Source: Annex 2

77. The vast majority of increases in resources allocated to both sectors have come in the form of teachers salaries. Increases in capitation grants followed both the introduction of UPE in 1997/8 and USE in 2006/07. However after significant increases up to 2001/02 the real value of primary capitation grants has gradually been eroded, and in 2007/08 was 49% of its peak in 2001/02. This amounted to a decline from UGX 6,000 per child per year in 1998 to UGX 3,000 per child per year in 2008. It has just been increased again in the draft budget for 2009 to a level of UGS 5,500.

Furthermore no purchases for primary school textbooks were made in 2008/09, and the previous two years. The increases in allocation to secondary education were in part funded from cuts to the primary schools facilities grant and procurement of primary textbooks.

78. Allocations to the Ministry of Education have fluctuated over the period. A large share of increases in the MoES budget between 1997/98 and 2001/02 were allocated to instructional materials for primary schools and to primary teacher training. There was a steady decline in MoES resource allocations until the introduction of USE. In 2006/07 MoES switched its allocations for instructional materials to secondary education, and in 2008/09 there was an increase in project funding for secondary education, which looks set to continue.

79. Overall these trends show that, at the outset of the introduction of UPE and USE, allocation decisions were made to increase operational, capital and wage spending in a balanced manner. Over time, however, the relative value of operational and capital budgets for primary education has been eroded in real terms and relative to wages. This is likely to have undermined the overall efficiency of expenditures in primary education. The 2008/09 allocations indicate that this trend may be repeated in secondary education.

80. Significant funding was allocated to local governments for service delivery via conditional grants for teachers' salaries, operational costs of schools (capitation) and schools facilities. However, until 2008/09 no funding was allocated to the district education office's management and supervision functions. This contrasts with the health and water sector, for example, where local governments were able to use conditional grant funding for such activities. District education offices were reliant on local revenues for funding their costs. With significant variations in local revenues, budgets for district education offices varied wildly. Williamson (2003) contrasted two districts: *"In Iganga, the DEO's office in 2001/02 had an operation budget of US\$18,000 of which it received US\$1,600 to supervise and inspect over 300 primary schools."* In contrast in Bushenyi, the DEO's office amounted to *"\$90,000, of which it received US\$70,000, over sixty times more than Iganga ... Bushenyi was far more able to support service delivery effectively"*. Since that time local revenues have declined significantly. Only in 2008/09 did the education sector start funding one element of district management directly – schools inspection. Other elements of district management remain under-funded or even un-funded. This means that in many local governments the role of the DEO has been that of a postman, receiving funds from central government and transferring them on to schools.

Expanding Sector Inputs

81. By the mid-1980s the physical infrastructure had deteriorated and a large percentage of schools used temporary structures; permanent structures had received little or no maintenance during the conflict. Textbooks and other instructional materials were largely non-existent in most schools, making teaching and learning extremely difficult. The few remaining teachers were underpaid and under-trained. Unsurprisingly the main policy response was to rehabilitate and expand infrastructure, and increase supply of other inputs into the education sector. The expansion in sector expenditure supported this. For primary education the key trends are as follows:

- Classroom construction – The destruction of classrooms during the conflicts of the 1970s coupled with the rapid rise in enrolment has resulted in a marked shortage of classrooms following UPE introduction. Deliberate effort was made to put up additional classrooms. Funding was provided for the construction of significant numbers of new classrooms following UPE introduction, but even that proved insufficient to meet the targets for pupil-classroom ratios. In 1998/99 the ratio of pupils to classrooms was 131:1, before improving to a level of 82:1. There was also significant investment in sanitation facilities in primary schools.

- Teacher Recruitment and Development – Teacher training and recruitment has been a key priority. The number of primary teachers increased dramatically, and the pupil to teacher ratio from 58:1 to 50:1 between 2000/01 and 2006/07. The clear need for improved learning outcomes implies a need for well-trained teachers. MoES started introduction of the Teacher Development and Management System (TDMS) in the 1990s. This included addressing teacher training at Primary Teaching Colleges (PTCs) and on-going support and professional development of teachers. Government also used PTCs not only as the institutions for pre-service teacher training, but also as the base for providing on-the-job teacher support, via Centre Coordinating Tutors (CCTs), to assist teachers to improve the quality of education at primary level.
- Instructional materials – MoES has worked towards increasing textbook allocations to schools and, since the introduction of UPE, has increased resources to purchase textbooks and has revised procurement arrangements to make the purchase and distribution of textbooks more efficient. However, the additional burden on resources following the introduction of USE has forced a halt in procurement of textbooks for the lower primary level over the past three years. The challenge remains to have textbooks better-utilised within the schools rather than being kept in head teachers' offices. The May 2005 ESR noted some progress in pupil textbook ratios, however, there is general consensus that textbooks are not utilised very effectively and that the pupil textbook ratios for primary schools still remains high, at around 5:1 (MoES, 2007).

Table 6: Pupil-Teacher Ratio 2000-2007

Year	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Pupil-Teacher Ratio	58:1	56:1	52:1	50:1	50:1	48:1	50:1

Source: *Education statistical abstract*

82. Whilst an emphasis has been placed on expanding the supply of education inputs – classrooms, trained teachers and institutional materials, limited attention was placed, especially early on, to the systems and institutions for service delivery. District education offices remain weakly facilitated and various interviews pointed to their staff being poorly motivated. In contrast health and water sectors have been more successful in building capacity of local governments to manage services (Williamson et al, 2008). This meant that districts have largely been unable to play their supervision and inspection function of schools. The lack of attention to district level management, has likely contributed to local inequities in service provision, and poor motivation of teachers. Furthermore the cost and management implications of reforms to the curriculum have not been rigorously thought through.

83. The pattern of expanding the supply of inputs in the primary education sector has been repeated for secondary education. However, there also does not appear to be significant investment in the management of secondary education.

Efficiency in the Education Sector

Overall resource allocation and expenditures have responded to changes in education policy – most notably the introduction of UPE and UPPET. This, broadly, implies a degree of allocative efficiency in resource allocation. However major weaknesses in operational efficiency were clearly exposed in a joint World Bank / MoES public expenditure review carried out in 2007 (Winkler and Sondergaard, 2007). Four critical sources of 'internal' or operational efficiency were identified:

- Leakages of resources between central government and school (e.g. ghost teachers, misuse of UPE grants to districts).

- Leakages of resources within schools (e.g. high rates of absenteeism by pupils, teachers and head teacher).
- Deployment of teachers across districts in a way which is unrelated to measures of need.
- Allocation of resources within government schools (e.g. large class sizes in early grades and lower sizes at higher grades).

84. Despite reductions in several of these leakages in the period before the study, Winkler and Sondergaard estimated that at least one third of expenditures on primary education were “wasted”. SBS funding was obviously not the cause of this operational inefficiency, but the rapid scaling up of funds through SBS (and GBS) may have served to weaken incentives on government to target efficiency during the push for scaling-up of access. To the extent that conditionality and dialogue associated with SBS and the education SWAp did not focus attention on operational efficiency, it would be reasonable to conclude that SBS funds permitted inefficiency even though they did not directly cause or sanction it.

85. Teacher absenteeism is a major area of leakage highlighted in recent analytical work on the education sector in Uganda (Winkler and Sondergaard, 2007; IOB, 2008). A 2004 study cited in the World Bank PER found an average rate of teacher absenteeism of 27%. Although the 2006 survey carried out for the PER found that absenteeism had reduced to 19%, the leakage measured in terms of expenditure not reaching students was estimated to be US\$ 53bn. Detailed primary and secondary research by IOB (2008) offered more cautious estimations of ‘between 20% and 30%’ and calculated that 20-30% of the wage bill is spent on services that are not delivered. Reasons for absenteeism cited by teachers in that study include inadequate accommodation, poor working conditions, distance to school, low salary, delays in payment of salaries and low morale. A PEFA assessment of Local Government PFM systems in 2006 showed that management of payroll systems at the district level are reasonably effective (World Bank, 2006). However, the findings of the 2007 World Bank efficiency study (Winkler and Sondergaard, 2007) imply that significant inaccuracies exist in the District-level verification process. It is likely that the weak District inspection function, under the responsibility of the District Inspectors of Schools, is one reason why significant teacher absenteeism remains unchecked. Furthermore there are significant inequities in the deployment of teachers within districts.

86. Negligible discretion is afforded to DEOs, School Management Committees and head teachers over the allocation of UPE Capitation Grants, and this has led to some rigidities which hamper their ability to match resources to spending requirements. Although the limitations to discretion may be deemed necessary for financial control and accountability purposes, school head teachers interviewed for this study reported consequent inefficiency in terms of the allocation of education budgets across inputs. Despite that view, evidence also shows the quantum of government funding from CGs and SFGs since UPE and thereafter UPPET has increased the relative autonomy of the schools and has contributed to observable improvements in measures such as the pupil-teacher ratio, pupil-classroom ratio and pupil-textbook ratio (IOB, 2008).

Contribution of policies, inputs and expenditures to sector outcomes

87. The main driving force behind education sector policy were the President’s election commitments to free universal primary and then secondary education, which were laid out in his 1996 and 2006 election manifestos. The pressure to achieve the goals of the PEAP was important (although less so of late) in supporting the achievement of this commitment to UPE, however UPPET is not embodied in any national plan. The committed aim of achieving Education for All (EFA) and the Millennium Development Goals (MDGs) by 2015 are consistent with these goals, but of secondary importance.

88. It is the two big policy decisions which triggered increases in enrolment in both primary and secondary education. This made addressing quality more challenging, by definition. However, the political drive behind them also facilitated the increases in resource allocation to these sub sectors. This in turn allowed increases in service delivery inputs – teachers, textbooks, classrooms. Furthermore, the decision to channel funds through local governments, using relatively objective allocation criteria, ensured that increases in access were relatively equitable. In addition, significant attention was provided to ensuring girls as well as boys attended school, which helped Uganda move substantially towards achieving gender parity in school enrolments (See Box 5).

Box 5: Achieving Gender Parity in Education

Uganda has moved substantially towards reaching gender parity in enrolments. This happened through a variety of strategies involving stakeholders from the local to international level. First, the UPE policy stipulated two of the four children enrolled without paying school fees should be girls. The MoES also provided funds to district levels to sensitise communities and parents about the importance of girls' education and developed incentive programmes to encourage girls' retention and completion in education. A National Strategy for Girls' Education in Uganda was also developed. Second, Uganda has taken a lead in Africa in the promotion of girls' education as politicians, government representatives, religious and cultural leaders, funding and technical agencies, and NGOs have all been involved to popularise the notion and importance of girls' education. This has been done through public lectures, radio debates, use of the media, holding conferences and involvement in international initiatives—namely the Girls Education Movement (GEM) and the 2003 Global Week of Action, which focused on achieving the MDG on girls education by 2005.

89. These strategies facilitated the scaling up of relatively equitable access to education, but were not sufficient to address problems of quality and equity in standards of education. This in turn has meant that the corresponding improvement in learning outcomes has been disappointing.

90. Education inputs have been deployed very inefficiently, and this has manifested itself in problems such as teacher absenteeism, mismanagement of funds for schools operations and infrastructure. There is evidence that inputs could have been used far more effectively if they had been better managed. Some evidence on the drivers of educational service delivery improvement in Uganda has recently been collected and analysed by IOB (2008) for specific project interventions in Masindi and in other Districts. The analysis suggests that learning outcomes have improved in Masindi to an extent that that is not matched across other Districts and that there is a statistically significant correlation of certain variables which have 'caused' those improvements. (See Box 6.) It therefore can be imputed that the failure to invest in district management of education may have contributed to the poor quality of education.

Box 6: Masindi District Education Development Project

The Masindi District Education Development Project (MDEDP) is a joint initiative between the Masindi District Education and a locally-based NGO, Link Community Development (LCD). It has been running since 2000 and is a direct intervention at local level to improve primary education provision and results. Recent evaluations have found that exam results for the schools supported by the project have been consistently higher than for comparable schools in Masindi and in other comparable districts. There is also statistically significant evidence that the approaches and methods used by MDEDP to support the Masindi schools were instrumental in effecting those improved learning outcomes.

The MDEDP started by supporting 45 schools in 2000. That number increased to more than one hundred in 2005. The project objectives are to improve learning outcomes, access to learning, teaching quality, school management and governance, district educational management, and parental and community participation. The thrust of activities has been on "enhancing the quality of education management at both school and district level" (IOB, 2008).

Detailed work has targeted the following areas:

- School management training for head teachers
- Limited school grants to support School Development Plans
- Support and training in school inspection procedures
- Support for district planning and management interventions
- Budget support for maintenance costs of vehicles and equipment
- Development of information management systems

Based on external evaluation findings of the MDEDP, the IOB (2008) report argues that “capacity building in education management presents a cost-effective investment or ‘lever’ in educational improvement”. Particular results highlighted by the analysis relate to improvements in teacher and pupil attendance, teaching quality, teacher training, head teacher classroom supervision and inspections by Centre Coordinating Tutors.

The overall finding of this analysis of the MDEDP is that “... management seems to have the greatest impact on learning achievement”. As a policy implication it is likely therefore that greater attention to district education management and to school management will promote better results in the education sector.

Sources: IOB (2008), de Kemp (2008), LINK reports, interview with LINK country manager

91. Where there was investment in quality early on this was done through centrally managed interventions. The centralised teacher training system was used as the entry point in improving learning processes. When concerns over quality mounted in the early 2000s the Education Standards Agency was formed as a central entity. Concerns were not addressed through the local government structures. Such interventions have also muddled the institutional responsibilities for delivering quality primary education.

92. School head teachers and teachers interviewed for the study noted their concern over the effect on the MoES policy of ‘automatic promotion’ in primary education. Joint MoES-EFAG aide memoires from the Education Sector Reviews emphasise the importance of this policy as a means to increase access to primary education and to sustain higher enrolment levels. Constraints to the supply of teachers, classrooms and teaching materials even in the context of scaled-up funding have created pressure for schools to avoid repetition of school-years by pupil. Representatives from the School Management Committee in one peri-urban secondary school in Iganga District explained that automatic promotion at the primary level reduced learning expectations and decreased pupil incentives for educational attainment. One consequence is a growing ‘UPE culture’ among secondary school entrants who have not achieved highly in PLE and are unmotivated to strive for higher performance at secondary level. The policy of automatic promotion is indicative of the priority given to access over quality in primary education following the introduction of UPE. Meanwhile, whilst changes to the curriculum and associated new approaches to learning may have been well conceived, they have not been adequately resourced, and their management implications have not always been thought through.

93. The policy, planning, budgeting, reporting and review processes and structures which were established from the mid 1990s helped facilitate policy implementation, which implicitly prioritised access over quality – as this was the political prerogative. It is unlikely that the scaling up of primary education, and now secondary, could have been managed in the absence of the framework set up under ESIP. Arguably the annual budgeting and review cycle has been more influential than the ESIP and ESSP themselves, although the ESIP in particular did act as a guide to resource allocation.

94. These structures therefore played a very positive role. However if these structures had paid more attention to the management of education services up front, then it may have been possible to address the problem of quality alongside expanding access to education. Whilst the existing

ESSP and incentives go some way in addressing the problems in primary education, it is not evident that the lessons have fully been learned, especially in the implementation of UPPET. The institutional framework for financing and managing secondary education is far from clear, let alone the processes for managing secondary education.

95. During the course of this study, domestic concerns have been mounting over the quality of primary and secondary education, which has gained substantial coverage in the Ugandan Media. By the time of writing this had culminated in the President announcing that a Commission of Enquiry would be formed to investigate mismanagement in the Education Sector, headed by a high court judge. It is important that this is used as an entry point to come up with the appropriate solutions to improving education sector.

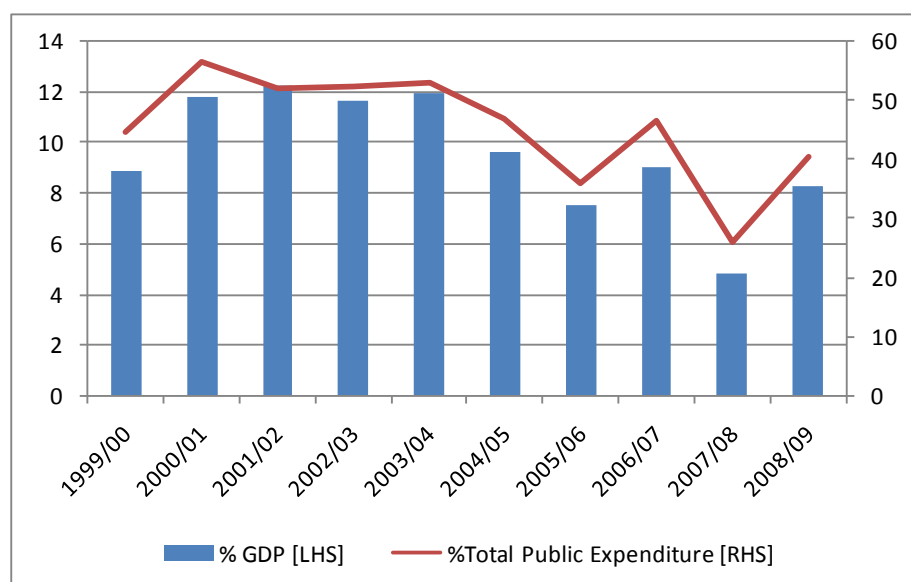
2.3 Context for External Assistance

SQ1.3: What has been the environment for external assistance at the national and sector level?

Aid levels, modalities and coordination mechanisms

96. Uganda is highly aid-dependent. According to Government of Uganda statistics, on-budget donor aid (as reflected in the Annual Budget document as appropriated by Parliament) averaged 9.6% of GDP between 1999/00 and 2008/09 and was as high as 12.3% of GDP in 2001/02 (Handley et al, 2009). On-budget donor aid as a percentage of total government expenditure averaged about 45.4% over the same period, although it was as high as 56.5% in 2000/01 (see Figure 8). Data on off-budget donor aid is scarce, but recorded information from the Ministry of Finance indicates that it is quite substantial, at about 3.8% of GDP in 2007/08.

Figure 8: On-Budget Aid as a Share of GDP and Total Public Expenditure (1999/00 – 2008/09)



Source: Handley et al (2009) calculated from MFPED Annual Budget Performance Reports.

97. The aid environment is also highly congested with over 40 donors operating in Uganda.

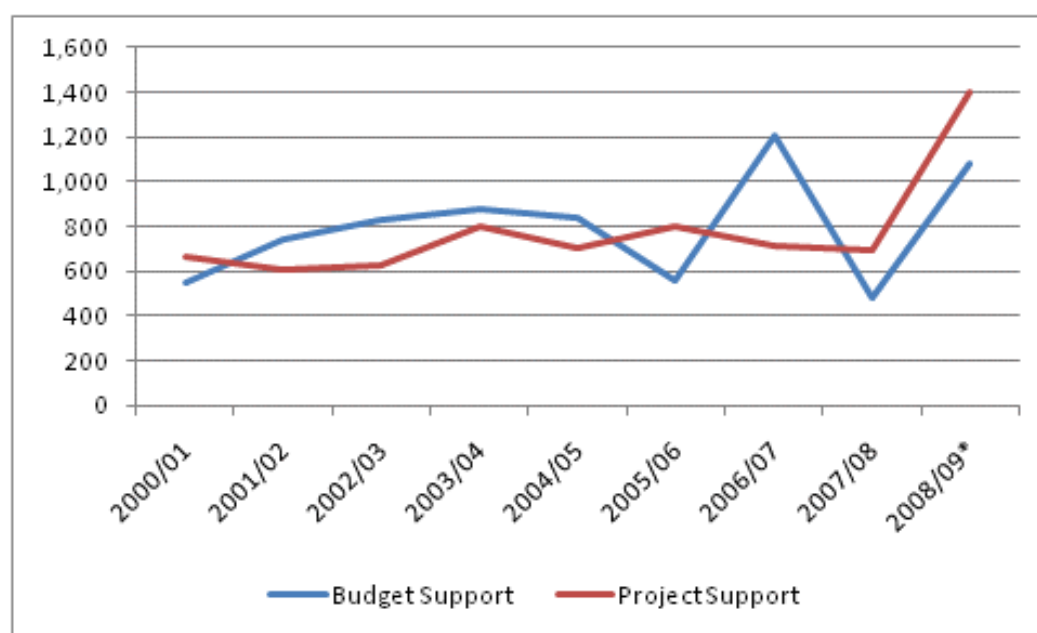
Mix of aid modalities

98. Uganda has received among the highest sustained flows of direct budget support (both general and sectoral) of any developing country. This has been supplemented by debt relief since

1998 as well. Initially the shift was facilitated by the introduction of the PAF. It came in the form of budget support non-traceably earmarked to PAF expenditures overall, or to specific sectors. PAF expenditures represented a subset of Government programmes considered important for poverty eradication in the PEAP. The commitments the MFPED made to the additionality, predictability, and accountability of PAF funds provided donor confidence to do so. As confidence in the GoU's approach grew, many donors shifted from the provision of budget support to the PAF to General Budget Support from 2000. Some donors remained providing of PAF-focused GBS, in part, because it offered them a degree of political protection in terms of their own domestic accountability mechanisms.

99. The 'Partnership Principles' between GoU and its Development Partners (MFPED, 2003) set out the Government's ranking of donor support modalities in order of preference: un-earmarked general budget support, general budget support earmarked to the PAF, sector budget support, and project aid. The Partnership Principles state that SBS is acceptable to GoU provided that it supports an existing SWAp or sector development plan, and also that it is agreed between the line ministry, MFPED and the donor through the consultative annual budget process (MFPED, 2003). In the ten years from 1998/9 and 2001/8 US\$ 1,810m was provided as SBS, \$240m as PAF GBS, and \$820m as SBS (Lister 2006, and MFPED).

Figure 9: Captured Project Aid and Direct Budget Support Outturns (2000/01 – 2008/09), UGX Billions



Note: Provisional outturn only for 2008/09.

Source: Handley et al (2009) calculated from MFPED Annual Budget Performance Reports.

100. Some commentators (see Bevan, 2007) have been critical of the PAF approach for distorting the spending allocation process and encouraging the progressive coverage of the PAF based on domestic political priorities rather than poverty-reduction priorities. From 2003, the MFPED ceased to guarantee one-to-one 'additionality' through increases in PAF budget ceilings equivalent to PAF GBS and SBS commitments. This was motivated both by macroeconomic concerns about the absorptive capacity of the economy, and a sense that spending had been reoriented enough towards basic social services in the PAF. From then on GoU provided a corresponding commitment that total PAF expenditure will be (at least) maintained as a share of total spending, alongside continued disbursement protection. For donors which have shifted from SBS to GBS, the question of whether their funding translates into additional expenditure in a particular sector or sub-sector has ceased to be a relevant concern. However, for those donors considering SBS, in particular, there is less incentive to do so, and SBS has been on a downward

trend ever since. Since 2008, the MFPED line on additionality has been relaxed, with the government now willing to consider additionality in certain areas. However in the formulation of the 2008/09 and 2009/10 budgets, the application of additionality has been somewhat haphazard.

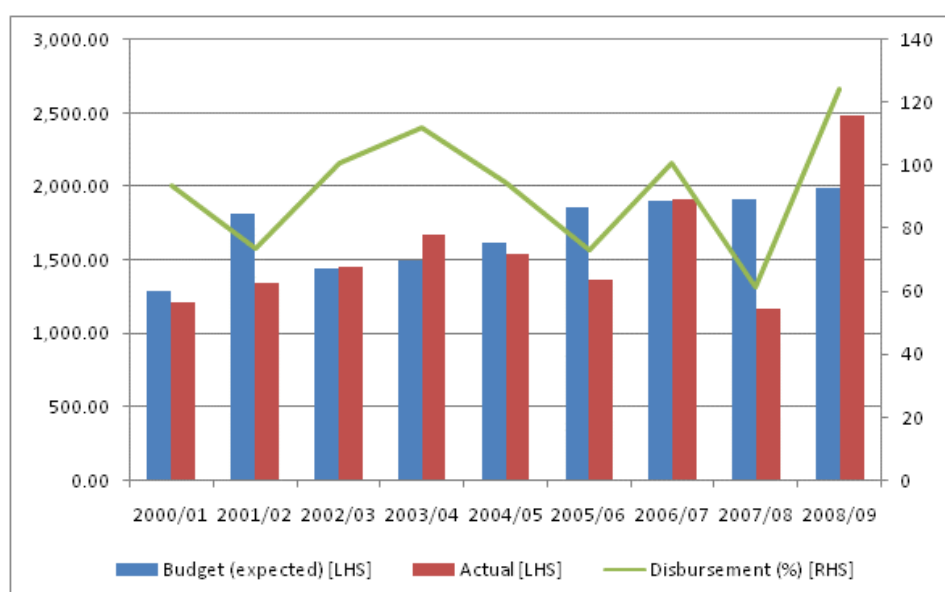
101. Contrary to the expectations of GoU in the early 2000s that an increasing proportion of aid would be channelled via direct budget support, projects remain a major source of funding and have actually increased as a proportion of total aid in recent years (see Figure 9). Common (or basket) funds are less prevalent than many countries due to the early use of sector budget support (Williamson, 2008).

102. Although many donors continue to use a mixed portfolio of aid instruments, comparisons between 1999/2000 and 2003/04 reveal that Irish Aid, World Bank and others shifted decisively in favour of programme aid (Lister, 2006). Across sectors there is a varied trend, with donor projects dominating GoU budget spending (including donor budget support) consistently in roads, agriculture and social services up to 2004/05. In contrast, the education and justice sectors have been funded principally through the budget over the same period.

Predictability of 'on budget' aid

103. Over the period 2000/01 to 2008/09, aid deviated repeatedly from budgeted levels (see Figure 10 below). On average, about 92.8% of the expected donor aid was disbursed over the period and the absolute deviations were minor in certain years. However there are wide variations, with as little as 73% and 62% disbursed in 2005/06 and 2007/08 respectively, compared to 124% in 2008/09 (Handley et al, 2009). It is important to note that this analysis does not take account of aid commitments by donors, but rather the adjusted expectations of MFPED as reflected in the estimates included in GoU annual budget documentation. Nevertheless, the extent of unpredictability – even against MFPED expectations of donor disbursements against stated commitments – is high. Whilst PAF protects certain categories of expenditure, the unpredictability of budget support disbursements contributes to greater uncertainty in other areas of government expenditure.

Figure 10: On-Budget Aid (expected by GoU) and Actual Aid Disbursements (1999/00 – 2008/09), Billions of Shillings



Source: Handley et al (2009) calculated from MFPED Annual Budget Performance Reports.

104. The new Joint Assessment Framework (OPM, 2009) for GBS includes as the sole measure of donor performance an indicator on the predictability of GBS commitments versus disbursements. The actions for the first year of the three-year framework include a requirement for JBSF donors to publish deviations in project and budget support as a means of improving budgetary planning. Although not made explicit, the likely implication is that better public information on annual predictability should incentivise donors to improve their performance.

Aid coordination and dialogue mechanisms

105. The joint evaluation of GBS in Uganda described three notable innovations in aid management and coordination since the late 1990s: the development of SWApS, the establishment of the PAF and the formulation of overarching 'Partnership Principles' between GoU and DPs. Each SWAp comprised a strategic plan governing the sector policy and legal framework, a sector Budget Framework Paper, and a consultative sector reporting and review process Magona (2009). The transition by many donors from project support to budget support facilitated a corresponding shift in the dialogue between GoU and DPs towards sector policy and the budget. Magona (2009) reports that eight of eleven sectors had established formal SWApS by 2007/08. The Partnership Principles agreed in 2003 served to formalise the overarching framework for managing dialogue and aid.

106. In practice dialogue and conditionality for GBS was loosely tied to that for the World Bank PRSC, and associated prior actions. However following difficulties in the management of GBS conditionality around the time of the 2006 elections, donors felt there was need to move towards a more robust and consistent framework for managing GBS. This led to the development of the Joint Budget Support Framework (JBSF) with GoU. The JBSF has involved the development of a Joint Assessment Framework (JAF) as the formal instrument for measuring performance under the JBSF (OPM, 2009). The JAF was agreed in interim form in 2008, and had been fully developed by late 2009. It comprises sections on 'preconditions for effective and efficient implementation of government policies' (e.g. budget management, macro-fiscal policy, policy-budget alignment), 'improved value for money in service delivery' (e.g. funding for front-line service delivery, budget credibility), sector specific results, and donor performance. It is noteworthy that the JAF, which is intended to assess performance in relation to GBS, in fact contains specific indicators, targets and actions for health, education, transport and water and sanitation.

107. Coordination among donors is organised through cross-cutting 'thematic' groups and through sector groups. The thematic groups relevant to GBS address public finance management, public sector reform, decentralisation and governance. There is also a Donor Economists Group (DEG) which coordinates the overall response of the DPs during the budget process. In the education sector, the donors were represented by the Education Funding Agencies Group (EFAG) until 2009, which was renamed the Education Development Partners (EDP). The overarching donor coordination forum at country level is the Local Development Partners Group (LDPG). Despite this array of donor coordination groups (and perhaps because of it), concern was expressed by some donor representatives interviewed for this study that GBS dialogue is not well linked to SBS dialogue in the education sector. Moreover, there has been a failure to integrate sector-level planning and review processes involving EFAG and MoES with the main budget planning process involving DEG and MFPED.

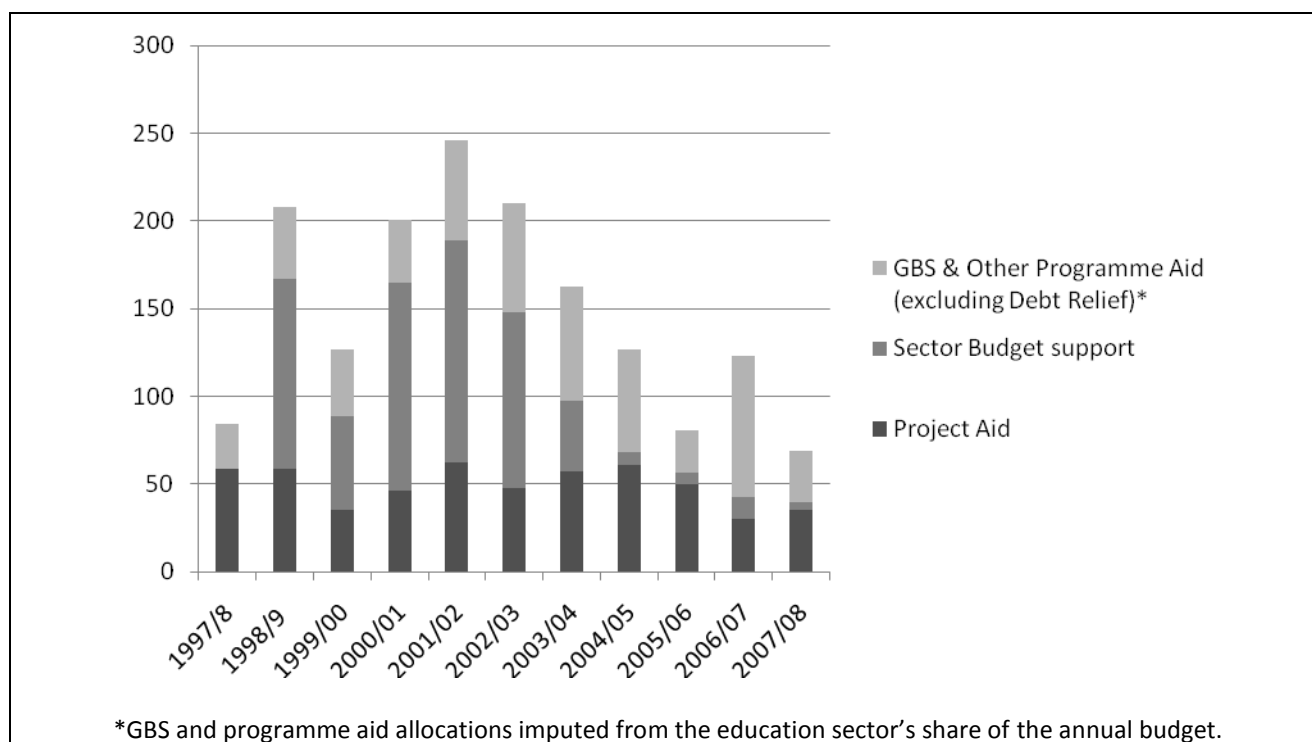
External support to the education sector

Sector aid levels and mix of aid modalities

108. Figure 11 shows a clear trend in aid to the education sector. Aid to the education sector was generally increasing rapidly up until 2001/02, when it was nearly triple the levels in 1997/8 (in

UGX terms). Since 2001/2 there has been a slightly slower, but similarly dramatic, decline. In 2007/08 aid levels were back at 1997/8. However there are signs that levels may begin to increase as aid in support to UPPET comes on stream.

Figure 11: Mix of On-Budget Aid Instruments to Education (UGX 2003/04 Prices)



Source: Lister (2006), MFPED Budget Performance Reports

109. Figure 11 also shows the mix of aid instruments to the education sector, including a hypothecated GBS allocation based on the education sector shares of the total budget. Within the education sector, several trends emerge. Firstly un-earmarked balance of payments support, and then GBS, has supported the education sector fairly steadily since the early 1990s, allowing for the volatility of annual disbursements. Significant SBS flows were seen between 1998/99 and 2002/03 following the introduction of the PAF, after which they tailed off very rapidly. The dip in 1999/00 coincides with the original major SBS donors shifting to GBS, whilst new donors came on board in 2000/01. By 2007/08 SBS had ceased to be a significant source of external support.

110. Until recently, project aid volumes did not experience particularly dramatic changes. UNICEF, Danida, GTZ and (latterly) USAID have been long-term providers of project support to basic education. However, these project interventions are still smaller in financial terms than the imputed shares of GBS from the World Bank, the EC and DFID. Some SBS donors have provided increased project support – for example the Netherlands supporting the introduction of the Quality Education Initiative and assistance to the Districts in Northern Uganda. There were, however, signs a resurgence of project aid in 2008/09, where budgeted levels were over double those of 2007/08. This includes the arrival of new major project funding for secondary education from the ADB and the World Bank.

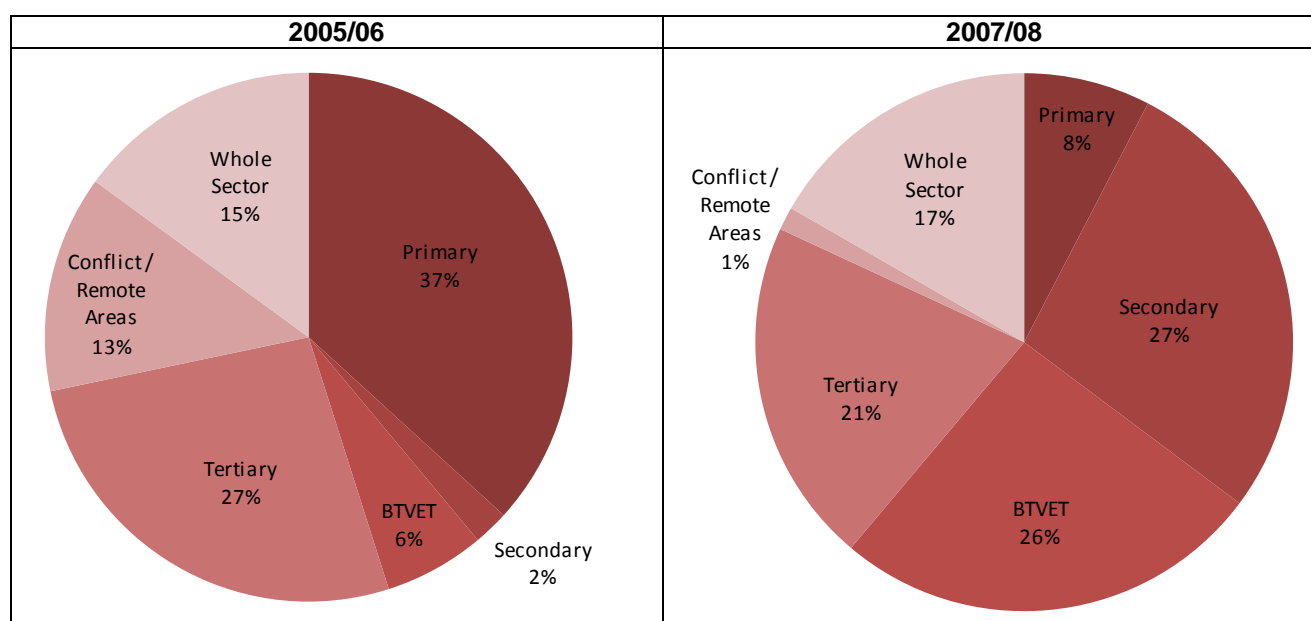
111. It is therefore apparent that SBS is no longer used substantially by EFAG donors, whereas project support has become more expansive. The fact that the JAF for GBS now contains quite detailed performance indicators for the education sectors may also suggest a *de facto* reduction in the importance of sector dialogue and conditionality through EFAG, or at least some dissatisfaction with its effectiveness. To the extent that DP support to the education sector in Uganda has on aggregate moved to a current settlement of un-earmarked GBS and tightly focused project aid, it is

a surprising observation that SBS instruments have diminished so dramatically – at least in the scale of funds. The progression towards SBS and GBS in the period up to 2002/03 is consistent with the GoU-DP Partnership Principles. But the resurgence of project support in 2008/09 runs contrary to the stated GoU ‘order of preference’.

Sub-sector Allocation of Aid and Alignment to Policy Priorities

112. Figure 12 suggests a significant shift in the allocations of on-budget aid in the sector. Up to 2005/06, aid earmarked to primary education dominated. Aid to primary education and the sector as a whole made up over half aid earmarked to the sector. This was dominated by sector budget support. The bias towards primary was greater than the chart suggests. Major SBS donors such as DFID, the EC and the World Bank, had switched to GBS by that time, whilst the GoU had maintained primary allocations. Imputed shares of (un-earmarked) GBS or of PAF-earmarked GBS reveal that in fact a substantial share of GBS was used by GoU to sustain and even to increase the expansion of primary schooling through the UPE Capitation Grant, the Primary Schools Facilities Grant and the rise in salary costs from teacher recruitment. Irish Aid has continued to provide SBS to the primary sub-sector, alongside contributions to PAF-earmarked GBS. Tertiary, BTJET and support to education in took the majority or the remaining aid in 2005/06, and were supported by project aid. Secondary education received only 2% of aid to the sector.

Figure 12: Intra-sector allocations of on-budget aid to education in 2005/06 and 2007/08



Source: ODI (2007) and MFPED (2008)

113. By 2007/08 the intra-sector distribution of aid changed significantly following the introduction of UPPET in 2006, with donors aligning themselves to the new policy direction. In contrast to primary education, the secondary and tertiary sub-sectors are dominated by project aid rather than programme aid. Historically, Austria, France, Japan and Norway have all provided such assistance. As mentioned earlier, major donors such as the World Bank and the African Development Bank have directed their sector support to funding the scaling up of secondary provision through, for example, support for construction of secondary schools (MoES, 2009). Only the Belgian Embassy has considered providing SBS earmarked to secondary education. To the extent that project aid is ‘on budget’ and thus captured by the BFP and the annual budget appropriated by Parliament, there is an apparent preference by major donors to follow the ‘UPE bulge’ and to support the development of supply-side capacity for secondary schooling.

114. The fact that not all sector aid is provided through budget support, and that project support is now increasing has not necessarily hampered GoU discretion in resource allocation or reduced alignment with sector policy priorities. Aid flows have broadly responded to GoU policy imperatives, notably the introduction of UPE in 1997 and UPPET in 2006. The introduction of SBS was itself triggered by the UPE decision and its notional earmarking to the primary sub-sector served to facilitate the expansion of spending in line with GoU policy preferences rather than to constrain it. Tighter earmarking of SBS to spending categories such as classroom construction and textbook procurement were also consistent with GoU intentions. To the extent that project support between 1997 and 2005 was directed also to basic/primary education, the deviation in preferences may have been marginal and was probably compensated by the increased discretion afforded by GBS from 2000 onwards.

115. Projects have been the dominant sector instrument in secondary and tertiary education since the establishment of the SWAp and throughout the study period. Prior to UPPET that profile of sector aid would have constrained GoU discretion, but the major World Bank and ADB projects now active in the sector are broadly supportive of the access agenda promoted by UPPET. The recent shift to off-budget projects such as the Quality Education Initiative and the support to education reconstruction in Northern Uganda present a greater challenge to GoU discretion. In part, their off-budget status reduces directly the comprehensiveness of the budget and the discretion of MFPED over resource allocation. The growing concern by some EFAG donors over 'quality' issues in primary education ahead of the 'access' agenda in secondary education does risk some misalignment of priorities and thus some distortion of MoES priorities.

116. Before drawing conclusions too strongly, it should be noted there are significant methodological challenges in estimating contribution of aid to education sector expenditures (Smith and Williamson, 2004; Foster, 2004). Despite these cautions, Smith and Williamson (2004) conclude that donor budget support has been a crucial input to the primary education sub-sector and has enabled the scaling up following UPE. Equally, the share of secondary education in the sector budget has increased marginally at the expense of primary education as the 'UPE bulge' has started to move through the system. The crowding in of donor project support following the announcement of UPPET in 2006 has continued that trend.

Sector coordination mechanisms for aid delivery

117. The sector coordination structures mentioned earlier in this report also form the basis for coordination of external assistance to the education sector (see Figure 4). Eilor (2004) notes that the ESCC, in particular, performs an important joint GoU-donor monitoring and evaluation function, reviews progress reports against sector undertakings (and SBS disbursement triggers) and provides an 'early warning alert mechanism' where progress against performance indicators between formal Education Sector Reviews is off-track. These arrangements also replaced Project Implementation Units in MoES (Eilor, 2004).

118. Donor interactions to the sector are coordinated through the Education Funding Agencies Group (EFAG) which was established in 1999 (and renamed in 2009) as a forum for coordinating donor positions on matters of sector strategy, policy and financing. It was designed to improve partnership between education donors and GoU (especially MoES) and to reduce the transactions costs placed on GoU (Ward et al, 2006; Magona, 2009). EFAG activities were originally governed by a Memorandum of Understanding on GoU-donor dialogue, cooperation, coordination and harmonisation (Berry et al, 2003). The group is represented by an annually rotating chair – the 'EFAG Coordinator' – who is responsible for communicating with MoES senior management on behalf of the group. EFAG Technical Notes are used by the donors to provide technical advice to MoES. EFAG members renamed the group as EDP in February 2009, ostensibly to reinvigorate its role, purpose and activities.

119. Findings from an earlier full evaluation of external support to basic education in Uganda suggested that harmonisation was not uniform among EFAG members (Berry et al, 2003). That study characterised EFAG membership in the form of three concentric circles. The 'inner circle' comprised at that time the EC, the World Bank, CIDA, DFID, Irish Aid and the Netherlands. Those 'like-minded' donors were committed to budget support and were jointly focused on UPE and primary schooling. Outside that group in a 'middle circle' were agencies such as UNICEF, USAID, Danida and GTZ which supported basic education but did not provide budget support for UPE. Finally, the 'outer circle' consisted of donors such as Austria, France, Japan and Norway which supported education sub-sectors other than basic/primary education. The inner group were the central players in the EFAG process at that time, and interviews with MoES and EFAG for the present SBSiP study found that budget support donors continue to enjoy a role of *primus inter pares* within EFAG and to be perceived by MoES as more central to the GoU-DP partnership.

120. Joint Education Sector Reviews lie at the heart of the dialogue and conditionality arrangements for external support to the education sector. The first ESR took place in April 1999 and they took place bi-annually until 2003 when sector performance management and fiduciary risk management were agreed to be sufficiently robust for the reviews to shift to an annual footing (Ward et al, 2006; Eilor, 2004). This is discussed in more detail in Section 3, as they represent key inputs into the provision of SBS.

Technical Assistance and Capacity Building

121. In the early stages of the ESIP and the SWAp development, following the introduction of UPE, short-term TA was provided for specific purposes which concerned principally the design of institutions and systems for the SWAp and the organisation of MoES to deliver the ESIP and to engage with EFAG. Process design for the Sector Working Groups and other dialogue structures, and design of the SBS holding account arrangements and procedures were important early TA interventions but they do not appear to have been SBS inputs *per se*. Capacity development was targeted on the Planning Dept in MoES, through support for its policy engagement with EFAG, and development of its systems for information management and for monitoring and evaluation. In the early stages of the SWAp, both the World Bank and USAID used Project Implementation Units which were well-embedded in MoES and which were intended to strengthen MoES capacity as well as to manage donor assistance. Once the SWAp was established, and especially since it has matured, external TA to MoES has tended to be selective and demand driven.

122. Notwithstanding all of the early TA on issues of sector architecture and sector systems, there seems not to have been TA (either through SBS or in parallel) which has focused on education content issues. It is unlikely therefore that TA and capacity development inputs have been influential upon policy prioritisation or resource allocations. A more likely claim is that DP attention to sector processes in the MoES Planning Dept has influenced positively the quality of sector planning and budgeting. Irish Aid has recently provided a technical adviser to MoES to support the development and introduction of the new thematic curriculum for primary education. It was noted that such TA is unusual as part of the SBS arrangements, but the role was argued to have specific justified objectives.

3. The Key Features of SBS Provided and its Effects on the Quality of Partnership

3.1 The Key Features of SBS Provided

SQ2.1: What are the key features of the SBS that has been provided?

123. This section presents an overview of SBS provided to the Ugandan education sector, by providing information on the types of SBS provided; the level and predictability of SBS funding; financial management arrangements; earmarking and additionality; predictability; conditionality and dialogue; future evolution of each of these programmes. An overview of the various types of SBS provided in the education sector is provided in the inventory in Annex 3. This section also examines the effect SBS has had on the quality of partnership between donors and the GoU in the education sector.

Definition of ‘Sector Budget Support’ for this study

124. For the purposes of the overall SBSiP study, Sector Budget Support is defined as those aid programmes where:

- *‘Aid uses the normal channel used for government’s own-funded expenditures. Aid is disbursed to the government’s finance ministry (or “treasury”), from where it goes, via regular government procedures, to the ministries, departments or agencies (MDAs) responsible for budget execution.*
- *The dialogue and conditions associated with the aid are predominately focused on a single sector.’ (ODI and Mokoro, 2008)*

125. It is apparent from earlier sections that SBS evolved alongside SWAp arrangements for external assistance to the education sector in Uganda. As elements of the SWAP are intrinsic to the design of SBS, they are considered SBS inputs, even where they do not exclusively relate to SBS. These include EFAG and Joint Sector Reviews as the focus of dialogue and conditionality.

The Emergence of SBS

126. The emergence of SBS from 1997/98 onwards is explained by two separate motivating factors. First, following the introduction of UPE in 1997, donors such as DFID, World Bank and USAID – which were already providing substantial project funding to the sector – concentrated their efforts on dialogue with GoU over development of the ESIP as a strategy for UPE implementation. In response to the GoU commitment to rapid scaling up of access to primary education and to the supply-side challenge of increased facilities, instructional materials and teaching staff, certain donors committed to provide the necessary ‘additional’ funds for scaling up access. The motivation for donors was UPE and the ESIP.

127. Second, and in parallel, other donors such as the Netherlands and Irish Aid were influenced in their decision to provide SBS by the development of the PEAP and the establishment of the Poverty Action Fund as a set of earmarked expenditure programmes intended to support implementation of the PEAP objectives. The establishment of the PAF by the GoU (based on policy advice and technical assistance from external advisers) was motivated in two ways – the desire to show that the funds for HIPC debt relief were applied exclusively to poverty reduction objectives; and the desire to sustain budget support funding after debt relief. The PAF provided a mechanism to demonstrate transparency of budget allocations to pro-poor expenditures and to ‘guarantee’ the execution of a certain share of the budget as appropriated (Williamson and Canaragah, 2003). That set of protected PAF expenditures and the framework for supporting the

PEAP encouraged Irish Aid and the Netherlands to provide their assistance as ‘additional’ budget support through the PAF and earmarked to priority sectors such as education.

128. Once the ESIP was established and related SBS was in place from the World Bank, DFID and USAID, other donors were encouraged to shift their support from projects. By that stage, the institutional arrangements for the SWAp were also in operation. A framework for policy dialogue, conditionality, monitoring and evaluation, and accountability was formalised. Irish Aid joined dialogue on ESIP implementation alongside its support to the PAF and CIDA shifted to SBS. The establishment of a holding account for donor SBS funds emerged in the second stage of the SWAp evolution as a mechanism to improve the governance and predictability of donor financial support. Formalisation of the financial management arrangements for SBS proceeded in parallel with strengthening of the formal bi-annual joint sector reviews which become focused increasingly on setting the GoU sector performance undertakings which governed donor SBS commitments and reviewing achievements against that conditionality as a trigger for SBS disbursements.

Table 7: Donor budget support to the education sector

Donor	Programme Name	Time Period	Amount Disbursed
EU (through EC via EDF)	Earmarked budget support for teacher development, classroom construction, district and Central Capacity Building (CCB)	2000/01 – 2003/04	\$23 million
World Bank (IDA)	Budget support to UPE (ESAC)	1997/98 to 1999/2000	\$78 million
CIDA	Budget support through the PAF, earmarked to primary education	2001 to 2006	US\$5.5 million
DFID	Budget support to ESIP	1998-2003	US\$85
Irish Aid	SBS to Classroom Construction then UPE via PAF, and the sector overall (ESIP)	1999 - 2008	US\$55 million
Dutch	SBS to Classroom construction via PAF, and the primary education (support to ESIP)	1998-2003	US\$85 million
USAID	Support to Ugandan Primary Education Reform Program (SUPER)	1998-2003	US\$37 million
Belgium	Sector budget support to the implementation of UPPEP	2009-	EUR 12 million (planned)

Source: Berry et al (2003); World Bank (2004); Belgian Embassy (2009); Irish Embassy (2009); Eilor (2004); SPA BS Surveys 2006 and 2007;

129. The crowding-in of donors to education sector budget support resulted in a significant SBS grouping within EFAG of the World Bank, EC, DFID, USAID, Irish Aid, the Netherlands and CIDA. (See Table 7.). The spike in SBS in 2001/02 and its subsequent decline as the dominant sector modality is explained by three factors. First, the three original SBS donors progressed within a short period to GBS as their preferred programme modality. Proxy calculations show that available financial support for the sector did not decline as a consequence of that progression to GBS (Smith and Williamson, 2004; Foster, 2004), but the intentionally un-earmarked and non-traceable nature of GBS resulted in a strict sense in the decline of budget support earmarked to the sector after 2001/02. Transitions by DFID in 1999/2000, the World Bank 2000/01 and the EC in 2003/04 were especially significant.

130. Second, the decision by GoU in 2003 to withdraw the implicit guarantee that all SBS funds would be ‘additional’ to planned domestic resources in the sector budget caused some donors to disfavour SBS as a modality. A more assertive role by MFPED in determining proposed sector

budget ceilings and a growing concern about the sustainability of expenditure levels in the sector, introduced for SBS donors the prospect that fungibility would cause part of their support to be directed to other GoU spending priorities or to be saved as reserves and not spent in the same period. No counterfactual is available, but *ceteris paribus* it is plausible to assume that the shift from projects to SBS would have continued after 2003 had additionality remained in place. At the time of this study only Irish Aid remained as an SBS donor, with the prospect of Belgium joining from 2009/10.

131. Third, the recent diversification into project support has been motivated in part by a growing dissatisfaction with the limited improvements to education quality alongside increased access achieved through strategies dominated by dialogue, conditionality and SBS funding. The perception among some EFAG donor representatives is that access has been privileged over quality. In that context they have been unwilling or unable to persist with SBS as an exclusive modality of support to the sector.

Broad Categorisation of Education SBS in Uganda

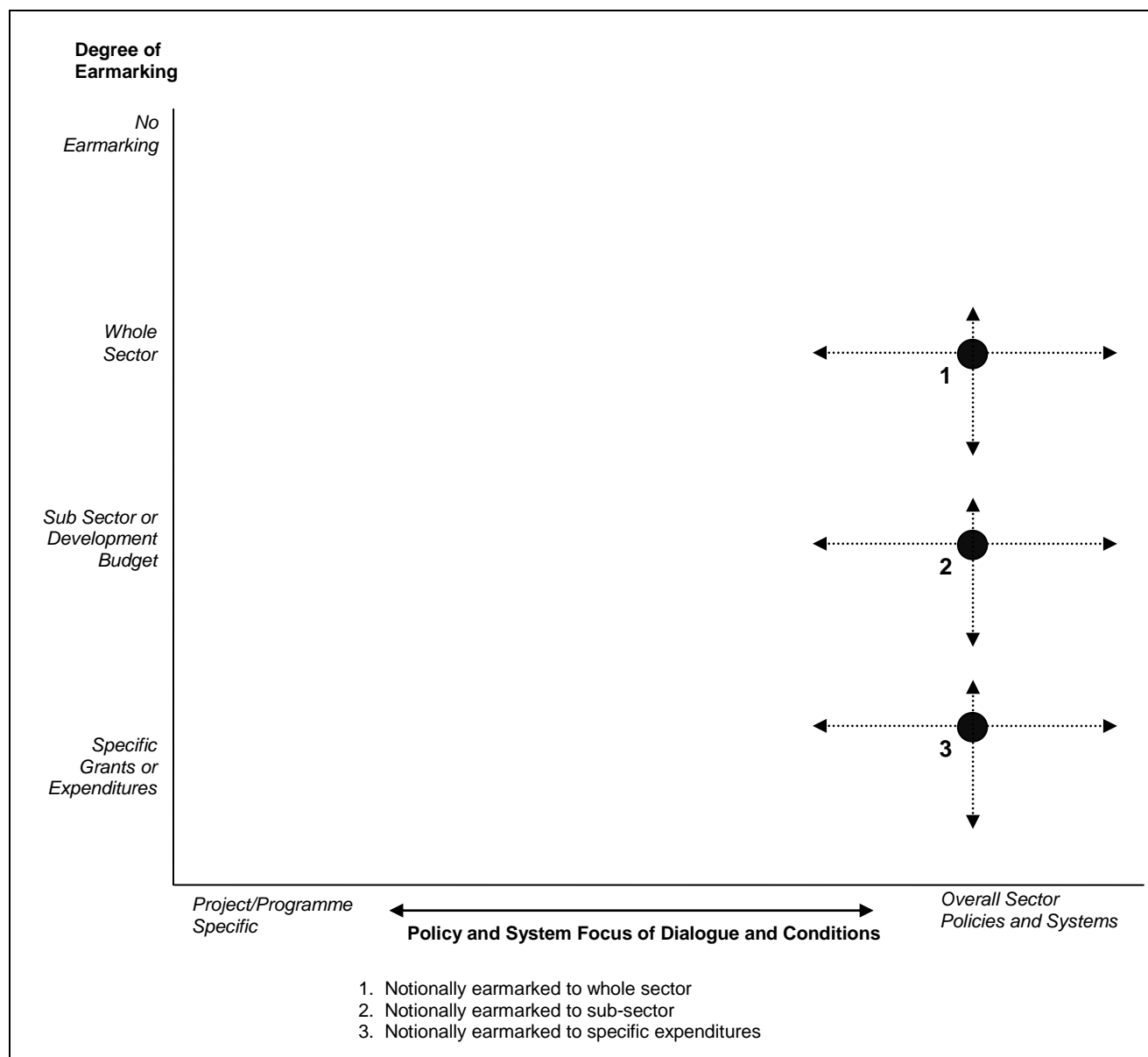
132. The categorisation of SBS developed for the present research study identified two key variables – the degree of earmarking and the focus of dialogue and conditionality. In Uganda it is apparent that extent of earmarking is the main distinguishing feature of the various SBS programmes, and three different types of SBS have been provided by donors since 1997/98. (See Table 8 and Figure 12.) Some SBS programmes were earmarked to the whole sector and thus intended to support flexibly GoU priorities across the sector ('Type 1'). Other programmes were earmarked more tightly to a particular sub-sector, e.g. primary education ('Type 2'). And other programmes still were intended to support specific areas of expenditure, e.g. text book procurement or classroom construction ('Type 3'). In all cases the earmarking is non-traceable in the sense that SBS donors have not tried to make their funds separately identifiable through the budget.

Table 8: Summary of SBS Programmes by Type, 1997/98 – 2009/10

Type 1 <i>Non-traceably earmarked to whole sector</i>	Type 2 <i>Non-traceably earmarked to sub-sector</i>	Type 3 <i>Non-traceably earmarked to specific expenditures</i>
<ul style="list-style-type: none"> ➤ World Bank –1997-2000 ➤ DFID – 1998-1999 ➤ Irish Aid – 2001-2008 	Primary: <ul style="list-style-type: none"> ➤ Canada – 2000-2004 ➤ Irish Aid - 2005 -2008 ➤ Dutch - 2000-2004 Secondary: <ul style="list-style-type: none"> ➤ Belgium - 2009 onwards 	Classroom construction <ul style="list-style-type: none"> ➤ Dutch – 1998-2001 ➤ Irish Aid – 1999-2005 Classrooms and capacity building: <ul style="list-style-type: none"> ➤ EC – 2000-2003 Teacher development and instructional materials <ul style="list-style-type: none"> ➤ USAID – 1998-2003

Sources: ODI and Mokoro (2008); Donor SBS programme documents

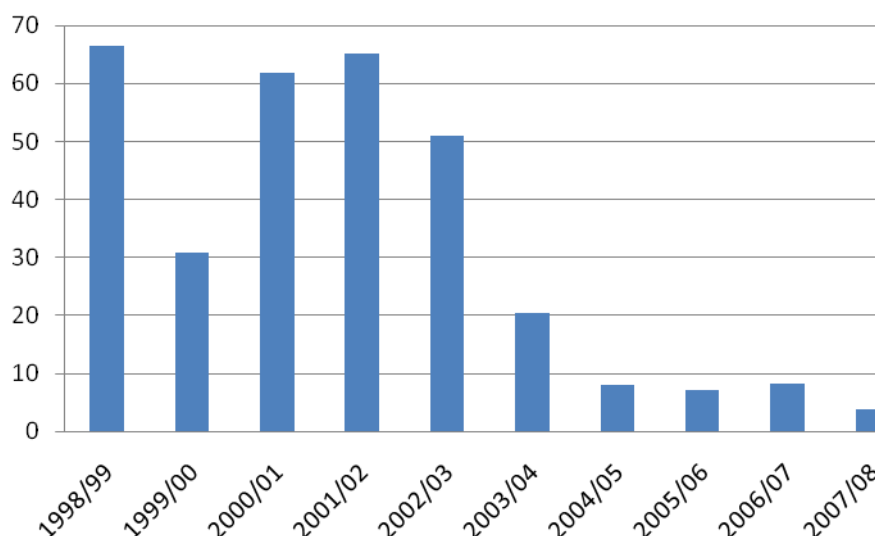
133. Across all SBS programmes, the non-financial SBS inputs, and in particular dialogue and conditionality, have focused on sector-wide policies and systems. This broad policy focus is consistent with the stated objectives of the SBS programmes to support implementation of the ESIP and UPE, and latterly the implementation of UPPET in the case of planned Belgian SBS in 2009/10.

Figure 13: The Spectrum of Sector Budget Support Covered by the Study

The Level of SBS Funding

134. Figure 14 shows SBS disbursements over time. Significant SBS flows started in 1998/99, with provision of funding from the World Bank and DFID, with funding from USAID and also the Netherlands via the PAF. SBS flows averaged US\$55m per annum from 1998/99. SBS funding flows tailed off between 2003/04 and 2007/08 averaging only US\$10m.

135. The fall in SBS levels from 2003/04 onwards is explained by a combination of transitioning to GBS as a preferred instrument for key donors, reduced appeal of SBS following the rejection by MFPED of additionality, and the renewed preference for project interventions in response to donor concerns about quality.

Figure 14: SBS Disbursements 1997-2008 (US\$m)

Source: SPA Budget Support Survey reports, donor programme documentation, Eilor (2003)

Earmarking, Additionality and Traceability of SBS

136. The SBSiP study makes an important distinction between *earmarking* – the justification of the provision of aid against certain expenditures; and *traceability* – whether or not SBS funding is separately identifiable in the recipient's expenditure budget, as described in As discussed above (see Figure 13), SBS to education in Uganda has been subject to varying degrees of earmarking. For example, the EC 'Support to UPE' programme from 2000/01 to 2003/04 included notional earmarking to *TDMS and school facilities* for one portion of the funds and to *central and decentralised level capacity building* for another allocation (EC, 2000). By contrast, the World Bank ESAC credit from 1997/98 to 1999/2000 did not specify the use of Bank funds within the sector and relied instead on conditionality associated with total sector expenditure (World Bank, 1998). In all cases the earmarking – however specific – was only notional and did not require or permit donor funds to be traced through the budget or to be reported on separately in execution.

137. Box 7 below.

138. As discussed above (see Figure 13), SBS to education in Uganda has been subject to varying degrees of earmarking. For example, the EC 'Support to UPE' programme from 2000/01 to 2003/04 included notional earmarking to *TDMS and school facilities* for one portion of the funds and to *central and decentralised level capacity building* for another allocation (EC, 2000). By contrast, the World Bank ESAC credit from 1997/98 to 1999/2000 did not specify the use of Bank funds within the sector and relied instead on conditionality associated with total sector expenditure (World Bank, 1998). In all cases the earmarking – however specific – was only notional and did not require or permit donor funds to be traced through the budget or to be reported on separately in execution.

Box 7: Earmarking, Traceability and Additionality

Earmarking is a requirement that all or a portion of a certain source of revenue, such as a particular donor grant or tax, be devoted to a specific public expenditure. The *extent* of earmarking can vary. It involves the assignment of funds to a particular purpose and can range from the very broad and general to the narrow and specific.

Traceability refers to whether donor funds are separately attributable to a specific use. Funds are either traceable, or not:

(i) **Traceable**, whereby allocation, disbursement and spending of funds is via specified and separately identifiable budget lines. This bypasses the normal procedure by which revenue is pooled with all other revenue in a general fund and then allocated among various government spending programmes. *De facto*, a traceable aid instrument must involve a degree of earmarking, although this may be very broad - this is often referred to as *real earmarking*.

(ii) **Non traceable**, whereby external funding is not identifiable by separate budget lines. If earmarked, the allocation of funds is justified against budget allocations to pre-agreed institutions or budget lines, and is pooled with other government revenues in the general fund. When non traceable SBS is accompanied by earmarking - this is often referred to as *notional earmarking*.

These two dimension combine to form three main types of SBS funding:

	Earmarked	Un-earmarked
Non Traceable	Non-traceable Earmarked SBS	Un-earmarked SBS
Traceable	Traceable Earmarked SBS	

Additionality refers to requirements from the donor that the provision of external funding earmarked to a set of expenditures leads to an increase in total expenditure allocations to those expenditures. Additionality attempts to address the problem of fungibility, which arises because government resources can be substituted for aid resources. If aid finances any activity that the recipient would otherwise have financed itself, the resources that the recipient would have spent on that activity become available to finance something else.

Source: Handley (2009)

139. It should be noted that particular donors have not necessarily provided a consistent 'type' of SBS over the period 1997/98 to 2009/10. There has been variation in the degree of earmarking by Irish Aid, the Netherlands and the EC over the period considered by the study. Ireland has provided two types of SBS in parallel since 2002 – in support of UPE expenditure programmes through PAF and to the education sector overall. Table 9 shows the evolution of the three different types of SBS over the study period.

Table 9: Evolution of SBS by type

Provision of SBS per type	1998 /99	1999 /00	2000 /01	2001 /02	2002 /03	2003 /04	2004 /05	2005 /06	2006 /07	2007 /08	2008 /09
European Union			3	3	3						
World Bank	1	1									
DFID	1										
Netherlands	3	3	3	1	1	1					
Irish Aid		3	3	3	1,3	1,3	1,3	1,2	1,2	1,2	1,2
CIDA				2	2	2					
USAID	3	3	3	3	3						
Belgian Embassy											2

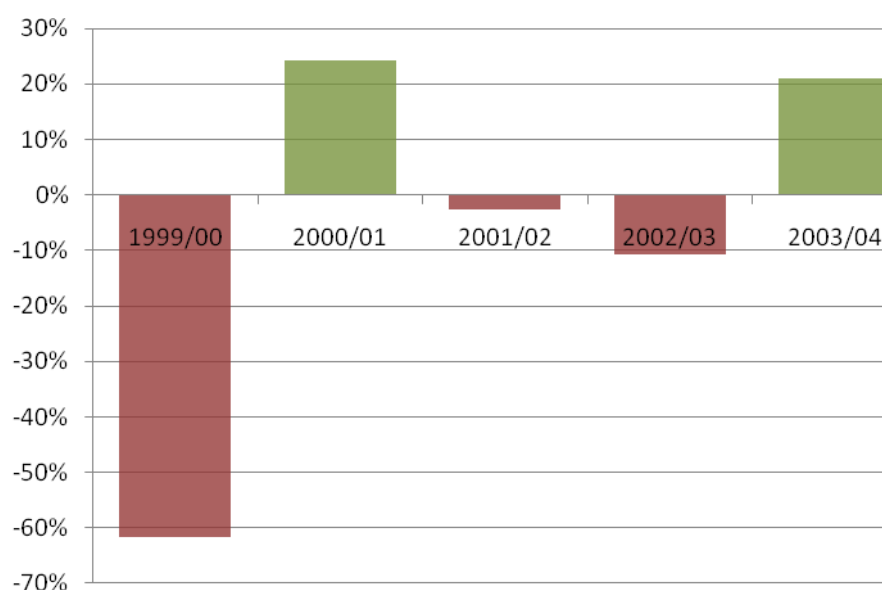
Sources: SBS Inventory

140. SBS programmes up to 2003 were negotiated and approved partly on the understanding by donors that SBS funds disbursed through the GoU budget would be additional to those resources already planned by government for sector allocation. Thus SBS would facilitate the scaling-up of education spending to support the implementation of UPE. For Irish Aid and the Netherlands, this arrangement implied a simple mechanical form of additionality whereby budgeted PAF expenditure would simply increase by the amount of the SBS commitment for that year. As noted already, the GoU withdrawal of its commitment to additionality in 2003 affected the commitment of donors to continued SBS support. Since 2008/09, improved economic growth and a reduced dependence on foreign aid in the budget have inclined MFPED to relax its stance on additionality and to consider it on a case-by-case basis. However, this shift in the GoU position has not been communicated explicitly to donors and MFPED is doubtful that it will lead to a resurgence of SBS.

Financial Management Arrangements and the Predictability of SBS

141. SBS to education has been quite unpredictable. Figure 15 shows the difference between the total budgeted amounts for SBS against actual GoU receipts. SBS varied from being 24% over what was budgeted to being 62% under between 1999 and 2004. This chart does not show the full extent of unpredictability. For example the under-performance in 1999/00 and over performance in 2000/01 is due to disbursements for the World Bank ESAC being delayed until the year after it was programmed. However the over disbursement in 200/01 masks the fact that the EC's programmed SBS was not received in that financial year, but in 2001/02.

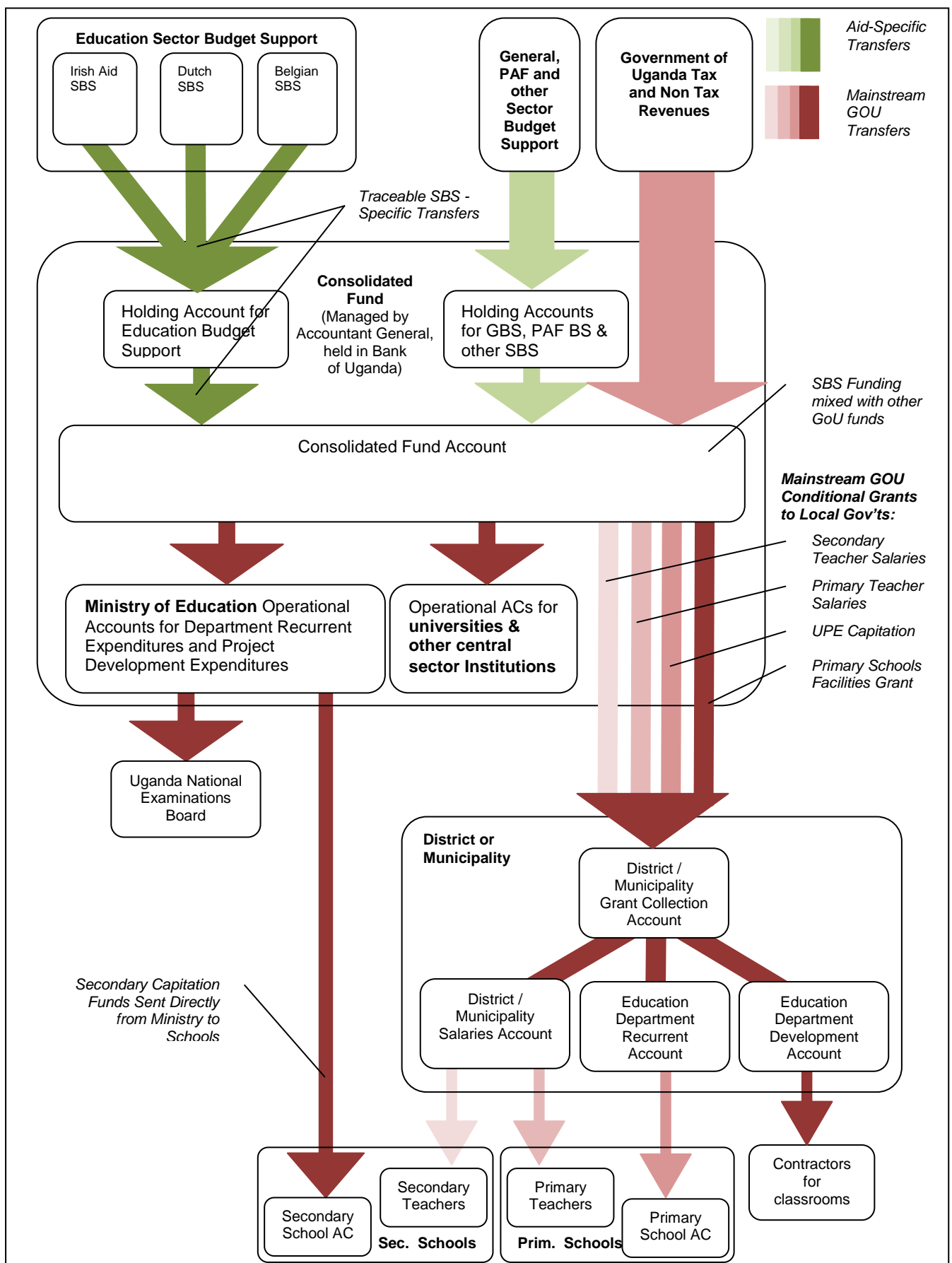
**Figure 15: % Over and Under-Disbursements of SBS Programmes
Relative to the Budget: 1999-2004**



Source: SPA Budget Support Survey reports, various MFPED reports, donor programme documentation

142. SBS funds are subject to specific financial management mechanisms and procedures (see Figure 16). The establishment of a holding account – the ‘Education Budget Support Account’ – in the Bank of Uganda and under the management of the Treasury was among the most significant institutional developments under the SWAp and the ESIP (Ward et al, 2006). It acts as a feeder account to the GoU Consolidated Fund Account and is subject specific rules and financial controls. Funds are released by EFAG donors to the holding account every six months (in July and December) triggered by agreement between GoU and DPs on satisfactory performance against sector-level undertakings (through the bi-annual/annual Education Sector Review). An important principle was that, once transferred to the EBSA, the resources of one donor are deemed

indistinguishable from those of another contributor. Funds are transferred from the holding account to the Consolidated Fund Account on a quarterly basis and are frontloaded. Release of specifically earmarked SBS funds (type 3) were initially based on mandatory work plans and corresponding quarterly budget requests; release of other forms of SBS (types 1 and 2) were made in equal portions at the start of each quarter (Ward et al, 2006).

Figure 16: Diagram of SBS Funding Flows in the Context of Mainstream Budgetary Channels

143. SBS funded expenditures were treated as any other domestically funded expenditure – budget disbursements to spending agencies began at the start of the financial year, based on the overall cash position, regardless as to whether SBS funding had been received. Those expenditures which fell within the auspices of the Poverty Action Fund also received release protection during budget execution to the tune of 95% of budgeted amounts, as mentioned earlier. Once SBS funds were transferred to the consolidated fund they are treated as any other domestic revenue. Figure 16 shows the main routes through which SBS funds were channelled through GOU systems.

144. Alongside release protection, a final relevant provision of the Poverty Action Fund prior to 2003 was a commitment from the MoFPED to roll over undisbursed PAF funds into future budgets. Close to the finalisation of the forthcoming year's budget, an estimate of the value of any undisbursed PAF budgets was made, and this was rolled over as additional PAF resources to the forthcoming year's budget.

Mechanisms for Dialogue, Conditionality and Accountability

145. In line with all EFAG donors operating under the SWAp, dialogue and conditionality for SBS programmes are organised through a series of formalised mechanisms. Joint Education Sector Reviews lie at the heart of these arrangements for external support. The Annual Sector Planning and Budgeting Workshop, which replaced one of the bi-annual ESRs, is held each February/March and is used to discuss the draft education sector BFP and to agree performance targets (including SBS undertakings) for the next financial year. The ESR each October/November is used to review financial and non-financial performance against the targets, indicators and undertakings agreed for the previous financial year. Release of donor funds to the EBSA is contingent upon agreement at the ESR over satisfactory sector performance, as reported in the Joint Aide Memoire published following each ESR (Ward et al, 2006; Eilor, 2004).

146. Undertakings agreed between GoU and EFAG donors have typically included the following four sets of conditions (Ward et al, 2006; Eilor, 2004), which are reflected in the joint GoU-EFAG Aide Memoires and the requirements are harmonised across all EFAG members:

- Critical undertakings:
 - financial commitment and releases to the education sector (a target percentage of total government expenditures) and, within this, financial commitment and releases to basic education;
 - an agreed fiduciary assurance framework operating, including budget performance reports, reports on government accounts, an annual flow of funds study on the education sector and a public expenditure management action plan in place;
 - progress towards the achievement of agreed policy benchmarks, such as pupil-teacher ratios; pupil-textbook ratios; pupil-classroom ratios; primary completion rates; learning achievement targets;
- Process undertakings:
 - process indicators, such as the completion of a specific piece of sector work or the making of a critical policy decision.

147. Joint Sector Reviews, and associated undertakings in the period from 1999 to 2003, concentrated on improving access to primary education in line with the UPE agenda. Issues of quality were not neglected per se, but were attended to through measures which targeted only partially or indirectly the drivers of learning outcomes. The resultant undertakings included in semi-annual GoU-EFAG Aide Memories reflected that emphasis and addressed principally pupil-teacher ratios, pupil classroom ratios and pupil-textbook ratios. There was some attention paid also to the gender balance and age range of enrolled and progressing pupils, but educational achievement was not an explicit concern which translated into indicators on District management, schools

inspection, teacher and pupil absenteeism, and usage of instructional materials, and lesson planning. Under ESIP, the monitoring of primary completion rates was not included. Since 2003, the percentage of pupils reaching ‘defined levels’ of literacy and numeracy at P3 and P6 years has been added to the performance assessment framework. However, these undertakings are not specified in detail and the balance of conditionality has remained targeted on access rather than quality. Since the SBS donors are acknowledged by EFAG members and by MoES to be the leaders of DP dialogue within the primary sub-sector, it may be concluded that SBS has made a contribution to greater incorporation of a performance agenda within the SWAp reporting framework since 2004.

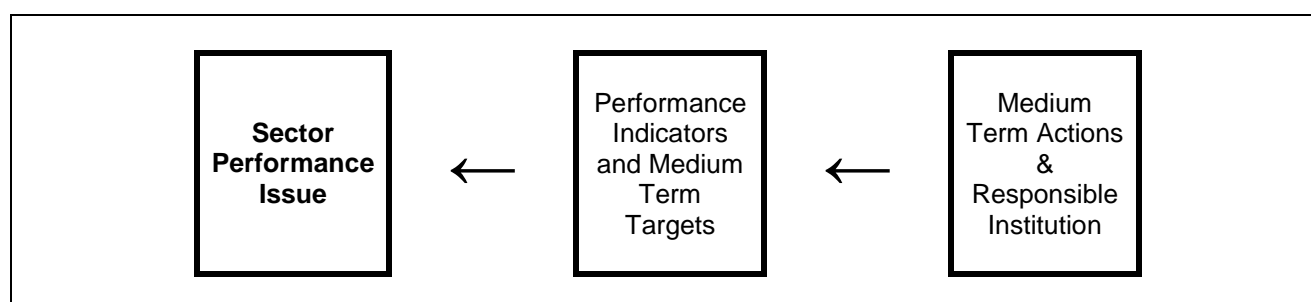
148. An important feature of the process for setting performance measures and for reviewing performance against agreed undertakings is that it is done jointly and collaboratively between GoU and the DPs. Over the period of the SWAp and the evolution of ESIP and ESSP, increasing reliance by both parties has been placed on the use of government monitoring and reporting processes and information systems to appraise performance. Annual Public Expenditure Tracking Surveys (PETS), Budget Performance Reports and OAG Audit Reports all form a basis of evidence for discussion by TWGs, the ESCC and ESRs. The quality of data from the EMIS has also improved – partly as a result of external technical assistance – such that donors now place reliance upon it for monitoring and reporting purposes. A recent innovation has been the introduction Joint Monitoring Missions by MoES and EFAG donors in preparation for the annual ESR.

149. Although the focus on undertakings does represent conditionality attached to external finance to the sector, the review mechanisms have also promoted positive dialogue between MoES and donors. That dialogue has provided opportunities for GoU and EFAG to learn jointly from mistakes and to focus on addressing challenges to policy implementation (Magona, 2009). All EFAG donors are participants in the dialogue process and in the ESRs, irrespective of whether they project SBS or project support. Another important feature of the ESRs is their multi-stakeholder engagement, so that civil society and the private sector play an increased role in contributing to and critiquing ESR documents, providing technical assistance to the ESR process, and participating more actively in the ESR itself (Eilor, 2004).

150. Between the now-annual ESRs, meetings of the ESCC and the TWGs provide opportunities for GoU to keep the EFAG donors regularly informed of progress or difficulties in meeting the undertakings (Ward et al, 2006). An important principle is that, once transferred to the EBSA, the resources of one donor are deemed indistinguishable from those of another contributor.

151. The new Joint Assistance Framework for GBS allows both those donors who want performance indicators (e.g. the EC) and those who want prior actions (e.g. the WB) as the basis of conditionality to use the same framework. It focuses on key service delivery issues and includes quite detailed sector-specific undertakings (GoU, 2009).

Figure 17: Structure of the Joint Assessment Framework for GBS



Links to Technical Assistance and Capacity Building

152. DFID provided initial technical assistance to MoES in 1996/97 to support the early stage development of the SWAp and the formulation of the ESIP 1998-2003 (Berry et al, 2003). Former external consultants interviewed for this study noted that, in the formative stages of the SWAp, technical assistance was provided by donors to support the development of systems and processes for coordinated financing and dialogue. Conventional project assistance continued, particularly outside the primary education sub-sector, but the focus of TA from 1997 focused more on design and implementation of the architecture for sector-level harmonisation and alignment.

153. With the formalisation of the SWAp, donors provided TA support through an earmarked pooled fund managed by MoES (Berry et al, 2003), as part of EFAG/ESCC process at least up to 2003. However, UNICEF, USAID, the World Bank and DFID continued also to provide some direct TA, despite concerns raised by MoES about coordination issues. One example was the TA provided by DFID in 2000 to establish the Education Standards Agency (subsequently absorbed back into MoES as the Directorate for Education Standards).

154. Technical assistance has not been a significant explicit component of the SBS package. However, DFID did provide complementary funding of £7m for technical cooperation alongside £60m of direct budget support to ESIP (Berry et al, 2003). Within the various donor SBS programmes, some technical assistance has also been applied to the development of sector studies and research in the context of EFAG-GoU dialogue and joint review processes. Between 1999 and 2003 over 35 separate studies were carried out, covering topics across the sector. Although they were 'part and parcel of the overall technical support to the sector' (Eilor, 2004), they do not appear to represent the structured provision of TA and capacity. Rather they were *ad hoc* studies commissioned in response to specific issues, often in the context of the bi-annual joint sector review. These studies were funded directly by EFAG up until 2001, but have subsequently been funded through GoU budgetary resources (including donor budget support channelled through the consolidated technical assistance fund). An exception to the typical SBS composition which does not contain a TA element is the current provision by Irish Aid of a technical adviser to MoES to support the development and introduction of the new thematic curriculum for primary education.

Harmonisation of SBS Programmes and Links with Other Aid Modalities

155. In the context of the education SWAp, donor coordination and harmonisation is provided through EFAG and its associated institutional arrangements. Although EFAG is not just a forum for SBS donors and may be chaired by any donor contributing to the sector, it is accepted that providers of budget support play a more influential role within the group and work in more closely coordinated fashion. Linked to EFAG and the SWAp are the Joint Sector Reviews which act as a trigger mechanism for the coordinated release of SBS tranches if the 'undertakings' in the performance matrix are fulfilled. Among these various arrangements, the Education Budget Support Account is the most significant for SBS donor harmonisation. It was governed by a detailed set of rules and procedures which control the release the donor SBS funds into the GoU consolidated fund. However, now, with only one donor using the account, the benefits are less than they were at the peak of SBS.

156. Since 1998, budget support to the education sector has been provided at various times by DFID, the World Bank, the EC, Irish Aid, the Netherlands, CIDA, USAID and Belgium. As providers of SBS (or GBS), these donors have formed the core of EFAG. In the early stages of SBS after 1998, there were strong links between programme and project support. Donors such as USAID, the World Bank, Irish Aid, the Netherlands continued to provide project support alongside the introduction of SBS. Even though the two were not formally integrated, complementarity was evident. Links with donors providing project support to the education sector – such as UNICEF,

Danida, GTZ, Austria, France, Japan, Norway and AfDB – have been strengthened through the SWAp arrangement and the introduction of budget support encouraged most donors to improve their alignment to country systems. Increasingly, donors have diversified their assistance to encompass project support as a complementary modality. Sector assistance thus appears relatively less harmonised at the present time.

157. Links to GBS are ensured through the representation – either directly or indirectly – of GBS donors in EFAG and other sector forums and processes. EC, World Bank and DFID were all SBS donors before shifting to GBS and thus all retain a strong interest in the sector. The conditionality framework for SBS and GBS were closely linked via the PRSC. A “successful education sector review” was a prior action in PRSCs, which effectively delegated the GBS dialogue to the SWAP structures. The donor-GoU partnership principles in Uganda permit GBS donors to participate in dialogue and review processes for any sector. This placed reliance upon the GoU-DP dialogue mechanisms within the sector.

158. However, this link has weakened in the past three years as the World Bank has become dissatisfied with education sector performance. The result has been a reintroduction of more detailed and intrusive prior actions in the World Bank’s GBS arrangement. The new JAF for GBS consolidates the move away from this approach. It contains specific education sector indicators and actions. There has been some difficulty in harmonising the GBS framework between those leading the GBS dialogue and those involved in the sector dialogue – however this is likely to lead to a more coherent framework for conditionality across sectors and cross-cutting reforms.

3.2 Derogations from Country Policies, Systems and Processes

SQ2.2: To what extent have SBS inputs derogated from country policies, systems and processes, and are these a result of country specific concerns and/or headquarter requirements?

159. SBS to the education sector in Uganda since 1998 has been provided by an evolving group of donors, including at various times the World Bank, DFID, EC, Netherlands MFA, Irish Aid, USAID and CIDA. The only SBS donor remaining is Irish Aid, with the Belgian Government planning to start in 2009. Only minimal derogations from use of country systems are apparent now that SBS has matured as a modality in the education sector. Original requirements for separate external audit have been replaced by reliance upon government external auditors and expenditure tracking surveys are now fully-embedded within the government review framework for the sector. Funds are released through a multi-donor holding account directly into the Consolidated Fund and they are ‘on budget’ in all senses. Donor HQs have accepted that government financial management systems are sufficiently robust, and jointing monitoring and review protocols sufficiently embedded, that derogations from the use of country systems are not generally required.

160. The early SBS arrangements in the Ugandan education sector were some of the first of their kind in any country and it appears that country staff from DFID and other lead donors were afforded reasonable discretion by HQ in their design. The broader sector framework within which SBS operated was intended to harmonise donor activities and to align them with country systems. One effect was a strong peer pressure to avoid idiosyncratic HQ procedures and to establish a common set of institutional arrangements for disbursement, monitoring and performance review. The largest SBS donors – World Bank, DFID and EC – migrated rapidly to GBS and others such as Irish Aid provided a portion of their support as GBS to fund the Poverty Action Fund (PAF).

161. The formation of the Poverty Action Fund by the GoU in 1998 represented a set of derogations from normal procedures – most notably the commitments to the additionality of donor funding to budget allocations and the Government guarantee to execute at least 95% of PAF expenditure each year irrespective of corresponding donor disbursements. However, this encouraged donors to provide SBS and was a factor in discouraging the instigation of other

derogations by donor HQs. Irish Aid, for example, notes clearly that the strong link between budget support and PAF expenditure continues to be necessary to assuage domestic political concerns.

162. Bevan (2007) argues that the PAF, and associated donor additionality requirements relating to SBS distorted budget allocations. In practice there was an alignment of preferences from 1997-2003 between government and donor spending objectives so the additionality requirement probably did not create distortions, but it was rejected as a practice by MFPED from 2003 onwards once it started to put pressure on the macroeconomic position.

163. Most SBS has been notionally earmarked to the primary sub-sector, especially to support the School Facilities Grant in the early stages of the scaling-up following the introduction of Universal Primary Education (UPE). The EC switched from SBS to GBS in 2003, although it continued to support the primary education sub-sector through earmarking until 2005. There was HQ impetus to move to GBS in order to achieve greater alignment as required by the Cotonou and Lome Agreements. The recent concerns of the Education Funding Agencies Group (EFAG) over poor primary education outcomes and the lack of return on investment from basic education funding have not created the same HQ pressure in the EC as they have for other donor HQs.

164. One apparent consequence of the concerns over learning achievement was in fact the derogation by Irish Aid away from SBS as its sole instrument in the sector. Irish Aid reintroduced project support into its portfolio alongside SBS at least partly in response to HQ concerns about justifying to domestic political constituencies the effectiveness of SBS. That shift also implies derogations from country systems and processes, including the prospect of off-budget assistance through the Quality Education Initiative (QEI), a multi-donor basket fund for consultancy and policy advice. The Dutch HQ responded to the lack of results in terms of learning outcomes and to the discontinuation of 'additionality' since 2003.

165. The Belgian Government is about to start a programme of SBS to secondary education and plans to allocate 50% of its portfolio to this modality. Despite a legal requirement for Belgian aid to education to target the primary sub-sector, Embassy staff persuaded HQ that their aid impact would be greater in secondary because of large number of donors already in primary. Current SBS donors have relied on an unsigned MoU between the Government and EFAG to govern the sector engagement and may use the Joint Assistance Framework as the basis for future engagement. However, the Belgian Government requires a signed MoU as prerequisite for SBS so that the indicators are more specifically targeted on the sector.

166. Overall, those donors which have supported and sustained SBS to primary education have tended not to be pressured by HQ to insist on derogations to country systems. It is only since a World Bank public expenditure review in 2007 documented systematically the level of inefficiency in the education sector that donor HQs started to pressure country offices strongly for improvements in education results or for safeguards against inefficient donor spending (i.e. derogations).

3.3 The Effects of SBS on the Quality of Partnership in the Sector

SQ2.3: Has SBS contributed positively to the quality of partnership and reduction in transaction costs between development partners, the recipient government and civil society?

Quality of partnership

Harmonisation among SBS donors

167. The contribution of SBS to the quality of partnership among donors is an important facet of the achievements in partnership development between the EFAG donors and MoES. The process

of reaching agreement and common positions on education policy issues permitted EFAG donors to engage more coherently and systematically with the Government and thus to establish effective partnership behaviours.

168. Relevant evidence on the quality of partnership and its evolution comes from an assessment of external assistance to primary education carried out five years after the introduction of SBS in 1998 (Berry et al, 2003). The study concluded that, in the period up to 2002/03, the SBS donors in EFAG successfully negotiated and established harmonised positions among themselves on key areas of intent, policy and strategy. Especially significant were: commitment to UPE as the highest priority in their support for basic education; agreement that most external funding should address capacity issues from the enrolment surge after UPE; incorporation of common cross-cutting elements, such as an emphasis on girls' education; a common approach to capacity development in the MoES and at the district and sub-district level; agreement on common monitoring and accountability mechanisms focused on the bi-annual ESR process, in place of MoES reporting to individual donor agencies; and commitment to pooled approaches in the deployment of technical assistance. Similarly, the conclusion of a major DFID study on external assistance to education reform in Uganda from 1997-2004 argued that harmonisation among donors has been a major area of success under the SWAp and through the shift to SBS (Ward et al, 2006). It was reported that by 2004 all but two of the main development partners had harmonised their systems for appraisal, monitoring and fiduciary assurance. The majority of separate project structures were dissolved and donors ceased to require separate progress reports and expenditure statements from MoES. Greater collective reliance was placed on government systems for budget management and performance reporting.

169. Whilst SBS strongly influenced the improvements in harmonisation up to 2003 and donor coordination mechanisms have remained in place, there is a perception that harmonisation has since declined. A decline in SBS and a return to project support by some donors has meant that aid to the sector has begun to fragment once more.

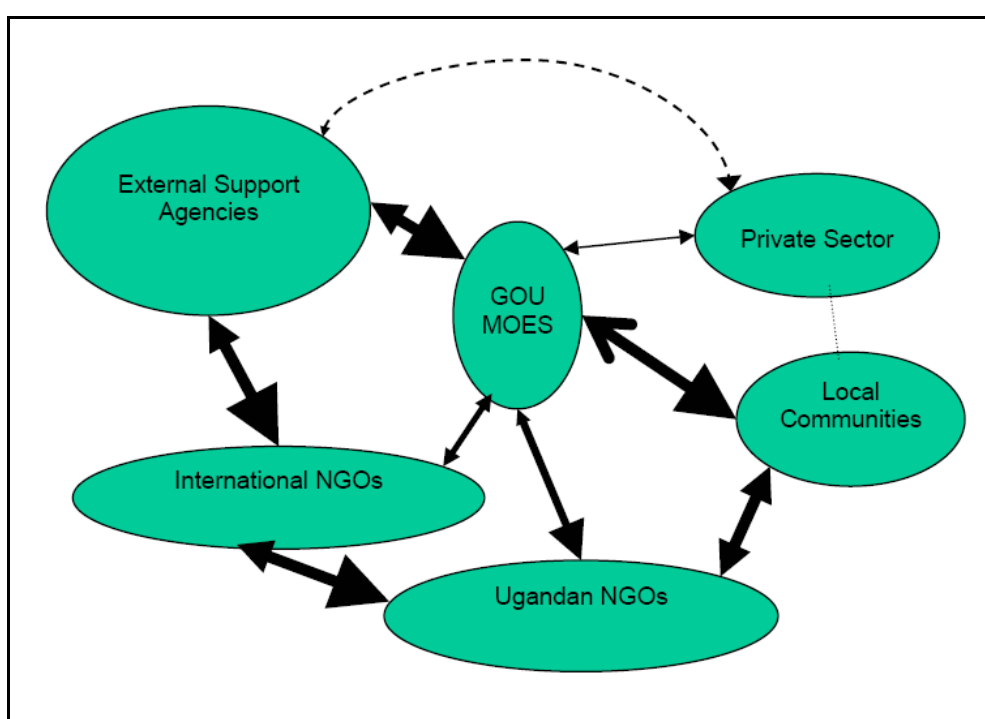
Quality and usefulness of dialogue, conditionality and accountability mechanisms

170. The relationship between SBS donors and GoU, especially MoES, has been characterised by a high quality of partnership since the introduction of SBS in 1997/98. Early dialogue centred on primary education issues, with a relatively strong emphasis on scaling up donor funds to develop greater capacity in the system to allow increased levels of access to primary education in response to UPE. In the early period, there was a natural alignment between the objective of GoU to increase the enrolment level in primary education and the preference of international donors to increase or re-direct their financial support to the construction of schools, the procurement of textbooks and the recruitment and training of teachers. The quality of dialogue around these shared objectives was high, in part because rapid progress was made with the development of schooling capacity and escalation of pupil enrolments. Implementation challenges were readily amenable to a focus on funding availability.

171. The dialogue has been complicated by some divergence in priorities between EFAG and GoU. On the government side, MoES has been concerned to address the 'UPE bulge' by scaling up provision of secondary education and by introducing USE. That objective has commanded financial and policy attention from GoU, which SBS donors past and present argue should have been directed at least partially to addressing the challenge of improving learning achievement and 'education quality' outcomes in primary education. Without such an obvious and immediate common ground, the non-financial SBS inputs such as policy dialogue, conditionality and technical assistance have become less constructive. Furthermore, addressing quality issues demands a deeper understanding of education issues and consequently a different skill set from donor counterparts and a different type of engagement. In those areas, it is less clear that SBS has managed to sustain the quality of dialogue which characterised the early period.

172. The relative strength and quality of bilateral partnerships between education sector stakeholders is difficult to assess objectively. A study by Berry et al (2003) reported on the perceived partner relationships in Ugandan basic education, based on multiple stakeholder interviews (see Figure 18). Each double arrow reflects a particular two-way partnership and conveys the balance of power in the dialogue between sets of partners, as established through perceptions of the strength of conditionality and accountability between the partners. The varying weights of the arrows, as well as the unequal size of the arrows at each end, is intended to depict the common perception of the power or control relationship in each case. The asymmetric arrows convey that, very often, one partner is in a position to enforce conditionalities on the other. In the case of the EFAG-MoES relationship, the perception in 2002/03 was that EFAG played the dominant role. The analysis does not attempt to distinguish different government actors, such as MoES, MFPED and the President.

Figure 18: Partnership Map for Basic Education in Uganda in 2003



Source: Berry et al (2003)

173. For the purposes of the present study, the most interesting relationships are between SBS donors and different groups of domestic stakeholders. The analysis by Berry et al suggests a strong and disproportionate influence by EFAG over MoES and the international NGOs which provide the interfaces with local NGOs. Two points are worth noting in that regard. First, the perceived influence of EFAG on MoES may disguise the extent of policy alignment up to 2003 which really drove the partnership and may ignore the countervailing dominance of the President in education sector macro-policy. In that sense, donors followed the GoU lead as much as the reverse. Second, MFPED started to assert itself much more strongly from 2003 in its stance on sector ceilings and additionality. In the context of strong economic growth, declining aid dependency and falling levels of SBS (as GBS became a preferred modality), EFAG donors became less able to insist on levels and patterns of sector expenditure allocation.

Mutual accountability for the use of aid resources

174. Ward et al (2006) note the risk that enhanced policy dialogue can serve to increase external accountability of government to donors at the expense of promoting domestic accountability to other stakeholders. The key relationship in the SWAp is between MoES and EFAG. It is given effect through the negotiation of undertakings, the reporting of performance against that conditionality and the decision-making to trigger disbursement of SBS funds from the holding account. In the early stages of the SWAp during the ESIP period following UPE introduction, GoU was heavily dependent upon donor financing for the scaling up pupil enrolment and schooling. That financial dominance of donors in the sector did establish a powerful external influence over intra-sectoral spending allocations. By contrast, domestic accountability actors such as Parliament, local NGOs, the media and taxpaying parents were much weaker in their influence.

175. The GoU-donor Partnership Principles, the unsigned MoES-EFAG MoU, the Joint Education Sector Reviews and joint *aide memoires*, and the joint monitoring missions to assess performance all suggest the presence of institutional arrangements for mutual accountability. Nevertheless, mechanisms for GoU to hold donors to account for weak predictability of SBS disbursement or to resist the fragmentation and diversification of aid delivery are not equal to those exerted by donors. A good example of where GoU has successfully resisted donor pressure is on the matter of additionality. But that represents robust MFPED defence of a policy position on fiscal programming rather than a triumph in government holding donors to account for aid quality.

Effects of SBS on transactions costs

176. As part of an analysis of the education SWAp in Uganda, Eilor (2004) used a definition of transactions costs as follows:

‘...costs that accrue from the process of managing external funding from EFAG to the target beneficiaries. It is a summation of all administrative costs incurred between the time when the GoU takes a decision to request external development assistance and when this assistance is actually received and utilised by the target beneficiary.’

177. Eilor’s (2004) assessment is that the SWAp arrangements, of which SBS donors and SBS programme inputs are a central feature, may have increased GoU transactions costs in the period 1997/98 to 2003/04 rather than reduced them as would be expected by the rationale for the SWAp. He cites the time costs associated with operation of the multiple working groups, the multiplication of meetings concerned with the SWAp as an endeavour somehow detached from the ‘normal business’ of MoES, and burden of preparing for bi-annual JESRs through collation, analysis and presentation of sector performance data. His conclusions may be too strong in the sense that review of sector performance should be a core activity of MoES even in the absence of external funding agencies. It should also be noted that his assessment may have reflected inefficiencies during the early stages of the SWAp and SBS.

178. More recently there is at least anecdotal evidence from MoES and MFPED of reduced transactions costs as a consequence of coordination around the SWAp and the formation of EFAG as a coherent donor group. Officials from both MoES Planning Dept and MFPED Budget Sector noted that donor-specific demands on their time had fallen dramatically, for example in terms of missions and meetings. Contrast was made between SBS and particular multilateral projects which still consume substantial MFPED staff time around external review missions and reporting. To the extent that staff resources have been freed up and may be directed to higher-priority concerns within the sector, it is likely that SBS has made a positive impact on (non-financial) resource allocation. However, the net effect of harmonised reporting processes through Joint Sector Reviews may still be more neutral since it places burdens on time and financial resources which might not otherwise exist. There is a strong case for the inherent and superior benefit of MoES

directing resources to these joint processes and to institutionalising them as GoU-led mechanisms, but the transactions costs have been transformed rather than reduced. In fact Lister et al (2006) also argue that the mix of modalities may in fact have led to increased transactions costs at the sector level.

179. Within the primary education sub-sector, there was in the early SWAp period a strong trend of increasing discipline by donors to move towards SBS (or GBS) as the preferred aid instrument. Those DPs which were unable to do so, for HQ policy and accountability reasons or because of conditions attached to existing projects, made active efforts to align their assistance with government budgeting systems. The beneficial contribution arising from SBS alignment with budgeting processes is shown by the contrast with transactions costs on government of project support in other education sub-sectors. MFPED cited for example the extensive additional reporting requirements associated with an ongoing AfDB project, which required a separate project management unit and diverted sector desk staff time during preparations for AfDB monitoring missions. Quantified estimates were not provided by GoU interviewees but MFPED budget sector officials and the MoES Planning Dept both noted the beneficial reduction in transactions costs as a consequence of the incorporation of sector assistance in the SWAp and the transition to on-budget programme-based aid instruments. It is reasonable to conclude that SBS reinforced the SWAp framework and thus contributed to reducing transactions costs associated with dialogue related to the budget process.

180. One problematic consequence of the newly-emerging trend towards donor portfolio diversification between GBS, SBS and project aid is the risk of multiplying transactions costs and undermining of improvements in allocative efficiency. DPs interviewed for the study expressed some concern about weakening harmonisation of attitudes among EFAG members and reduced coordination over dialogue with MoES. The potential benefits of coordinated behaviour have been demonstrated by the success of the SWAp since 1998, but it has been more difficult to sustain a coherent policy position among the donors since the recognition of persistent underperformance in primary level educational achievement and since the unilateral GoU decision to introduce free UPPET. Some donors have responded by increasing support to post-primary education and training (in line with stated GoU allocation preferences), but that assistance has come almost entirely through projects.

4. Sector Budget Support and its Effects in Practice

Preliminary comments and caveats regarding the analysis of SBS effects

181. This section attempts an assessment of the nature and extent of SBS influence to the education sector in Uganda upon the four main dimensions of the logical framework (Annex 1). It focuses especially on Level 2 and Level 3 of that framework, covering both the immediate effects of SBS and its induced effects on sector policy processes, financial management, sector institutions, service delivery systems and accountability. Since this analysis is a complex task covering a large number of interventions over a long time period, some preliminary comments are necessary.

182. In particular, the following caveats should be taken into account when considering the evidence and judgements made in this section of the report.

183. First, the sophisticated institutional framework for external support to the education sector in Uganda makes it difficult to isolate with precision the effects of SBS from the influence of other variables such as the SWAp, EFAG, GBS, and non-programme support. The SWAp pre-dated the introduction of SBS and governs all significant donor engagement in the education sector through processes for funding, dialogue, conditions, technical assistance and donor coordination. EFAG comprises SBS donors and those donors providing direct or indirect assistance to the sector through other modalities, whether on or off budget. GBS shares some of the traits of SBS, but has a different focus of funding, dialogue, conditions and technical assistance. The very success of the SWAp arrangements in the Ugandan education sector makes it difficult to attribute specific influence or achievements to SBS, not least because the GBS donors were previous providers of SBS and because the SBS donors have operated mixed portfolios of assistance through budget support and projects. For this assessment, a necessary simplification has been introduced. If SBS donors have been, and continue to be, a driving influence in the SWAp and within EFAG, it is reasonable to assume that SBS inputs have contributed at least proportionately to the achievements and failings of external assistance to the sector since 1997. Further, the analysis accepts that SBS combined with other institutional dynamics may have established a critical mass of contribution. It is not necessary to identify the tipping point.

184. Second, SBS to the education sector spans twelve years and this assessment therefore covers the same period of relevant GoU and DP activity. It has involved 8 different donors. There are necessary limits to the comprehensiveness of the treatment which is possible in this report. The risks of omission and selectivity are acknowledged in the judgements made about which SBS effects or 'non-effects' have been most important. Equally, many of the key stakeholders from the early period of SBS have moved positions and could not be interviewed for this study. More recent sector developments will have been recollected better by current GoU and DP personnel, with the consequent risk of excessive emphasis on recent history. This study is not intended to be a full evaluation so some selectivity and time bias has been accepted and should be taken into account.

185. Third, treatment of the sector in this study is not equal and a disproportionate focus of attention has been given to primary education. Most SBS inputs over the assessment period were directed to primary education following UPE introduction and the SBS donors concentrated their non-financial inputs on the sub-sector. Fungibility and notional earmarking make it impossible to establish the real allocation of SBS funds, and non-financial inputs had many intentional or unintentional spill-over effects on other sub-sectors. However reforms to primary education were the main policy event in the sector between 1997 and 2005, and UPE was the justification for SBS. UPPET since 2006 has so far attracted project support rather than additional SBS.

186. Fourth, the analysis seeks to address not only those sector issues and variables for which there is evidence of SBS influence. It is also considered important to assess explicitly where the presumed intervention logic of SBS would suggest a positive influence or contribution, but where it has failed to have an effect despite reasonable opportunity. In other words, the discussion covers both commission and omission. That dual perspective is important because it permits a more thorough assessment of lessons learnt in addition to good practices observed. One consequence is that the section includes a certain amount of contextual analysis to explain the circumstances in which SBS inputs were engaged beyond that covered in section 2. There is a risk of overstating the actual effects of SBS on the sector and an equal risk of overestimating the potential effects on the sector. Inclusion of context is intended to prevent ‘the tail wagging the dog’.

187. Fifth, as with the other SBSIP case studies, limited fieldwork was carried out for this case study. Disproportionate reliance upon the views of a limited number of interviewees, and the evidence from a very small sample of Districts and schools should be guarded against. Conjecture has been avoided, but it was not possible in the study parameters to triangulate all of the views and evidence elicited. Furthermore donor interviewees, in particular, tend to have a relatively short term perspective to the sector.

4.1 Influence of SBS on Sector Policy, Planning, Budgeting, Monitoring and Evaluation Processes

SQ 3.1: What has been the influence of SBS on Sector Policy, Planning, Budgeting, Monitoring and Evaluation Processes, and what are the constraints faced and lessons learned in practice?

SBS alignment with and contribution to strategy, policy and planning processes

Major policy decisions outside sector dialogue

188. The two major Government policy decisions on education – the introduction of UPE in 1997 and the introduction of UPPET in 2005 – were both taken outside the sphere of donor influence and were not a consequence of DP-GoU policy dialogue. Although donors were already engaged in the education sector in Uganda at the time through project support and technical cooperation, the focus of their dialogue with GoU was not supported by explicit policy preferences from the President. The UPE and UPPET initiatives were announced by the President in the run up to the general elections of 1996 and 2006 and were political decisions rather than sector decisions involving extensive domestic consultation. The antecedent of the UPE policy was the 1992 Government White Paper on Education, which led to the development in 1997 of the ESIP 1999-2003 as a mechanism for policy implementation. The introduction of SBS by the World Bank and DFID was a response to the UPE decision and to the ESIP which followed. The package of SBS inputs did not contribute to the big policy decisions on primary education but rather facilitated the implementation of that policy by GoU. It represented an alignment response by the Development Partners to GoU policy, specifically a joint and concerted emphasis on primary education in line with the focus of ESIP. The ESIP priorities of access, quality, equity, partnership and capacity building found financial and technical support in the form of SBS from 1998. Although many of the future SBS donors were involved in dialogue with GoU over the design of ESIP, the strategy itself pre-dated SBS.

189. SBS and the wider SWAp process were well-established before the GoU policy decision on free UPPET in 2005. Nevertheless it is apparent that UPPET was not influenced by the SBS donors or other DPs in EFAG. The fact that UPPET was not included in the second Education Sector Strategic Plan (ESSP) suggests that it was absent from the policy dialogue between GoU

and EFAG.¹ SBS donors thought they had reached an understanding with sector partners that GoU was committed to not introducing free universal secondary education until after UPE had been fully implemented (i.e. such that educational performance had shown a positive and sustained trajectory of progress in learning outcomes). The exclusion of EFAG from dialogue on UPPET at the centre of government and its surprise public announcement in the middle of the Sector Review Meeting in late 2005 severely tested the sector partnership through the SWAp. The remaining SBS donor (IrishAid) has been reluctant to shift its inputs to secondary education, even though that is now the focus of GoU attention. Other, non-SBS, EFAG members (e.g. World Bank, AfDB) have committed substantial project support to the secondary and BTVET sub-sectors in response to the GoU policy decision, whilst Belgium has decided to enter the sector and provide SBS in support of secondary education from 2009 in response to requests from the government to do so. There is also a perception that primary education is ‘rather crowded’ with DPs.

190. Nevertheless, policy alignment *per se* appears to be only part of the reason for the DP shift from primary to secondary education. Dissatisfaction with progress on the ‘quality’ agenda and a need to demonstrate tangible results to donor domestic constituencies have also influenced DP strategies about the intra-sectoral allocation of their SBS inputs and the balance of their sector portfolios between SBS and other instruments (e.g. projects).

Alignment to Sector Strategy and Policy Priorities

191. One concern noted by Ward et al (2006) was the partial coverage of ESIP and the SWAp. Although both were intended as whole-of-sector frameworks, in practice the concentration of EFAG-GoU dialogue and partnership was on the primary education sub-sector. Non-financial SBS inputs have focused consistently on primary education, with the prospect of extension into secondary education only emerging in 2009 as part of a proposed Belgian Government assistance package. The earmarking of SBS funding reflected GoU policy priority of primary education as represented by the ESIP, but also entrenched the sub-sector focus of external support rather than seeking to develop a whole-of-sector approach.

192. The successor to the ESIP, the ESSP, was heavily influenced by the SWAp and by SBS – notably the dialogue and conditionality components. SBS donors may claim an influence upon GoU policy to that extent, but the relevance of the ESSP was quickly superseded by the UPPET policy shift and by the increased emphasis by GoU and EFAG on redeveloping the primary education curriculum. At one level SBS became progressively more effective in contributing to sector policy and planning processes, yet its real effect has not been on the big policy narratives but rather on the subsequent development of detailed policies and implementation of policies targeting increased educational access. The ESSP continues to be a focus of dialogue although it does not include the major GoU policy initiatives in education. GoU has led the donors in recent adjustments which culminated in a revised and re-costed ESSP to take account of the developments in GoU education sector policy.

193. The move by some donors in to post primary education from primary means that, in effect, there has been realignment with the revised GoU strategy since the announcement of UPPET in 2005. The high level policy decisions of GoU were the major influence, not the details of the re-costed strategy. Alignment by DPs with sector strategy documents, however closely linked and however influential upon their detailed content, has therefore proven an imperfect mechanism for coherent attention to sector-wide strategy and policy priorities.

¹ Review of all EFAG technical notes and other documentation relating to the dialogue would be necessary to reveal definitively the extent to which discussion of secondary education featured and the scope of donor recommendations. That documentation was not available for review as part of this study.

Influence of SWAp institutional framework

194. Notwithstanding the challenges of the ESSP focus, a clear strength of SBS has been in terms of DP harmonisation and alignment through the SWAp. The institutional framework for the SWAp has enforced a disciplined stance by donors and has allowed them to engage in substantive dialogue with the MoES Planning Department on sector priorities. The SWAp framework preceded SBS but was greatly strengthened by the early transition by multiple donors and by the corresponding commitment to harmonisation and alignment inputs as part of SBS. The communication channels between EFAG and MoES, through the Sector Working Group and the ESCC, have ensured good two-way access and have enabled the MoES to engage seriously and systematically with a coherent donor position. The Technical Notes produced by EFAG to offer guidance or opinions to GoU on specific issues have been well-received by MoES Planning Dept and appear to have been positively influential in areas such as curriculum development and monitoring and evaluation systems.

SBS alignment with and contribution to budgeting processes

Volume, share and predictability of funds through the domestic budget

195. SBS funds are closely aligned with government budgeting systems. Following Uganda's qualification for debt relief and GoU development of the PEAP and the PAF, donors used the PAF as vehicle for converting parts of their existing project portfolios into budget support or to scaling up their aid to support PEAP objectives through SBS and GBS. In many cases, this budget support was earmarked initially to specific sector programmes such as classroom construction (Magona, 2009). In the wake of the new decentralisation programme, GoU channelled a significant proportion of sector resources through local government delivery channels. Education experienced a rapid scaling up of funds targeted on primary school classroom construction, instructional materials procurement, district capacity building, education sector planning, central capacity building and secondary school rehabilitation (Ward et al, 2006). DPs are engaged at all stages of the budgeting process through their membership of EFAG and its consultative mechanisms with GoU and have thus been able to ensure strong and consistent alignment with GoU budgeting processes and systems.

196. The share of external funding through the national budget also increased dramatically as a result of the shift to SBS, and then GBS. Project aid fell from 19% of sector resources in 1997/8 to 8% in 1999/00, and was as low as 5% in 2006/07. This contributed directly to reduced complexity in the budget planning process, facilitating alignment of budget allocations with ESIP priorities, even in the context of earmarking. It also increased the legitimacy of the national and sector budgeting process. MFPED noted the significant marginal benefit of moving from projects to SBS. The move away from SBS, combined with the return to project support in secondary education in particular, has meant that that project aid has risen to 13% of sector resources in the 2008/09 budget. This has yet to have a negative impact. However, the danger is that the fragmentation of resource allocation will introduce complexities and rigidities in the budget process.

197. Assuming predictable disbursement on time and against commitment, the government budget allocation process is supported by the joint modality for disbursing SBS. However, the evaluation of GBS (Lister et al, 2006) found that the contribution of that modality to improvement in the predictability of aid had been weak, especially over the period 99/00 to 01/02 during which average disbursements were only 60% of commitments. Over that same period, GoU projections were commensurate with DP commitments. Subsequently, MFPED applied a significant discount factor to programme aid estimates, including education SBS. Interviews with MFPED staff for the present study in 08/09 found that a policy of reserve accumulation has been maintained as a buffer

to programme aid shortfalls. GoU is committed to funding at least 95% PAF commitments in a predictable manner each year irrespective of aid disbursements. MFPED therefore accepts the reality of unpredictable flows in its response function to programme aid. It is the MFPED's response to this which has ameliorated these negative effects. Donor behaviour has thus been contradictory in the sense that SBS has used government systems and aimed to strengthen them, but has compromised the credibility of the budget through unpredictable disbursement.

The Sector Budgeting Process

198. Sector Working Groups have played a positive role in strategic planning and budgeting. The engagement of SBS donors through EFAG, in the SWG has supported this process. The allocation of SBS funding, was integrated into the SWG process, whether earmarked or not. Importantly the MFPED was strongly involved in the SWG, which meant there was strong ownership of the budget. Earmarking was discussed and agreed in the context of the SWG and budget process, and not outside it.

199. The Annual Sector Planning and Budgeting Workshop is a relatively recent innovation which has sought to strengthen the relationship between SBS and the budget planning and preparation process at national and sector levels. The shift in 2004 from bi-annual Education Sector Reviews to an annual review implied greater donor confidence in the adequacy of process and performance against undertakings. It has also created an opportunity to strengthen the link between sector performance assessment and planning on the one hand and sector budgeting on the other. The draft Budget Framework Paper for the education sector is prepared by the MoES and circulated for discussion at the planning and budgeting workshop. That workshop is led by the Government and provides a consultative mechanism for transforming the BFP drafted by MoES into a medium-term budget strategy for the education sector that is endorsed by the Sector Working Group for onward submission to GoU and consolidation into the national BFP (Magona, 2009). The prominent status of the workshop has been established through the participation of senior officials from MFPED and MoES, including the Minister of Education.

200. At the February 2009 workshop, staff from the Planning Dept of MoES argued for decisions on sector priorities and resource allocation to be made within the context of the sector ceiling, thus enforcing fiscal and budgetary discipline from within the sector. The positive effects of budget support, whether sector or general, may be traced to that increased fiscal responsibility by at least some staff in MoES. Nevertheless historical weaknesses persist, such as the disjuncture between agreed undertakings from the Sector Reviews that will form part of the SBS (and GBS) disbursement conditions and the intra-sectoral allocation of resources to achieve those undertakings. Some EFAG donors interviewed for the study remain concerned that sector discussions do not take place in the context of a binding resource constraint. In their assessment, dialogue in the Joint Sector Reviews tends not to be linked to budget process dialogue nor does it consider the limitations to available funding. Although the Planning Dept in MoES is closely attuned to the sector ceilings developed by MFPED and behaves increasingly as “a finance ministry within MoES”, this understanding does not cascade across to the line departments in MoES.

201. Despite the current arguments by EFAG for greater budgetary realism by sector MDAs, the role of SBS donors themselves has previously been more ambiguous. Education sector advisers have tended to ally with MoES to lobby for increased budget allocations to the sector. In part motivated by a desire for additionality of donor spending in the sector budget and in part by agreement with MoES on the need for scaled-up funding for primary education, there is some risk of inappropriate pressure to undermine MFPED sector ceilings. Lister et al (2006) note in the context of PGBS that sector donor groups have tended to be unhelpful or even resistant to efforts at improving coherence across sectors. Magona (2009) extends the critique further by suggesting that DPs actually ‘connive’ with sectors to take a strong position against MFPED in the budget process. The risk of undue influence has probably now lessened in practice because of the shifting

MFPED stance on additionality and the MoES focus on UPPET which has attracted more project support by DPs.

202. It is useful to note that the 2003 ‘Partnership Principles’ on the neutrality and non-participation of DPs in the negotiation and establishment of sector expenditure ceilings are clear and specific:

“Sector expenditure ceilings must be determined by the Government through the budget process, independently of any sector financing and in particular, independently of any ‘additional’ sector funding made available or promised by development partners ... Development partners should not attempt to influence Line Ministries to undertake expenditures which have not been identified as priorities by the SWG, using their own sector support or project aid a lever.” (MFPED, 2003 quoted in Magona)

203. These contradictory positions taken by different DP representatives in fact suggest a lack of coordination and coherence between sector groups such as EFAG and cross-cutting groups such as DEG. It demonstrates that SBS alone is insufficient to ensure an effective influence upon the budgeting process and that it requires coordinated (or even integrated) dialogue, conditions and technical assistance. Efforts to address sector budgeting issues in isolation from cross-cutting budgeting issues seem inadvisable based on the experience cited by Magona (2009).

204. During the early period of the SWAp, MFPED did receive substantial TA in support of improved budget formulation processes. That support has continued for development of budget preparation and management processes and systems. The impact there upon the quality of the budgeting process and the strengthened link between policy priorities and budget allocations (e.g. through the PEAP and the PAF) is pronounced, although attributable as much to MFPED staff as to external TA. However, those achievements were influenced more the package of GBS inputs and the contribution of the Donor Economic Group and PFM Working Group rather than to EFAG and the SBS donors. There are some which are not specifically related. Economists from the ODI Fellowship Scheme served as MFPED desk officers early in the mid and early 2000s which helped strengthen the Sector Working Group early on. Strong Ugandan desk officers subsequently took over from then.

205. Even taking this into account, from the perspective of MFPED, the education sector is a strong performer in its participation in the budget process, and specifically its compliance with deadlines and ceilings. The strong role of the Planning Dept in MoES is acknowledged by donors and by MFPED and is apparent in discussions with staff from that department. The sector BFP is well-regarded by MFPED and has been developed by MoES Planning Dept with only limited direct external technical assistance. The contribution of SBS dialogue was cited by several parties as a contributing factor to the strengthened capacity. Overall the legitimacy of the sector budget (and BFP) has been increased as a consequence of the SBS dialogue. But the picture remains mixed over whether SBS has contributed substantially to a stronger policy-budget link. Early Sector Working Group reforms and the current efforts to link BFPs and Ministerial Policy Statements and then to develop work plans, procurement plans for the annual budget were largely driven by the MFPED. Furthermore, although they participated in the planning and budgeting workshop, it was evident that few donors had looked at the draft BFP in depth in advance of the event.

206. The recent migration of donors away from SBS or the reduced share of SBS in their aid portfolios does not by itself negate the benefits of the residual SBS inputs. However, some of the scale benefits accruing to the flow of funds effects may be lessened. The major shift occurred when DFID, EC and World Bank moved to GBS and thus the wider budgeting process became the focus on improvement. The strong institutionalisation of the SWAp coupled with the substantial GoU discretion over a large share of the education budget (especially following recent improvements in economic growth and domestic revenue mobilisation) thus serve to mitigate

partially the detrimental effects on the budget process of remaining SBS donor moving some funding to projects.

SBS alignment with and contribution to reporting, monitoring and evaluation processes

207. The 2003 'Partnership Principles' are specific and directive about DP strengthening of and alignment with GoU reporting systems:

"Government reporting mechanisms should be strengthened so that they can be adopted by development partners. As this is accomplished, development partners should seek to utilise the Government reporting mechanisms for their own funds. All stakeholders should adopt a common set of outcome indicators for monitoring progress at the sector level." (MFPED, 2003 quoted in Magona)

208. All major reviews of sector progress, results and performance are either joint exercises or government-led processes. The MoU also states that: *"A sector review should provide the single opportunity for all development partners to comprehensively review policy, strategy, performance and capacity needs"*. Ward et al (2006) note that all but two of the main DPs quickly harmonised their systems for appraisal, monitoring and fiduciary assurance. In practice that meant an end from 1999 onwards of separate requirements for government progress reporting and expenditure statements. Thus, the DPs rely upon government reporting systems such as Sector/Budget Performance Reports, Sector BFPs, annual school census report and sector review documents. Data for these reports is generated from government budgeting and financial management systems or from EMIS in the Ministry of Education. The reviews are informed by data and analysis from jointly-designed and jointly-mandated studies on flows-of-funds, value-for-money, and overall efficiency and effectiveness. The Sector Public Expenditure Review in 2007 was carried out jointly by World Bank consultants and MoES Planning Dept staff and is good evidence of collaborative analytical work which has driven the ESR agenda. Since 2008, the Joint Sector Review process has been supplemented more systematically by Joint Monitoring exercises between EFAG and GoU. The introduction of these joint review mechanisms as high-profile forums marked an important shift in emphasis by DPs and GoU away from project-level discussion towards higher-level discussion of sector policies, strategic planning and programme implementation (Magona, 2009).

209. Every two months MoES and EFAG meet to review progress in the sector. The meeting is intended to act as an early warning system for monitoring in advance of sector reviews and to provide notification to donors of any off-track undertakings. Although the government leads this process, a main purpose is to keep expectations aligned around the undertakings that trigger disbursement of funds from the donors to the holding account. Officials in MoES reported that these early warning mechanisms have helped keep the confidence of donors and also their funds flowing. These papers and reports also help donors to manage their domestic accountability back to HQ in the event of undertakings not being met.

210. It is important to note that the EMIS was developed originally under USAID project support and has since become the principal source of performance information, and an important input into the sector review cycle. Despite some noted concerns about data accuracy, recent evaluations have found that the reliability of EMIS data is improving (IOB, 2008; Winkler and Sondergaard, 2007).

211. It would be reasonable to conclude that these reporting, monitoring and evaluation processes are genuinely governmental, even if many of them suggest original instigation by EFAG with donor support. As the prominent voices within EFAG, the SBS donors should be acknowledged as having contributed substantially to these institutional arrangements. The original

quorum of World Bank, DFID, Netherlands MFA, USAID and Irish Aid represented a critical mass within EFAG that apparently was able to exert influence over compliance of the donor peer group.

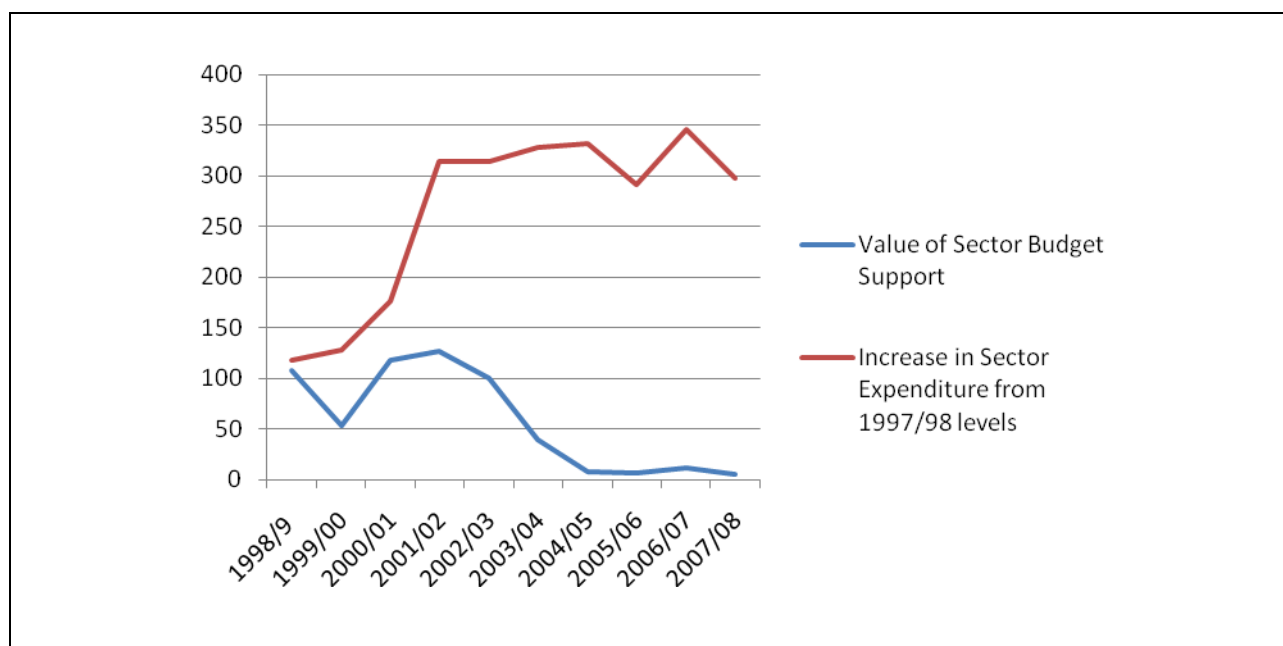
Overall influence of SBS on sector resource allocation

212. This section attempts to draw together the strands of influence and contribution by the package of SBS inputs to sector policy and budgeting processes. For each of the SBS inputs we assess the evidence that they have influenced positively GoU policy in the sector and the budgetary resources allocated to those policy priorities.

Influence of SBS funds

213. The scaling up of funds to primary education following the UPE announcement would not have been possible to the same extent in the absence of both SBS and GBS. The direct influence of SBS on the sector budget up to 2003 is revealed by a comparison of SBS and increases in sector spending shown in Figure 19 below. Between 1997 and 2003, SBS contributed to 48% of the increases in sector expenditure. HIPC debt relief and GBS also helped fund increases. Over that period MFPED was willing to permit full additionality to the sector so that external budget support could be non-traceable, earmarked and translated into at least equivalent increases in primary education expenditure by GoU.

Figure 19: Contribution of SBS to Increases in Sector Expenditure (UGX billion 2003/04 prices)



Sources: See Annex 2 and 3

214. The shift from project aid to SBS (and GBS) enabled GoU to allocate additional resources to recurrent expenditures linked to service delivery, such as expanding the number of teachers by increasing wagebill spending (Magona, 2009). Moreover, SBS permitted greater flexibility in the balance between recurrent and capital expenditure so that the investment in school infrastructure would be sustainable. Lister et al (2006) note that the commitment to additionally did not distort GoU policy preferences, but rather gave effect to them. One MFPED official noted that the real value of the SWAp, and particularly the sector review process, was as a mechanism for external resource mobilisation to implement an established set of sector policy priorities. Non-traceably

earmarked SBS filled a funding gap which enabled GoU to implement UPE in accordance with the ESIP and the PEAP. It is less clear whether the targeting of SBS on particular categories of primary education spending created any distortions. The high volumes of initial SBS and the rapid transition by some DPs to GBS probably offset that risk and allowed GoU quickly to translate programme aid into salaries for recruitment of additional teachers to complement the targeted donor support to classroom construction, increased allocations to the capitation grant and procurement of instructional materials (see Figure 7). It can reasonably be argued that the use of earmarking helped underpin the increase in key sector budget lines. Thus DP funds reinforced GoU sector policies as articulated through the SWAp and the ESIP, and facilitated the rapid implementation of those policies rather than drove or distorted them.

Table 10: Domestic Budget Allocations to Sector PEAP Priorities 1997/98-2006/07 (excl. donor projects)

	(Pre-PAF)									
UGX Billion (2000 prices)	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Universal Primary Education	167	236	277	318	379	386	389	390	396	433
Other Poverty Action Fund	30	87	116	234	403	451	470	477	508	607
Total Poverty Action Fund	196	323	393	552	782	836	859	866	904	1040
% of Sector Budgets	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Universal Primary Education	57%	62%	65%	68%	65%	65%	65%	64%	68%	68%

Source: Adapted from Magona (2009)

215. From 2003 the MFPED imposed a stricter ‘macro ceiling’ and ceased the policy of direct and automatic additionality. As a result, SBS funds were unable to have such a targeted influence on GoU resource allocation decisions. Officials interviewed in MFPED noted that by 2003 the additionality requirement of SBS donors had proved challenging for the government. DPs tended to insist on real time marginal increases in sub-sector budget allocations commensurate the level of their funding. MFPED argued that additional allocations would be demonstrable over time, but should not necessarily have automatic correspondence with the budget year to which they were committed. Predictability was a particular concern for the government up to the suspension of its additionality commitment in 2003 because DPs would insist upon increased expenditure ceilings and then sometimes fail to disburse funding on time or in line with budgeted commitment. The negative impact fell on MFPED which was faced with the choice of adjusting allocations, drawing down reserves or undertaking unplanned treasury operations to manage to cash flow to line ministries, local government and service delivery units.

216. By 2003, large SBS funders such as World Bank, DFID and EC had shifted their funding modalities to forms of GBS. The level of SBS fell significantly after 2003, and so did the pace of increase in sector funding. However the former did not cause the latter. Instead, the major influences on overall sector spending since 2003 have resulted from political decisions taken above the sector. In fact it is important to note that, as SBS levels fell away, sector budget allocations were largely maintained in nominal terms, indicating a degree of sustainability in budget allocations that were initially supported by SBS. However, there has been systematic erosion in the levels of some sector budget lines, most notably the capitation grant over time (although some corrective action was taken in 2009). Furthermore to make room for secondary education, classroom construction and textbook funding was switched from primary to secondary.

217. More recently, the relatively strong economic growth in Uganda coupled with rising tax revenues and the reduced share of aid in total government spending have enabled the Government to relax its stance on additionality. MFPED officials interviewed for the study suggested that instead of a firm policy on whether sector ceilings could be increased to correspond with increases in sector budget support, a more pragmatic stance would be adopted. Evidence of

this new pragmatism is the willingness of MFPED to commit to additionality health sector funding in return for GFATM putting its aid through the GoU budget. The discontinuation of ‘non-additionality’ policy which held between 2003 and 2009 had not been communicated explicitly to EFAG at the time of fieldwork for this study. However, MFPED did not expect changes in SBS as a consequence and noted that SBS had fallen significantly since 2003. New project aid to secondary education, especially for infrastructure development, has quickly emerged but only the Belgian Government has proposed SBS funds in response to the UPPET decision. The onetime transition of DFID, EC and World Bank to GBS is not expected to reverse.

Influence of non financial SBS inputs

218. Earlier in this section, it was described how SWAp structures, dialogue, and to a lesser extent TA have all helped strengthen sector planning and budgeting, which has an indirect influence on resource allocation.

219. Dialogue and conditionality has also had a more direct impact on resource allocation. Performance requirements set out in the GoU-EFAG Aide Memoires show clearly the consistent centrality of budget allocation benchmarks. These have centred on the share of education in total government recurrent spending (31%) and the proportion of that targeted on the primary sub-sector (65%, falling to 61% and 58% following UPPET). It is impossible to establish the counterfactual of government spending intent in the absence of these conditions, but it is likely that there was sufficient alignment of GoU-DP preferences following UPE that the undertakings reinforced rather than drove the level of allocation. However dialogue and conditionality associated with SBS did not stop the erosion of key budget lines such as the capitation grant in real terms from 2003.

220. Following the introduction of UPPET the specified intra-sectoral composition of expenditure has necessarily been adjusted to reflect the scaling up of funds to secondary education. Available evidence suggests that reallocations subsequent to UPPET were not strongly influenced by SBS dialogue and conditionality. However, the EFAG position that UPE spending should continue to be protected may have had some modifying effect on the extent of allocative rebalancing within the sector.

221. From another perspective, it is likely that the EFAG conditions and dialogue created a framework which provided confidence for DPs to increase their sector support (especially SBS) with the prospect of at least proportionate additionality. The significant spike in SBS in 2000 prior to the shift by World Bank, DFID and EC to GBS modalities is evidence of this catalysing role played by the SWAp mechanisms and process. However, the direct influence of SBS-specific conditionality upon resource allocation has been diluted by other targeted conditions from GBS. Evidence of greater World Bank intervention in the sector, especially primary education, includes the 2007 PER which tackled the question of whether increased funding to primary education had been used efficiently in pursuit of its intended objectives.

222. The recent agreement of the Belgian Government in principle to provide SBS for secondary education was based on the priorities identified by GoU, and their positive response to requests from the GoU in the dialogue. Their alignment to policy is clear and so is the continuation of a trend whereby SBS donors supported the implementation and improvement of existing GoU policy and have not played an instrumental role in the major policy decisions. Policy dialogue between the Belgian Ministry of Foreign Affairs and the GoU has thus strengthened planned patterns of resource allocation to the sector and will help to reduce marginally, if not substantially, the funding gap for school capitation grants following UPPET. It is apparent that the dialogue had occurred outside EFAG which seems a less relevant institutional mechanism following UPPET and the increase in direct project interventions by donors in the secondary and vocational sub-sectors.

Lessons learned

223. A review by Irish Aid of its SBS to the education sector in Uganda documented several features of the SWAp which are viewed as models of good practice (Woods, 2004):

- Well-documented progress and high quality dialogue at the annual/bi-annual Sector Reviews, with full participation by Government Ministers; MPs; senior officials from MFPED, MoES and MoLG; DPs; and civil society and NGOs.
- Conditions in the form of agreed undertakings between GoU and the DPs which are used jointly to measure progress against objectives.
- Existence and use of a comprehensive monitoring system using data from a credible Education Management Information System.
- Sector-level performance indicators linked to GoU priorities of increased access, quality and efficiency.
- Use of performance against undertakings as the trigger for release of funds by budget support donors.

224. The present study found that these features of SBS have persisted up to the time of analysis in February 2009 and that they continue to represent good practices which have a beneficial influence on GoU policy, planning and budgeting processes in the education sector. It was stated clearly by EFAG donors and by GOU officials from MFPED and MoES that SBS donors are a leading influence among the DPs and that the sector planning and budgeting has improved as a result of that influence. In particular, MoES officials interviewed for the present study noted the following beneficial results or effects of SBS on policy, planning and budgeting:

- The harmonisation of DP requirements for GoU to report on sector performance has reduced the fragmentation of MoES effort in managing multiple reporting lines and has led to a reduction in transaction costs. SBS donors at the start of the SWAp succeeded in mobilising broad DP participation in a joint monitoring and reporting regime which included SBS and project donors.
- The dialogue associated with the SWAp and with sector support through SBS has strengthened staff capacity in MoES, especially in the Planning Department. The decision to reduce the number of reviews per year is evidence of greater capacity GoU capacity to prepare costed sector work plans, to monitor their implementation and to report against agreed performance undertakings.
- Dialogue between GoU and EFAG DPs has focused on policy issues and has left detailed operational issues to the discretion of GoU. The dominance of SBS (and imputed shares of GBS) has enabled the DPs to be strategic in their engagement with GoU and to structure the dialogue around broad resource allocation issues and on the policy agenda within the sector.
- The MoES monitoring and evaluation system for sector data and performance has improved as a direct consequence of the primary reliance by the Sector Working Group and SBS DPs on its outputs for use in Joint Sector Reviews. Project support helped the development of the EMIS which is an important input into this process.

- The large scale of SBS funding early on enabled the government to allocate significant additional funding to implement the UPE policy. The use of earmarking in the context of non-traceable SBS, combined with the MFPED commitment to additionality, has helped donors respond to the GoU's new policy priorities – most dramatically in primary, but also now secondary education. Crucial to success of this process was the involvement of MFPED in discussions of sector budget allocations in the context of Sector Working Groups, and the commitments to additionality made by MFPED under the Poverty Action Fund.
- The decisive shift from project support to SBS and then to GBS, combined with significant volumes of SBS funding, supported MFPED efforts to strengthen the budget process and budgeting systems at sector level. Derogations from the use of government policy-making processes and budgeting systems were minimal.

225. Despite the positive findings, there are some difficult lessons to be drawn from the experience of SBS since 1997. These suggest limitations to the claims made for SBS influence.

- The strategic focus of DP dialogue has tended to occupy a meso-level whereby DPs have not influenced the highest-level policy narratives and the macro-political decisions on UPE and UPPET. Domestic politics have proved to be a significantly more powerful factor than EFAG dialogue in shaping major policy decisions and a lesson for future SBS is that the potential for policy influence about the meso-level should not be overstated. That fact that the ESSP was so rapidly overtaken by policy decisions suggests the limitations of DPs and even senior sector officials.
- Further evidence of the limitations to SBS influence is the evolving GoU position on additionality of donor assistance to the sector. Between 2003 and 2009, DPs have accepted a position whereby sub-sector budgets have been determined without automatic reference to funding flows earmarked to the sector. In Uganda, the unusual strength of MFPED has permitted it to determine fiscal policy without capture by sector donor groups and thus to protect the discretion of GoU to determine inter-sectoral resource allocation.
- SBS from 1997 to 2009 has concentrated on primary education and has not paid full attention to whole-of-sector issues.

4.2 Influence of SBS on Sector Procurement, Expenditure, Accounting and Audit Processes

SQ3.2 What has been the influence of SBS on Procurement, Expenditure Control, Accounting and Audit Systems at the Sector Level, and what are the constraints faced and lessons learned in practice?

Influence on downstream financial management processes

226. Government budgeting and financial management systems have improved markedly since 1997. As mentioned in Section 2.1, more progress was made in establishing overall fiscal discipline and improving the budget allocation process early on, than in budget execution, accounting and audit. However in the 2000s more attention and progress has been made in improving the latter. In this context, what has been the influence of SBS on improving budget execution, procurement, accounting and audit?

227. The initial move towards GBS and SBS modalities was made possible by three factors, the establishment of fiscal discipline; transparent improvements in budget allocation systems and an

associated willingness to allocate funds to PEAP priorities; and thirdly a commitment to make budgeted funds available to these priorities during budget execution via the Poverty Action Fund.

228. Subsequent, but less dramatic, improvements to accounting and audit have helped sustain the provision of budget support overall. Certainly there has been a correlation between strengthening financial systems and scaling up of programme aid. The existence of multiple complementary reform initiatives underway in the PFM ‘sector’ makes it difficult to isolate the contribution made by SBS to budget execution in the education sector, but at all stages of procurement, financial control, accounting and audit, SBS has relied upon the use of government systems and has sought deliberately to strengthen them.

Influence of SBS funds

229. Sector Budget Support funding volumes were highest between 1998 and 2003, which means that they are likely to have exerted most influence on budget execution in the years preceding improvements to procurement, expenditure control, accounting, audit systems.

230. The mechanisms for transfer of SBS to the consolidated fund, via the education sector budget support account were well designed. However, despite this, SBS funding was unpredictable in practice (see Figure 15). Rather than attempt to improve donor predictability (the strategy taken in most countries), the MFPED developed strategies to manage the unpredictability of donors. This which included the application of discount factors in the budget process, and the use of short-term domestic borrowing and draw-down of foreign exchange reserves. These have proved effective at managing the uncertainty of budget support. Whilst several donors and the IMF complained about the application of discount factors when they were first applied, it represented a sensible and pragmatic response by the MFPED to donor shortcomings which enabled it to deliver predictable resources to priority areas of the budget.

231. Despite the unpredictability of SBS funding, MFPED continued to guarantee execution of 95% of budgeted PAF expenditures irrespective of whether donor GBS and SBS funds are disbursed on time and in full. That execution commitment is reinforced through GoU accountability to domestic and external constituencies and the budget is thus considered to be a reliable predictor of expenditure for PAF categories. Within the education sector, PAF expenditures have historically covered UPE expenditure in full.² Most SBS funds up to 2009 have been earmarked to primary education and, notwithstanding fungibility issues and withdrawal of the additionality commitment from 2003 onwards, there has been a degree of automatic protection for execution of ‘SBS expenditures’ in the primary sub-sector. Notably, the reliability of budget execution has in this case been driven by GoU expenditure policy and the development of the PAF which was motivated by a desire to manage debt relief funding transparently and to retain budget support.

232. In the period prior to UPE, the education SWAp and SBS, there were severe and persistent problems with leakages of funds intended for education sector service delivery units. The use of the government conditional grant mechanism by SBS funding helped ensure greater transparency of resource transfers, which contributed towards the reduced, *relative*, levels leakage of SBS funds early on. As SBS was non-traceably earmarked, it did not involve a separate funding channel or parallel financial management requirements. This helped reinforce the benefits of the new mechanisms for funding decentralised local government service delivery, and associated public information requirements. This has also strengthened financial management capacity at local

² From 2008/09, a maximum of 40% of each sector budget can be earmarked for PAF protection. As part of this reform, salaries and wages can no longer be classified as PAF expenditure (Education Sector BFP 2008/09, Annex 1).

government levels – the scale of funding for which local governments are responsible for has enabled them to attract better qualified staff, for example. However the persistence of resource unpredictability at school level suggests a negligible influence of SBS funds on the transfer of funds, *per se*, through the intergovernmental fiscal system.

Non-Financial SBS Inputs

233. Dialogue between DPs and GoU on public expenditure management issues has been consistently strong through the period since 1997. The primary locus of the dialogue on PFM systems has been through the DEG in the context of GBS, but it also preceded the transition by DFID and the World Bank to GBS. Between 1998 and 2003, emphasis was placed on staff recruitment and management; civil service reform; pay reform; procurement; and financial management (Ward et al, 2006).

234. Fiduciary undertakings in the Aide Memoire for the period 2000 to 2002 included the requirement for annual statutory audit of education expenditures to be carried out by the Office of the Auditor General for both central government and local government public bodies. Since then greater explicit emphasis has been placed on the use of PETS to trace the allocation and utilisation of resources. An indirect requirement for financial accountability existed until 2004 for satisfactory GoU progress in the financial management component of the EFMP-2 and in FAP which were largely focused on central government budget execution systems. These were also core elements of the GBS dialogue, and therefore there was consistency and complementarity between PFM conditions across both.

235. However, conditionality within the SWAp has been relatively inattentive to the financial management systems at local level. The lack of undertakings in the Sector Aides Memoire related to reduction in resource leakages and other aspects of operational inefficiency suggest that EFAG-GoU dialogue did not identify or prioritise those concerns. The GBS evaluation also noted that proportionately little attention had been directed to strengthening systems for effective allocation and deployment of financial resources for decentralised service delivery. The same diagnosis was inferred from site visits to two Districts as part of the present SBS study. As a result of the centralised 'pass-through' funding mechanisms developed by GoU with DP support, district capability to supervise the use of UPE funds has withered on the vine with neither sufficient mandate nor adequate residual funding to permit a meaningful supervision.

236. Once exception to this relates to the failure of local governments to provide accountability in the 1999/00 financial year as Box 7 below describes. Guidelines were prepared by the MoES for the use of SFG and capitation grant funding by districts and local governments, but this was more at the initiative of the Ministry of Finance, which was concerned about overall accountability for PAF funding, than a product of the education sector dialogue and conditionality. Nevertheless the resulting process of work planning, reporting and release of funds for PAF conditional grants helped improve accountability. However the proliferation of conditional grants across sectors has made reporting and accounting for funds more difficult.

Box 8: Donor Response to Local Government Failure to Account

In 1999 MoFPED introduced a simple monthly financial statement, which districts and municipalities were required to submit to MoFPED and MoLG. Local governments reacted angrily to this requirement, saying that they were not accountable to central government but to their local councils, and had no obligation to report to the centre. This issue came to a head at the Education Sector Review in early 2000, where donors demanded that accountability be produced for UPE and threatened to withdraw budget support. The President intervened and directed local governments to submit accountability reports to the centre. They reluctantly obliged.

Source: Williamson 2009

237. Despite the lack of focus on those systems in the education sector and GBS, there have been improvements to local government financial management capacity as a result of non-financial SBS inputs relating to the local government development programme. As described in the Uganda Local Government case study (Steffensen 2009), the linkage of the available of investment funding to an assessment of institutional performance – which includes core PFM performance – has levered improvements in core financial management capacity and performance. SBS in Uganda benefited from and helped reinforce these by the use of local government systems.

238. Finally, in the context of the relatively recent assessments of efficiency in the sector and increasing domestic concerns about quality, the attention of the sector is returning to downstream financial management issues. The new Commission of Enquiry is explicitly motivated by concerns over the misuses of UPE and USE funds at the local level. Furthermore, the sector dialogue has started to address downstream issues of financial management more explicitly.

Lessons learned

239. SBS has had positive effects in four main areas:

- A significant proportion of sector funding has flowed through government funding channels and used procurement and accounting systems. In the early stages of the SWAp, most donors migrated to provision of non-traceable budget support, with varying degrees of earmarking applied to their funding contributions. This meant that budget did not create parallel funding channels, and did not involve derogations from government financial management systems. Furthermore by increasing the use of those systems it helped strengthen those systems
- During the period 1998-2002, SBS was the dominant aid instrument in the sector and there was a consequent increase in the scrutiny by donors, MFPED and the MoES on budget predictability, financial reporting and statutory audit of sector expenditure. The biannual disbursement triggers focused on PFM systems and strengthened incentives to improve those systems.
- The progression of EC, DFID and World Bank from SBS in education to GBS linked to the PAF established a strong complementarity between the EFAG focus on sector PFM systems and the DEG emphasis on cross-cutting PFM systems. Although the coordination between the working groups for GBS and SWAp/SBS on planning and budgeting processes has not always been optimal, there appears to have been complementarity between the two.
- Rather than attempt to improve the predictability of donors, the application of discount factors, and effective cash management systems have enabled the MFPED to guarantee budget disbursements to priority programmes, including primary and secondary education, in the context of unpredictable budget support disbursements from donors.

240. There are also lessons to be learned from the experience in Uganda:

- Despite the focus on MoES PFM systems and on institutional arrangements for budget support to the Consolidated Fund, very limited corresponding efforts have been made through SBS or through the SWAp to strengthen PFM systems at district and school levels. Equally, the package of SBS inputs has not succeeded in improving the predictability and reliability of budget releases to District Education Departments or to schools.
- Despite early relative reductions in the leakage of funding, SBS has been ineffective at reducing resource leakages. Even if the incidental initiatives to reduce leakages following the second PETS in 2002 are factored, the high levels of inefficiency went unchecked until long after the SBS had ceased to be the dominant donor funding instrument to the sector.
- There has been a lack of coordination between GBS dialogue/conditions which address the cross-cutting dimensions of resource leakage in service delivery. This is manifested by a focus of the PFM dialogue on national rather than decentralised systems, mirroring the bias at the sector level.
- Donors SBS disbursements have been unpredictable, and this has made cash management and budget execution more difficult for the MFPED.

4.3 Influence of SBS on the Capacity of Sector Institutions and Systems for Service Delivery

SQ3.3: What has been the influence of SBS on Sector Institutions, their Capacity and Systems for Service Delivery, and what are the constraints faced and lessons learned in practice?

Use of government systems for funding sector institutions and service delivery

241. As mentioned earlier, SBS to education in Uganda represented a decisive shift from project aid, was provided on a large scale and used government systems and institutions for service delivery. For primary education, this ensured that the vast majority of sector funding for service delivery used government systems. The fact that SBS was non-traceable meant that SBS used government systems and institutions for service delivery in full. This facilitated the alignment of sector funding to the new institutional structures of service delivery – i.e. local governments.

242. SBS funding acquiesced to the prevailing strategy – which was, *de facto*, to prioritise access over quality. The strategy to address quality was overly simplistic - more and better-trained teachers, combined with more textbooks and classrooms would deliver better quality education as well as improved access. It is evident that this strategy has not worked, and the analysis from Section 2 suggests that the sector needed to pay more attention to the systems of service delivery in local governments. Early on in the implementation of UPPET, it appears that this lesson had not been learned, and is likely to be exacerbated by a less-than-clear institutional framework.

243. This is not the fault of SBS funding and financial management arrangements, which were well designed (although it could be argued that earmarking did not prioritise the management of service delivery). However the focus of dialogue and conditionality in the context of the SWAP as well as technical assistance was focused more on upstream issues relative to service delivery systems and processes. There are signs that the sector is now responding to the problem of quality in more appropriate ways. GoU is taking a much tougher line towards service delivery performance, inter alia, through MFPED budgeting and monitoring reforms.

244. In this broad context, we look at the effects of SBS on the capacity of central government institutions, and then the strength of local institutions and systems for managing and delivering services.

Influence of SBS on central government institutions, systems and capacity

Transition from EFAG dominance to GoU leadership

245. Evidence of improved capacity on the part of the MoES – especially the Planning Dept – is demonstrated through the quality of GoU participation in the annual Education Sector Reviews and Planning and Budgeting Workshops. Those events attract senior representation from all central entities engaged in the education sector, including MoES, MFPED, MoLG, PSC, TSC and ESA, and they have over time become wholly GoU-led events in which EFAG donors participate but do not dominate the agenda. It is a measure of the influence of non-financial SBS inputs – dialogue, links to capacity building, and harmonisation of donor programmes – that MoES Planning Dept has become such a strong player in the sector.

246. Another notable feature of the workshop attended as part of this research study was the dominance of GoU participants and their perspectives in the plenary discussions. Although it has not been possible to compare systematically the number and salience of contributions by Uganda education sector stakeholders over the period the SWAp, there is an acknowledged trend that MoES has gained a more dominant voice over EFAG in sector dialogue and review processes. Whether intended or otherwise by EFAG, it is surely an achievement of the sector dialogue and represents a strengthening of central government institutions and capacity.

The Strength of MoES Planning Dept vis-à-vis other MoES departments

247. The concentration of EFAG donor efforts on strengthening strategic planning, upstream budgeting, monitoring and evaluation systems, and reporting processes has inevitably resulted in greater capacity development of those functions. This has been largely driven by the demands of the dialogue and review processes rather than TA. However institutional support has helped strengthen capacity, for example in the case of the EMIS as described in Box 9 below.

Box 9: Supporting the EMIS and the Strengthening of Sector Monitoring

One point worthy of isolated mention is the EMIS, which has formed the primary source of evidence on sector improvements and deficiencies in service delivery. Even though concerns persist about the failure to advance improvements in the quality of educational outcomes at primary school level, the progress made in the quality of management information and the systems used to collect, analyse and disseminate that data are substantial. MoES acknowledged the role of EFAG donors in continuing their support of EMIS following the introduction of the SWAp and SBS. Donors placed reliance on EMIS as the basis for performance monitoring and sector reviews, and offered technical support through regular EFAG Technical Notes. The joint monitoring missions started in 2008 are further evidence of the supportive role of EFAG and the remaining SBS donor to the development of central government systems for monitoring served delivery performance and their willingness to rely on those systems for external monitoring purposes against the undertakings.

248. The increased strength of the MoES Planning Dept has not been mirrored by capacity development in the sub-sector programme departments in MoES which are responsible for policy development and education standards. These departments have not benefited from so much influence by non-financial SBS inputs. Technical assistance avoided policy or ‘content’ issues in the early stages of the SWAp and relied upon funding increases for UPE service inputs to deliver

educational gains. Senior MFPED officials noted that the increased funding to education has not demonstrated value for money and that capacity across MoES is weak, except for the presence of a strong Permanent Secretary and the improvement in Planning.

249. It is only since 2007/8 that SBS donors such as Irish Aid have started to re-engage concertedly their non-financial support to policy development and implementation through more robust dialogue on 'quality' and through direct TA for curriculum development. In a parallel move GBS donors such as the World Bank, which made the transition from SBS in 2001 and which have since delegated their direct interest in sector performance issues, have started to introduce more sector-specific conditions on MoES into the PRSC loan agreement for GBS in an attempt to exert stronger leverage on sector outcomes. That shift suggests a failure of SBS funding alone to improve central government systems and capacity for service delivery, but it should also be acknowledged that since the departure of the 'big three' (World Bank, EC and DFID) from SBS, the funding through that channel has diminished markedly and now represents only a small share of total sector expenditure.

250. The view of MFPED is that EFAG has not concentrated adequately on value for money. EFAG donor representatives interviewed for this study argued that they have been pushing the case for quality consistently over a period of several years and that it has not been neglected in the dialogue with MoES. If that is indeed the case, then it may be concluded either that MoES was not equally focused on quality issues until recently, or that the EFAG donors failed to identify the real constraints to improved learning achievement and were proposing ineffective responses to MoES. It is the judgement of this study that EFAG and MoES were equally culpable in taking an overly simplistic view on the drivers of quality in the dialogue.

251. There has been some recent realignment of focus and priorities so that donor HQ pressure for improved results will ally with domestic political pressure in Uganda for better service delivery before the next election in 2011. Furthermore the quality of engagement observed in the 2009 Annual Planning and Budgeting Workshop illustrated the clear understanding domestic constituents had of the problems facing service delivery as illustrated in Box 10.

Box 10: Demonstration of Capacity at the Annual Planning and Budgeting Workshop

At the most recent Planning and Budgeting Workshop, participants raised issues which corresponded closely with the sector challenges identified in discussions for the present study with GoU and EFAG officials. Assessment of the Primary Leaving Examination (PLE) is under-funded; District Education Offices do not receive adequate funding to perform their functions effectively; the level of the Primary Schools' Capitation Grant is too low and its release by MFPED is often late; there has been no budget for procurement of instructional and learning materials at lower primary school level for the last three years; and there is some under-utilisation of the wage bill for teachers as a consequence of difficulties in recruitment to schools in remote rural areas. The robust response given to these issues by MoES Planning Dept officials in the workshop reveals both the achievements and weaknesses of the SWAP and of the SBS contribution to it. Fiscal discipline was noted as the dominant priority and the central importance of sector ceilings was emphasised. However, responses to the persistent challenges of service quality and expenditure efficiency within those ceilings, along with strategies to target the institutional drivers of improved performance at local government and frontline service delivery levels, were not so clear.

Influence of SBS on local government institutions, systems and capacity for sector service delivery

MoES inconsistency over decentralisation

252. The Local Government Act in 1997 devolved responsibility to districts and municipalities for delivery of most basic public services. Local government conditional grants were prioritised in the PAF and fast progress with expansion of these allocations resulted in significant additional funding to support the new functional responsibilities. Capacity development of local governments to manage the delivery of these services efficiently and effectively has not proceeded so quickly. Lister et al (2006) suggest that misalignment of financial and non-financial GBS inputs may have resulted in missed opportunities for capacity development of local government institutions and systems at an early stage in the decentralisation process. If their analysis is correct, SBS is also culpable because of its earmarked focus on direct expansion of school infrastructure and educational materials and its emphasis on dialogue with MoES and central agencies on high-level policy and budgeting issues. SBS has, until very recently, paid relative disregard to local government administrative capacity and to the strengthening of superintendence and inspection by the District Education Officer and the District Inspector of Schools.

253. The GBS evaluation notes the inconsistent stance of central government over decentralisation and increased local autonomy over public service delivery. Despite the intent of the Local Government Act and its provisions for decentralisation, MoES and other central line ministries have pursued a regime of national targets and a SWAp framework of conditionality and vertical accountability which afford local government limited discretion over intra-sectoral recurrent budget allocations (Lister et al, 2006). SBS in the education sector has been used by central government as an instrument to achieve central government policy objectives via local governments using conditional grants. That stance contrasts with the strengthened participatory process for allocation of public investment spending under the LGDP in the Local Government SBS case study (Steffensen 2009). The suspension of the Graduated Tax in 2005 removed the major local government revenue source and thus undermined further autonomy and downward accountability of local governments. Jinja District reported that central government transfers now account for 98% of its revenue. The net effect is a weakening of local government institutions and capacity. This is particularly sorely felt in the education sector where the education office, until 2008, had been fully reliant on local revenues – unlike other sectors conditional grant funding has not been allocated to the office as described in section 2.1. To the extent that it has reinforced the centralising tendencies of MoES, or at least failed to provide a countervailing influence, SBS may therefore be judged to have had only a marginal effect on local government institutions, service delivery systems and capacity. It has facilitated a scaling up of provision through the School Facilities Grant, the Capitation Grant and central funding for procurement of instructional materials, but SBS funds to frontline delivery units have not been linked to a strengthening of management capacity to ensure quality and efficiency of frontline services.

Instead, direct or de-concentrated central government responses to systemic weaknesses at district and school levels have persisted through combined GoU and EFAG support and have become institutionalised despite their characteristics as parallel structures. Isolating the role of SBS donors and by extension SBS inputs to these policy initiatives is difficult. Nevertheless, donors supported the strengthening of CCTs throughout the early implementation of UPE. Furthermore, the fact that EFAG donors do not appear to have raised objection to the recent decision to fund District Schools Inspectors via the Directorate of Education Standards suggests that EFAG continues to support the preference for central government interventions to address the weaknesses in District administration and frontline delivery.

The Influence of SBS on District capacity and its effects on Service Delivery

254. Fragmentation between the institutional and organisational arrangements for education service delivery across the sector presents challenges for the role and remit of the Districts. Although they have *de jure* responsibility under the 1997 Local Government Act or decentralised management of primary and secondary education, the *de facto* role of DEOs extends only to primary education and to the payroll verification and performance inspection elements of secondary education. In practice secondary education remains under central government administration and the DIS has been starved of funding to perform even that residual function effectively because of the constrained allocations to the local government education offices.

255. The design of the funding channels for primary education further undermines the effective role of the DEOs since they have no influence over the level or allocation of capitation funding to schools. Local governments merely operate a pass-through function for the UPE Capitation Grant based on a centrally-determined formula. No ‘administration charge’ is deductible from the funds nor is provision made through the LG grants system for adequate staffing and capacity ensure that the CG funds are spent efficiently and in accordance with intended purposes. Indeed the suggestion that funding is often held up by the Districts to help their cash-flow management implies no added value by LGs under the current arrangement. Despite the progress of SBS and the SWAp more broadly in building the inclusivity of sector *forums* such as the ESR and the P&BW, MoES appears reluctant to move beyond de-concentration of primary education towards more genuine decentralisation to LGs of the financial and non-financial performance management of schools. The focus of EFAG initiative has been on MoES, on schools and on parallel organisational structures to address quality and efficiency outside LG channels (e.g. ESA, CCTs and Engineering Assistants).

256. Further evidence of MoES reluctance to accept fully the decentralisation of primary education delivery to local governments is revealed by the experience of the Primary School Facilities Grant. Ward et al (2006) note that ‘*MoES has yet to accept the idea that other authorities can manage funds allocated to education effectively, be it at central or local level, and it has not effectively supported local or District management*’. The SFG is intended to pass responsibility to the District level for financial management of allocated funds, selection of beneficiary schools (based on poverty criteria aligned to the PAF), project implementation support to schools, quality control, and funds transfer to schools for contractor payments. But institutional strengthening and organisational capacity building of District administrations have not been a priority for MoES. Nor have SBS inputs been targeted on the role and capacity of local government. One consequence has been weak supervision and monitoring of the SFG (Ward et al, 2006).

257. Nevertheless section 2.1 provided clear evidence that investment in district management of education services can yield results. The significance of these findings is that those variables found to be significant include drivers of quality which have not been targeted by SBS, and which include district education management along with school management and governance, and parental and community participation. The experience from Masindi showed that moderate investments in district management and inspection can substantially improve education outcomes. It is important to note here that the intervention in Masindi has been supported by an NGO and is unconnected with either the SWAp or SBS inputs. Furthermore there was little apparent awareness of it and its impact on quality amongst the EFAG members interviewed.

258. One positive development has been the recent effort to strengthen the role and capacity of the District Inspector of Schools. To compensate for the dwindling resources available to the district inspection function, MoES begun in 2008/09 to fund directly each DIS Dept through a grant allocation from the Directorate for Educational Standards (successor body to the ESA). However this again does not appear to be the result of donor interventions in the dialogue. The overall administration of district education (i.e. DEO and his staff) still lacks funding.

Influence of SBS on frontline institutions, systems and capacity for sector service delivery

259. Section 2.2 highlighted some serious problems in the frontline delivery of services. These included poor motivation of teachers manifested in absenteeism; inefficient use of capitation grants; and problems quality manifested in the policy of automatic progression. How has SBS responded to these problems?

260. The focus on policy and planning capacity rather than service delivery at the centre, and the failure to address district management in education, have both had important implications for the capacity of frontline institutions to deliver services. This means that, whilst SBS has funded an increase in the inputs for frontline service delivery, SBS has not contributed to their effective deployment:

- Teacher absenteeism, a major area of leakage, was highlighted as early as 2004, when the World Bank PER found an average rate of teacher absenteeism of 27%. The types of MoES responses recommended by the PER – improved school inspection, monitoring by communities and parent-teacher associations, penalties for absenteeism and bonuses for attendance – did not appear to feature strongly in historical documentation on EFAG dialogue. Nor does the conclusion that well-managed schools have lower absence rates (IOB, 2008). The re-costed ESSP 2007-2015 – to which EFAG donors were contributors – identifies absenteeism as a remaining sector challenge, but a proposed response does not feature explicitly in the detailed discussion of objectives, sub-objectives and strategies to reach those objectives.
- SBS supported the expansion of capitation grants early on, which increased school autonomy once parental contributions were abolished. This contributed to reduction in the relative leakage of resources – although the key policy decisions which underlay this preceded SBS. Meanwhile SBS policy dialogue and conditionality have not supported greater discretion in the use of capitation grants, or supported their use for district management. Rigidities in capitation grants have persisted, as have leakages.
- The consistent conclusion of ESRs that automatic promotion should be enforced more strongly at school level suggests worrying complicity by MoES and EFAG donors (including SBS donors) in an approach which accepts lower achievements as the price of increased access. There was no evidence to suggest that EFAG has raised concerns over this issue in any formal or systematic way with the Sector Working Group or the ESCC.

Lessons learned

261. A number of good practices emerge from the experience of SBS in attempting to improve service delivery institutions, systems and capacity:

- Restructuring of the funding arrangements for schools through the UPE Capitation Grant (and more recently the UPPET Capitation Grant) and the School Facilities Grant has increased funding available for the delivery of primary education, using the new decentralised institutional structure. The fact that SBS was non-traceable meant that parallel mechanisms were not created. This provided resources to schools, and empowered school Management Committees and head teachers. Although the Capitation Grant is tightly-earmarked to specific running cost items based on a line-item formula (and despite the fact that schools do not influence the allocation of the SFG) the greater focus on budgeting, financial management and financial reporting at school level has helped slowly to build capacity.

- The recent reinvigoration of the District Inspectorates as a mechanism to address poor learning achievement and low levels of 'quality' in primary education is emerging as an area of good practice. An evidence-based approach has been taken to identify and analyse weaknesses in service delivery systems/capacity and then to develop the policy response of strengthened schools inspection. It is still premature to attempt a proper assessment of the effectiveness of the initiative, but the early indications of its immediate effects are encouraging and the approach demonstrates a positive contribution from sustained and constructive SBS dialogue.
- Sustained provision of multiple SBS inputs (notably dialogue, conditionality, technical assistance and capacity building) on specific organisational groupings in the institutional framework for service delivery can have discernible influence and impact upon the capacity of those actors. The MoES Planning Department was cited by senior MFPED officials as an area of particular functional strength within the sector, described by one expert as 'the MFPED of the MoES'. The functional capability in MoES for planning, budgeting, monitoring and reporting is attributed in part to the SBS approach. Evidence is provided by the increasing robustness of the EMIS and the willingness of EFAG donors to rely more heavily on its monitoring/reporting data, and by the growing assertiveness of MoES vis-à-vis EFAG in sector dialogue centred on the ESR and the P&BW.
- A complementary achievement of SBS has been its role in facilitating a more disciplined approach by EFAG donors in their engagement with GoU. One result has been a strengthening of sector institutions at central government level and of cross-sector institutions such as the SWGs, ESC, ESR and P&BW.
- Good quality analytical work has been another positive contribution of EFAG donors. 'Technical Notes' from EFAG to MoES were not reviewed as part of this research study, but MoES Planning Dept noted the contribution that they had made to dialogue and to capacity building. The World Bank PER on efficiency in 2007 is a clear example of well-focused and time-relevant analytical work carried under a joint MoES-donor mandate. Although the World Bank is no longer an SBS donor, it does retain a strong interest in the education sector through the sector-specific conditions in its PRSC credit and through its participation in EFAG and its funding of secondary education projects to support UPPET. The PER mobilised a strong response from MFPED and MoES and a commitment by them to improve efficiency and value-for-money before committing to further expenditure growth in the primary sub-sector.

262. It is however in the area of service delivery institutions, systems and capacity that SBS has also been least influential and where some key lessons should be heeded for future engagement. Within MoES the focus of SBS inputs and EFAG donor attention on the Planning Dept has come at the expense of other institutional stakeholders within MoES and across the sector. A probable corollary is that EFAG has addressed itself disproportionately to strengthening of central policy and planning processes at the expense of dialogue and policy engagement with MoES on the nature of service delivery systems and institutions. This critique is threefold. It concerns:

- the balance of engagement among departments within MoES;
- the focus on central government rather than local government systems and institutions; and
- the development of central planning, budgeting and reporting systems ahead of decentralised delivery capability and incentives.

263. Another factor underlying this bias may have been the focus joint GoU-donor drive to scale up funding for UPE implementation on service inputs only. The earmarking of SBS funds to particular budget lines and projects in the early stages of the SWAp may have distracted attention

away from the need to invest in decentralised institutions³ and systems to manage those inputs. This imbalance has had serious implications on the efficiency of the use of increased sector resources to deliver services were not the highest priority issues for SBS donors until almost a decade after the start of the SWAp and first SBS programme. Evidence from recent studies points to the central importance of effective school management and district superintendence of schools as drivers of improved service delivery and better learning outcomes. These elements have not been targeted sufficiently well during the implementation of SBS.

4.4 Influence of SBS on Domestic Ownership, Incentives and Accountability in the Sector

SQ3.4: What has been the Influence of SBS on Domestic Ownership, Incentives and Accountability in the Sector, and what are the constraints faced and lessons learned in practice?

Influence of SBS on domestic ownership of sector policies (by policy-makers, implementers and service beneficiaries)

264. In his assessment of the education SWAp in Uganda over the period 1997-2003, Eilor (2004) defines ownership as *'the extent to which sector programme priorities are initiated and endorsed by government leadership, strongly backed by budget allocations, readily receive robust defence from government officials and the breadth of the support they receive from the masses and the political class'*. In its entirety that is a demanding requirement, but it does provide a framework to analyse evidence from SBS in Uganda for its effects on three dimensions of ownership: government policy leadership (and policy defence), government budget allocations, and support for sector policy. Isolation of the influence of SBS from that of EFAG or the wider SWAp is problematic so it is assumed that SBS donors have been the key protagonists within EFAG and that SBS makes a guiding contribution to the SWAp. Thus SBS can reasonably claim a share of the effects attributed to the SWAp and to EFAG.

265. The successive education sector strategies – ESIP 1998-2003, ESSP 2004-2015 and Re-costed ESSP 2007-2015 – provide a convenient lens through which to judge ownership. Eilor (2004) makes a case for the presence of GoU ownership of sector policy, at least at the level of primary education during ESIP 1998-2003, based on MoES-led development of the ESIP and the fact that the major UPE policy decision was a presidential declaration pre-dating the ESIP, the SWAp and SBS. It is apparent that macro-political (i.e. presidential) decisions such as UPE, UPPET and the 2006 increase in primary teacher salaries continue to be taken above the sector and beyond direct EFAG influence, which suggests the predominance of government policy initiative and leadership. Furthermore, presidential responses in 2009 to concern over the quality and use of UPE funds implies sustained domestic ownership of the UPE policy at the highest level.

266. Assessing the degree of ownership for ESSP 2004-2015 is complicated since it was quickly superseded by changes in the education policy agenda. EFAG efforts to harmonise and align their SBS inputs around the ESSP struggled to find relevance for GoU, largely because the financial assumptions in the ESSP were rendered obsolete by the UPPET announcement. However the UPPET announcement is evidently strongly owned. A Re-costed ESSP 2007-2015 (MoES, 2008) is in draft format and incorporates UPPET.

267. Shifts in sectoral and intra-sectoral budget allocation trends have reflected the evolving political priorities. Funding allocations to primary education increased rapidly following the UPE announcement. Similarly absolute funding levels for secondary education have increased

³ These include most notably district education offices.

following the introduction of UPPET. Sub-sector shares have changed in absolute and relative terms following these policy announcements. Where sector strategies have responded to these high level (i.e. the ESIP and now the re-costed ESSP) they have been more influential in guiding resource allocation.

268. There is observed evidence of GoU ownership of sector policies by senior staff in the MoES Planning Dept and to a similar extent staff in the central line departments. At a detailed process level, interviews with MoES officials suggested that SBS provided through the SWAp has strengthened ownership through a disciplined approach to DP-GoU engagement, relying on a formalised set of protocols through EFAG, SWGs and ESCC as well as harmonisation of missions and reporting requirements. That approach has created the space for MoES officials in the Planning Dept to assert their own leadership and to take full ownership of intra-sectoral dialogue on planning and budgeting issues. MFPED delegation of greater responsibility to MoES for intra-sectoral planning and budgeting has reinforced the MoES mandate (Magona, 2009) and suggests a complementary role by GBS dialogue. The consultative nature of the SWG has enhanced the sense of ownership since all major education stakeholders are given formal entry points to engage with the planning and budgeting process. The annual PBW is a prominent example. EFAG (including SBS donors) participates in these sector processes and forums as the sole mechanism for dialogue with MoES on sector policy issues. The crowding in of all DP dialogue into GoU's coordination structures has been important in establishing MoES as the lead player in sector policy. More disciplined harmonisation of EFAG activities, positions and engagement was a notable feature of the SWAp following the transition to SBS.

269. Senior MFPED and MoES staff and DP representatives emphasised the central importance of the Permanent Secretary in MoES to the effective leadership of sector institutions and processes, the strong ownership of sector policy-making, and the improvements in sector policy implementation. He has been in post throughout the period of the SWAp and is clearly perceived to have made a significant personal contribution to the positive developments in the education sector. A senior MFPED official writing about the comparative experience of sector-level reforms in Uganda concludes that *“sectors need strong technical leadership within government when establishing and implementing a SWAp, as well as political backing”* (Magona, 2009). It is difficult to judge whether the positive influence of SBS on domestic ownership is more because of the leadership shown by the PS (and his senior management team) over foreign assistance to the sector or because the shift to SBS under the SWAp has encouraged donors to align more closely with government policies and systems. A combination of both factors is probable.

270. Some doubts persist about whether genuine government ownership has been undermined by high dependency on foreign aid to the education sector and by greater donor policy influence exerted through progression to SBS/GBS (Eilor, 2004; IOB, 2008). However, since EFAG has tended to focus its efforts on processes and systems rather than on policy-making and implementation, any criticism that donors have colonised the policy space would seem unfounded. Indeed it may be argued that EFAG should have addressed itself more assertively to the policy challenges around education quality. Automatic promotion in primary education and prioritisation of UPPET introduction ahead of an increased learning focus at primary level both suggest greater ownership by GoU of an access agenda over a quality agenda. Similarly, the equivocation by MoES over genuine decentralisation of primary education administration and inspection suggests limited ownership by administrative cadres of the decentralisation model itself. Central bureaucrats have been reluctant to relinquish their roles and responsibilities (Gershberg and Winkler, 2003). EFAG and the SBS donors appear to have been complicit in the emphasis on access throughout the ESIP period and evidence does not emerge of donor pressure for greater decentralisation in the education sector. EFAG acquiescence in GoU/MoES sector policies in both these issues does rather imply that conflicts of ownership did not emerge as a problem precisely because EFAG did not contest GoU/MoES policies.

271. Information systems such as EMIS are considered to be Government systems and key consultative forums are driven by senior MoES officials – even if their development was funded by project support. That the EMIS underpins the dialogue and conditionality between GoU and EFAG to such an extent speaks not only to the mutual confidence in that system, but also to the ownership which EFAG donors have helped to build in MoES over the collection, analysis and reporting of management information. Allied to dialogue, conditions, harmonisation and alignment has been the central early role of technical assistance in the design and development of sector policy and review processes.

Influence of SBS on domestic incentives for policy implementation

Central Government Incentives

272. The judicious use of undertakings in the sector review process has helped to reinforce incentives on GoU to target and improve policy implementation. As noted elsewhere in this report, the major policy decisions in the sector have been taken outside the sphere of EFAG-GoU dialogue. The focus of attention by the Sector Working Group has been on the implementation of those decisions. To the extent that EFAG undertakings in the early period of the SWAp concentrated exclusively on increasing access to primary education, the incentives were aligned with GoU policy preferences and the undertakings reinforced MoES action. The results in terms of improvements in enrolment figures and ratios of pupils-to-teachers, pupils-to-classrooms and pupils-to-textbooks are impressive. Those improvements suggest positive contributory incentives by EFAG. The more recent shift in emphasis by MFPED and senior MoES officials towards a quality and efficiency agenda in primary education has been motivated in part by the findings of donor studies (e.g. Winkler and Sondergaard, 2007). That shift has been catalysed subsequently by a revision of Aide Memoire undertakings to target more directly improvements in educational attainment.

273. MoES officials interviewed for this study noted that the EFAG approach to designing the conditions used as performance undertakings in the joint *aide memoires* had matured over the period of the SWAp. Instead of excessively stringent conditions which were unrealistic and led to persistent non-achievement, the more recent approach by EFAG has been to decide jointly with GoU which indicators are within the realm of government control and achievable given GoU capacity constraints. Joint setting of performance targets has increased MoES incentives to achieve those conditions and represents a more intelligent approach to dialogue and conditionality than previous ‘hustling’ over unrealistic conditions. Conditions serve to reinforce government intentions over service delivery rather than diverting their efforts and encouraging counter-productive gaming of performance indicators.

274. The majority of donor support to primary education has been provided through a combination of SBS and imputed shares of GBS and it has used government systems. This has incentivised GoU to concentrate its efforts on delivering funding and services through its own channels (e.g. conditional transfers for UPE Capitation Grants and Primary School Facilities Grants). It has served to reveal weaknesses in the systems and distortions in the incentives which can then be discussed as part of the sector dialogue. That is not equivalent to saying that GoU systems have automatically or necessarily strengthened because of SBS, but the reduced distraction of externally-driven incentives to monitor and report on isolated project expenditures and results has pushed the incentive focus back to matters of domestic policy implementation.

275. SBS has relied directly upon government incentive systems by aligning with sector performance reporting and accountability structures. Although it is difficult to attribute exclusive responsibility for that initiative either to MoES or to EFAG, it is apparent that donors did play an important role in advocating the expected benefits of enhanced inspection. A recent report by the Evaluation Dept of the Netherlands MFA provides evidence in support of that conclusion and

shows that EFAG members were contemplating the same issues at least concurrently if not jointly with MoES.

Impact of changing revenue assignments on District incentives

276. The incentives on District politicians to target improvements in education sector outcomes and to provide leadership for reforms have been weaker than for central government politicians and officials. Given the centrally driven nature of UPE and UPPET reforms, failure to deliver can be attributed by district politicians to central governments. The abolition of the local government Graduated Tax effectively removed local government revenue-raising capability and completed the ongoing erosion in assigned revenues to District Governments. This exacerbated the problem of funding for district level education services and weakened the incentives on district politicians (and indeed civil servants) to take responsibility for driving policy implementation. They have been able to appeal more strongly to their local electorates and political constituencies by pushing for additional central grant funding and by directing criticisms about educational standards to central government.

277. SBS donors through EFAG have concentrated their funding through the GoU consolidated fund and have paid greatest attention to strengthening MFPED/MoES systems and processes for targeting increased funding levels on increased access to education. However, they have neglected to take proper account of the political economy of how fiscal imbalances affect the incentives of District politicians to take responsibility for the performance of decentralised service delivery.

Influence of SBS on domestic accountability mechanisms (and avoidance of competing requirements)

278. The analytical framework used for this case study defines domestic accountability according to five dimensions: *'(i) Parliament and Cabinet holding sector ministries accountable for the implementation of sector policies and services; (ii) the Ministry of Finance holding sector spending institutions accountable for the funds they have spent and results from that spending in the context of the budget process; (iii) sector ministries holding local councils and service providers to account for their performance; (iv) local councils holding their local administrations accountable for service provision; and (v) citizens holding service providers accountable for the delivery of services'* (ODI and Mokoro, 2008). The intention is to assess not only whether SBS inputs have made a positive contribution to those domestic processes, but also whether any additional donor accountability requirements have proved detrimental by causing SBS to 'derogate' from domestic processes and systems.

Pressure from the Executive, Parliament and official oversight bodies

279. Early on in the implementation of UPE, there was substantial interest of the President in ensuring the successful implementation of UPE. Presidential intervention in the 2000 education sector review, when districts refused to account for UPE funds, showed the concern. This also pointed to the influence of the sector review process, which SBS supports. A more recent example is the announcement in 2009, by the President, of a Commission of Enquiry into misuse of funds in the education sector. On the other hand, there is little direct evidence of the influence of cabinet on strengthening accountability.

280. SBS has been one of many factors driving or sustaining improvements in government disclosure of information on flows of funds and service delivery performance (Hubbard, 2007). Among those factors, the role of MoFPED has been especially significant as a driving force. As a

consequence of this increased information on budget allocations, funding releases and expenditure outturns, transparency has been improved and stakeholders outside the executive arm of government have begun to interrogate government policies, expenditures and service delivery in education sector more closely and more robustly. Parliamentary Select Committees, including the Parliamentary Committee on Social Services and the Public Accounts Committee have become better informed and more assertive. The Auditor General has started to bring up to date the auditing of historical government expenditure, which has supported the work of the PAC.

281. A good example of the stronger role by Parliamentarians in holding Government to account was an MP's question in the House in February 2009, asking the Minister of Education why more than ten years after the start of UPE the PLE results for schools in Kampala were now lower than in the prior UPE period. The written response from MoES was not available at the time of the present study, but it is apparent from other recent questions from MPs that parliamentary political pressure for results and improved value-for-money exists and is becoming more vocal. Senior MoES staff interviewed for this study were reluctant to accept full accountability for this failing in primary education quality. Local government, teachers and communities were all cited as jointly culpable. MoES officials noted some calls for recentralisation of the District education management function back to MoES as a means of aligning responsibility with perceived accountability, but it was not thought a likely policy response.

282. Credit for the growing strength of domestic accountability in Uganda through official horizontal (e.g. parliamentary) channels is not heavily attributable to SBS inputs because the intervention logic of SBS targets sector systems and institutions. Broader, cross-cutting PFM and accountability should be the focus of GBS dialogue, conditions and technical assistance. The 2006 joint evaluation of GBS in Uganda offered only a modest assessment of the contribution to improved accountability of public expenditures (Lister et al, 2006) and presented evidence of detrimental actions by GBS donors (see Box 11). Nevertheless, technical assistance and capacity building inputs targeted on the Office of the Auditor General and on the Parliamentary Public Accounts Committee were starting to make a discernible contribution by 2008 (Hedger and Blick, 2008). Major progress by MFPED with the performance orientation, presentational quality and accessibility of budgetary information and reporting has further stimulated domestic accountability. SBS has provided complementary inputs by aligning the donor accountability requirements through the SWAp with domestic processes. Increased reliance is placed on Budget Performance Reports from MFPED, audit reports from the OAG, and on PETS reports commissioned jointly by MoES and EFAG.

Box 11: Donors inadvertently undermine accountability in the budget process

The increased interest of Parliament in the budget process, following the passing of the Budget Act in 2001, should be seen as an important opportunity to strengthen the role of Parliament in resource allocation. During the 2004/05 budget process, the Cabinet (as it was entitled to) made changes to the proposed allocations in the budget framework paper before it was tabled to Parliament.

Development partners were unhappy about the changes, and used the opportunity of the annual Public Expenditure Review meeting to express their concerns. It so happened that Parliament's views were very similar to those of donors, but it was the donors, not Parliament that caught the newspaper headlines ("Donors Reject Budget"). This enabled the executive to criticise the donors' interference in Uganda's sovereign budget process, while the role of Parliament was all but ignored in the press.

If the development partners had held consultations with Parliament beforehand, and had publicly supported Parliament's stance, which was remarkably similar to that of the development partners, then this could have provided an opportunity to reinforce democratic accountability, rather than drawing criticism from the President.

Source: Lister et al (2006)

Media dissemination of sector analytical work

283. A World Bank report (Winkler and Sondergaard, 2007) on the efficiency of public expenditure on primary education was widely reported in the national media. It attempted to estimate the 'leakages' or loss of funding to service delivery as a consequence of ghost teachers and teacher/head-teacher absenteeism. The coverage drew no comment from the Minister of Education, *"I need to re-read it [the report] because I had not put emphasis on the UPE funds"*, but prompted a typically robust response from MFPED through the Deputy Secretary to the Treasury that UPE funds *"are not supposed to be diverted or reallocated by anyone"* (The Monitor, 13 November 2007). In this case, the EFAG DPs played a clear role in leading the underlying research and then in disseminating the report findings so that they were picked up by the media. It is interesting to note also that the report was written with the full assistance and support of the MoES Planning Dept, which is acknowledged as sharing with MFPED concerns about efficiency and value-for-money of sector expenditure.

284. It was not possible to determine from the present research study whether SBS inputs have contributed a sustained or systematic influence upon stronger media-driven domestic accountability for improvements in sector policy-making, policy implementation and results. A less ambitious judgement concerns whether MoES accountability to remaining SBS donor for expenditure and results crowds out the influence of the media upon GoU domestic accountability. Newspaper coverage following the A-level results in March 2009 was striking for its omission of any reference to DP funding or conditionality in the education sector (Sunday Monitor, 1 March 2009). The main article was critical of GoU for failing to retain 90% of the UPE 'pioneers' who were enrolled at P-1 level in 1997 through to S-6 level at the end of secondary education in 2008. Although it offers no evidence for the influence of SBS on domestic accountability, that coverage does demonstrate that EFAG demands for external accountability have not crowded out the domestic process.

Pressure from service end-users and civil society

285. The ambiguous division of responsibilities between central government, District governments and school management for education service provision complicates the lines of domestic accountability to service users. One senior MoES official noted that tensions in the decentralisation reforms emerged during the early stages of implementation following the 1997 Local Government Act. A major challenge is that central government appears reluctant to delegate effective powers to Districts for primary education out of concern that criticisms over performance would still be directed at MoES and national politicians, even if District governments were in fact responsible. Comparative evidence from countries and sectors across the OECD validates that concern and bears out the probability that there would be a lag in public recognition that the locus of power and accountability had shifted between tiers of government (Accenture, 2008). Thus central government would continue to bear the political costs of any under-performance by local government with respect to that service, at least in the short term.

286. Despite the evidence from studies in Uganda that a strengthened role for decentralised levels of government and frontline agencies (especially District administrations and School Management Committees) in the management and supervision of education is positively correlated with improved educational outcomes, MoES has resisted strengthening the remit and funding of the DEO function (IOB, 2008). Strengthened local government and school-level accountability for service delivery and educational performance seems not to have been targeted as an objective of the dialogue between SBS donors and GoU. The tension between centralised and decentralised primary education management remains unresolved, despite the documented effectiveness of the SWAp in other areas. The impact of public demand for reduced leakages in the period 1994-2001

is well documented (Reinikka and Svensson, 2004), although it has since been argued persuasively that the ‘power of information’ was only one among several factors motivating the reduction in leakages (Hubbard, 2007).

287. Assessing the influence of SBS in that context of ‘decentralised’ primary education in Uganda is problematic. At a local level, the disengagement of donors from direct interventions and their relocation upstream in the policy and performance framework removes obscurity from the lines of accountability by Districts, sub-Counties and schools to service users. However, the greater role of EFAG donors in strategic sector dialogue through the Joint ESR, the PBW and other forums does risk a tripartite dominance by MoES, MFPED and EFAG at the expense of civil society groups, PTAs and individual parents. At the most recent PBW in February 2009, the contribution and influence of CSOs through the Forum for Education NGOs in Uganda (FENU) appeared limited. A representative of FENU noted separately that the transition to SBS and the strengthened role of EFAG donors in sector policy dialogue with MoES have offered local education NGOs limited influence over issues such as funding to support children with learning difficulties because it happens not to coincide with donor priorities.

School-level governance

288. The World Bank PER (Winkler and Sondergaard, 2007) highlighted two weaknesses in accountability mechanisms at the primary level: limited formal opportunities for community participation in monitoring school budgets and performance; and an ineffective district-level schools inspection function. International evidence analysed by the Bank team emphasised the importance of active parental contribution through School Management Committees and Parent-Teacher Associations. Gershberg and Winkler (2003) quote studies from 2000 which suggest that the SMC in particular is the most important governance mechanism for dealing with education at a local level. IoB (2008) notes the valuable role of PTAs in the management of schools and cites statistical evidence from Masindi District to demonstrate its impact. However, an ESA report in 2004 found that only 47.8% of SMCs meet as often as twice per term and only 38% of PTAs meet that regularly. The EFAG response to these concerns about school-level governance and to the implied policy response of strengthening parental and community engagement has apparently been a reversion to project assistance through the Quality Education Initiative (QEI) and other similar activities. The decision by the remaining SBS donor not to address this issue through non-financial SBS inputs was not explained, but suggests a perceived inability of SBS to offer an effective response to the challenges of improving school-level governance and accountability to parents and communities.

289. Head teachers interviewed for the present study argued for a stronger role by communities and parents in the schooling of their children, but observed that the introduction of universal education at primary and secondary levels had led to a parental perception that they should bear no costs associated with education. The MoES position that parents should provide uniforms, writing materials and school meals for their children has not been widely accepted. The issue of ‘school feeding’ is especially political, but it is not clear that any group has taken responsibility or feels accountable. MoES does not have sufficient budgetary resources to include provision within the Capitation Grants; District administrations have no discretionary funds for school operations; schools are proscribed from charging for lunch provision to avoid the risk of teachers extorting funds from parents and children; and parents either find the cost unaffordable or refuse on principle to contribute to an education system which is understood to be ‘free’. There is compelling evidence about the under-performance of pupils as a result of hunger. MoES and EFAG have both acknowledged the problem and have pushed for its resolution through political action to persuade parents to take responsibility, but this message has not been taken up strongly. SBS funds have been insufficient to resolve the issue, nor would they represent a sustainable response, and dialogue to date has not produced any policy shift or local-level response.

District inspection as a mechanism for domestic accountability

290. There has been greater success in the area of schools inspection. Formally, the District Education Officer should be responsible for the inspection of all government-funded and private sector schools within the purview of that district. The DEO receives a budget allocation from the conditional block grant provided by central government to each District and Municipality for recurrent and capital expenditures. In practice the funding made available to the DIS has been unpredictable and insufficient to cover costs of the required number of inspectors, and the vehicles and fuel needed for school visits. It is clear that without good quality and reliable information on school performance there can be little prospect of effective accountability mechanisms from school management upwards to Districts (i.e. DEO and CAO) and to MoES, horizontally to Local Councils, and downwards directly to parents and communities.

291. The World Bank report offered a rather unspecific recommendation about strengthening local governance in the absence of additional funding to address the failures in inspection. In fact, GoU has recently decided to act more directly and decisively by targeting additional central government funds to the DIS through the MoES Directorate of Education Standards. Since 2007/8 an earmarked grant has been made to the District Administration for exclusive use on schools inspection. Jinja and Iganga Districts have both reported receipt of substantially increased funds for the DIS. There has been a strong substitution effect in Iganga, with the previous budget of UGS 250k-500k per year reallocated. In Jinja, the UGS 3.9m already received through the normal grant allocation has been retained so that total inspection funding was UGS 18.9m. It is too early to discern the impact of this initiative upon educational performance and school standards, but there was some observed evidence of increased professionalism by the DIS staff and a perception by head teachers of a stronger inspection function which was also more constructive in approach. Accountability for use of funds by the DIS is now direct to the Directorate of Education Standards in MoES.

292. Government officials interviewed asserted that the initiative had emerged from within MoES and had then been brought into the dialogue with EFAG. Clear attribution may not be possible, but it is perhaps unnecessary to establish more than the fact that district schools inspection has become a focal point of dialogue and action in the SWAp. It is expected to result in greater accountability, but there are now second-order concerns about whether DEOs have sufficient administrative capacity to use effectively the findings and recommendations of the DIS. The conclusions of a recent impact evaluation of NGO support to the district education department and selected primary schools in Masindi District show that even relatively small investments in resources and expert assistance for school management and for school supervision by Districts can have a statistically significant impact on educational achievement by pupils.

Lessons learned

293. Several areas of positive influence are apparent from the assessment of SBS effects on ownership, incentives and accountability in the sector.

- SBS has not usurped the policy prerogative of GoU/MoES. Policy alignment has proved to be largely successful and effective, with SBS inputs supporting the implementation of GoU sector policies and advising on adjustments to those policies in order to improve their effectiveness. The explanation for this ease of alignment may be incapability as much as intent. The major policy decisions in the sector over the SBS period have all been made by the President without reference to donors or necessarily to MoES officials.
- The institutional framework for SBS within the SWAp and EFAG has lent itself naturally to the emergence of MoES Planning Dept as the leading influence in sector dialogue and has

served to strengthen the ownership by MoES of sector planning, budgeting, monitoring, evaluation and reporting.

- Development of the EMIS as a shared source of management information on education sector performance has contributed to positive MoES ownership, incentives and domestic accountability. It demonstrates how the package of SBS inputs can be applied in combination to achieve positive influence on sector processes.
- There has been careful and collaborative design by EFAG and MoES of 'undertakings' to be included in the SWAp performance framework which triggers SBS disbursements. Consequently both sides are committed to the conditions and they cover issues which are independently the priorities for GoU/MoES. Government ownership of the undertakings serves to align incentives between SBS donors and MoES officials in a way that builds domestic commitment to policy implementation.
- Funds disbursed under SBS programmes have been subject to government systems for budget preparation and execution, accounting and reporting, and external audit. That alignment with government systems has avoided the risk of distorted incentives and has focused attention on policy implementation processes and systems. Minimal derogations from government accountability systems have largely succeeded in keeping attention focused on domestic accountability stakeholders.

294. Set against those good practices are some areas of lesser success which offer lessons for future SBS design and implementation.

- Although SBS donors can make a reasonable claim to have acted in a way which fosters government ownership of sector policies, there is some evidence that they have not been sufficiently robust or assertive in raising concerns about the focus of MoES sector policy. The imbalance between access and quality during the first decade of UPE implementation registers in EFAG-MoES dialogue records, but the undertakings included in the joint aide memoires continue to focus on access and equity until well after the conclusion of the ESIP in 2003. That suggests broad consensus between EFAG (including SBS donors) and MoES on the thrust of policy direction.
- EFAG donors have neglected to take proper account of the political economy of how fiscal imbalances affect the incentives of district politicians to take responsibility for the performance of decentralised service delivery. By focusing attention on MoES as the exclusive driver of sector performance through a centralised delivery model, donors have disregarded the decentralised model on which primary education provision is based. Misalignment of funding and functions at the District level has distorted incentives and accountability, with the issue compounded by the erosion of local government revenue capacity. The central government aversion to delegated discretion may be based on fears of inadequate current capacity, but the centralised response has served to entrench the status quo and to leave some of the key drivers of improved service delivery neglected.
- An emerging donor response to the weaknesses in service quality at primary level is to pursue a strategy of increased diversification of aid instruments. The remaining SBS donor has started to design project interventions alongside continued SBS programmes. In at least one case, the project is off-budget. This may undermine the gains made towards strengthening the accountability of government for performance.

5. The Effectiveness of SBS and the Conditions for Success

5.1 The Main Outputs of SBS

SQ4.1: What are the main contributions that SBS has made to the improvement of sector policy processes, public financial management, sector institutions, service delivery systems and accountability?

295. Even allowing for a judicious approach to the matter of attribution, it is clear that SBS has made a substantial contribution to sector processes between 1998/99 and 2008/09, and especially in the first half of that period. That contribution may be characterised in two ways: 1) decisive additional contributions to education sector processes which probably would not have occurred in the absence of SBS; and 2) supportive or catalytic contributions to sector processes where SBS 'worked with the grain' to consolidate or accelerate emerging developments or existing dynamics. In the case of SBS to the education sector in Uganda, the balance of contribution probably falls into the second category. That partly reflects the efforts to avoid derogations by targeting alignment and non-distortionary practices, but it also reveals a strategic policy agenda driven GoU and the role of the EFAG donors as a source of development financing and technical advice rather than strong leverage over policy and systems.

296. Based on the evidence and analysis from the SBSiP study, the major positive contributions to sector policy processes, public financial management, sector institutions and service delivery systems, and accountability are presented below.

- Sector policy processes – Notable improvements have emerged at central government level through the engagement between SBS donors and MoES on policies, planning and costing. A more harmonised, systematic and sustained approach by multiple donors in the period from 1998/99 both incentivised and supported the Planning Dept in MoES in particular to take a leading role in the development of successive multi-year strategies for the education sector – the ESIP and ESSP. The natural alignment between EFAG and GoU on policy priorities during the ESIP period, together with early establishment of the institutional arrangements for the SWAp, also permitted a common focus on detailed policy development to deliver UPE. The limited earmarking of funding inputs from SBS boosted GoU budget comprehensiveness and discretion to allocate resources to highest priorities in the sector and this – along with the greater engagement of MFPED in sector planning – improved the quality of the sector budgeting process. The availability and robustness of data on sector performance benefited from technical support by SBS donors to the EMIS. Finally, enhanced participation in sector policies was encouraged by the SBS package and served to enhance the quality and inclusiveness of those processes as a result, with parliamentarians, officials from MFPED, MoLG and MoPS, and civil society and NGO representatives all participating in dialogue on sector policy planning and performance reporting.
- Public financial management – Use of domestic systems for procurement, accounting, reporting and audit, with minimal derogations, has served to strengthen those systems and to promote them as a key area of GoU reform action. The synergy between SBS dialogue on sector PFM systems and GBS dialogue on whole-of-government PFM systems has provided an important reinforcing mechanism, although GBS remains the primary domain for engagement on PFM strengthening. Progressive reliance by SBS donors on GoU expenditure tracking, financial reporting and external audit has elevated the importance of those underlying systems and processes from the perspective of all stakeholders, including politicians up to the level of the President. Lesser attention has been paid to strengthening financial management at District level and that remains a key weakness despite the long track record of SBS to the sector.

- Sector institutions and service delivery systems – The substantial funding channelled to the education sector through SBS and imputed shares of GBS was used principally to boost capacity in the education sector to deliver UPE targets. Sector institutions at central government level have been strengthened selectively by virtue of their engagement with EFAG as part of the SBS package (see earlier comments on MoES Planning Dept.), but that has not cascaded to increased capacity of institutions and systems at district and school levels. Attention at different ends of the spectrum to strategy issues and detailed challenges to ‘access’ has succeeded in building strong capacity for planning, monitoring and reporting on the one hand and has boosted substantially the supply of schooling capacity (e.g. textbooks, classroom, teacher) on the other hand. SBS has been an important contributor to both achievements, but neither has proved sufficient to really address local service management and delivery. One emerging area of progress to which SBS donors have laid some contributory claim is increased funding for district inspection. Evidence from pilot studies shows it to be a driver of sector performance and SBS dialogue has encouraged MoES to prioritise it.
- Accountability – The contribution of SBS to GoU ownership, incentives and accountability processes lies as much in its avoidance of damaging and distortionary practices as it does in specific measures intended to bolster accountability. With such a dominance of funding, technical expertise, reporting obligations and stakeholder numbers, the fact that SBS donors largely succeeded in privileging domestic ownership and promoting domestic accountability is itself noteworthy. Despite some tendencies to insist on excessive conditionality, most of the ‘undertakings’ negotiated by EFAG with MoES were aligned to consensus objectives. GoU did lag behind EFAG in pushing more recently for attention to learning achievement in primary education, but GoU (principally through MFPED) has been the major driver of efforts to increase operational efficiency of sector expenditure. From another angle, the strong emphasis of use of country systems has caused SBS to rely increasingly on GoU financial accountability mechanisms, such as the Auditor General and the Public Accounts Committee, to provide assurance about the proper use of SBS funds. Where SBS has succeeded less well is in strengthening the accountability for financial management and service delivery at district and local levels. By prioritising central government stakeholders and by viewing service delivery exclusively in terms MoES principals and school level agents, the political economy of delivery has been insufficiently acknowledged and the role of the DEO has been weakened.

297. Set against these positive contributions are the areas where SBS has either been less successful in contributing to improvements in sector processes or where it has failed to have an effect or even risked a detrimental influence. In the case of SBS to education in Uganda, the scorecard suggests that missed opportunities and partiality of focus have been the biggest areas of failure. Two clear examples are the priority given to schooling access over quality and efficiency in primary education, and the neglect of service management and delivery issues at district level. A stronger criticism framed in terms of the ‘agency’ of EFAG donors approaches is the reversion to project interventions by former SBS donors in response to lagged concerns over quality, rather than the renewal of SBS approaches to give better effect to non-financial inputs. Since many of the former SBS donors were simultaneously GBS donors and/or project donors, what is significant here is the evolving balance of funding across the modalities in their sector portfolios.

- Neglect of Quality and Efficiency Concerns A criticism of SBS is the relative inattention that has been paid to the quality of primary education. The initial focus of sector policy, planning and budgeting as articulated through ESIP 1997-2004 was on scaling up the provision of basic education and increasing the rates of enrolment and completion. A greater balance has been sought since the development of the ESSP in 2004 towards the quality and efficiency of the education system and education expenditure. Nevertheless, learning achievement remains stubbornly behind improvements in access. The quality of service

delivery in the education sector, as measured by the learning achievement of pupils (e.g. P-3 and P-6 assessments and P-7 PLE exam), remains low despite the substantial scaling up of recurrent and investment expenditures in the sector following UPE and UPPET.

The fact that 'quality' was on the ESR agenda for so long before it was singled out by EFAG and GoU as an issue for priority attention suggests consensus in an approach that sequenced quality after access. It may be the case that the non-financial SBS inputs paid insufficient early regard to investigation of the challenges to improved learning achievement and that the DPs addressed themselves more strongly to tangible issues such as classroom construction, textbook procurement and teacher recruitment/training in line with GoU policy. Although SBS has contributed to a strengthened forum for performance monitoring and reporting through the ESRs, the acquiescence in GoU sector policy priorities has diminished EFAG's critical voice in that forum.

Greater early attention could also usefully have been paid to operational efficiency issues. With such a rapid scaling up of funds by donors and GoU following UPE introduction, value-for-money concerns did not feature prominently and wastage in the system went unchecked and unaddressed until a thorough PER was undertaken in 2007. SBS dialogue and TA should have targeted this issue at an early stage and earlier attention could have been paid to analysing the unit costs of outputs from UPE expenditure supported by SBS and GoU domestic revenues.

An apparent conclusion is that SBS has facilitated rather than driven education sector reforms in Uganda. Where DP preferences have coincided with those of Government politicians and policy-makers, progress has been rapid. Now that GoU has turned its attention to quality and efficiency issues across the education sector and has found support from EFAG donors to pursue that agenda in tandem with UPPET, improvements may be more likely to emerge. Early evidence of new initiatives includes the expansion and capacity enhancement of the District Inspection Service and the implementation of the new thematic curriculum progressively across P-1 to P-7. However, the point seemingly remains that SBS donors were either complicit or neglectful of two critical matters in primary education: quality and efficiency.

- Disproportionate Focus on Central Government Processes over Local Service Delivery Systems As discussed elsewhere in this paper, primary attention by SBS donors has been directed to policy, planning and budgeting at the central government level and the MoES Planning Dept, to teacher recruitment, teacher training and instructional materials, and to school level capacity issues in terms facilities and teachers. Until recently, lesser emphasis was given to curriculum development, although that is now being addressed through the new thematic curriculum. What has apparently received least attention and priority by SBS inputs is district level service planning, management and inspection. The model for UPE implementation disregarded the district government tier as a substantive component in the delivery chain for basic education and the financing mechanism of the UPE Capitation Grant excluded any role other than a simple pass-through arrangement for District engagement. Funding for DEOs and DISs has suffered steady erosion.

Only recently has recognition of the failures in terms improved educational attainment caused GoU and SBS donors to examine more seriously the potential role sub-national governments in securing improvements to quality of school-level delivery. None of the package of SBS inputs has been directed substantially or consistently to the District level and that seems to represent a failing on the part of SBS donors and EFAG more widely to contribute fully and coherently to the systemic challenges of improving education sector processes.

- **Retreat from SBS Back to Projects** It is only recently that the disciplined avoidance of separate parallel systems appears to have weakened, with some DPs deciding to move part of their assistance into projects and off-budget support to the PRDP in Northern Uganda and to the Quality Education Initiative (QEI). The reasons are partly political (relating to Dutch Government commitments to reconstruction in the North) and partly a reaction to DP frustration over the persistence of low standards of educational attainment in primary education and a desire to balance the portfolio with more direct technical intervention. It was not clear from interviews to what extent those 'projectised' activities could be provided as non-financial inputs rather than as separate instruments.

The chosen approach suggests an excessively narrow appreciation of the possibilities for SBS design and threatens to historical gains in harmonisation and alignment. It appears to isolate the financial component of SBS and to disregard the option of rebalancing the SBS package between funding and technical assistance, capacity building, dialogue and conditions. It seems also to exclude the intermediate possibility of tolerable derogations from use of country systems within the context of an SBS package, in favour of a wholesale rejection of country systems through recourse to a project modality. In that sense there is a considerable risk of (re-)introducing distortionary practices through off-budget project modalities without exploring fully the possibilities for a redesigned form of SBS which might avoid some of the negative indirect contributions of projects.

298. When considering these critiques of the SBS contribution to sector outputs, it is important to note that the technical staff capacity and the degree of staff continuity of donor agencies at country level will have been influential in translating donor intention into effective donor intervention. The GBS evaluation (IDD, 2007) noted this issue as a critical hindrance on results from GBS.

5.2 The Sector Outcomes Influenced by SBS

SQ4.2: Have the improvements in sector systems and processes to which SBS has contributed, had a positive influence on sector service delivery outcomes, and are they likely to do so in future?

299. The major improvements in sector service delivery outcomes over the period of study relate to the dramatic scaling up of enrolment in primary education and the broadly equitable incidence of that access across regional, income and gender differentials. Scaling up of access to secondary education was also pronounced, albeit to a lesser degree.

300. The near-exclusive focus of SBS on primary education over the study period requires an exclusive analysis of the extent to which SBS inputs to education sector systems and processes contributed in turn to the improved outcomes in primary education only. The direct contribution of SBS funding to primary education inputs was crucial in expanding access. As mentioned in section 4.1, between 1997 and 2003, SBS contributed to 48% of the increases in sector expenditure. Box 12 describes the additional inputs to frontline service delivery in primary education, a significant share of which funded by SBS early on. The observed positive influence of SBS on sector policy processes, public financial management, delivery systems and accountability enhanced the efficiency by which access was improved.

Box 12: Key inputs in primary education since UPE introduction

A recent evaluation of primary education in Uganda carried out by the Dutch Government (IOB, 2009) summarised the main interventions in the primary sub-sector as follows:

- Recruitment of 40,000 primary school teachers;
- Increasing the number of trained teachers through the Teacher Development Management

System (TDMS);

- Construction of 84,500 classrooms;
- Adopting a law to prosecute head teachers imposing unauthorised school charges;
- Development of a national strategy for girls' education in Uganda, with the purpose of mainstreaming girls' concerns in education;
- Establishment of 45 Primary School Teachers' Colleges (23 core; 22 ordinary);
- Investment in instructional materials: textbooks have been provided to all government-aided primary schools to introduce the new curriculum;
- Provision of furniture to primary schools;
- Building efficient education inspection capacity at MoES and in local governments; and
- Enriching the primary school curriculum with agriculture, production skills, performing arts and physical education.

Source: IOB (2008)

301. However, it should be remembered at this juncture that the primary education sub-sector exhibited persistent weakness over this period in the quality of education as assessed by learning achievements such as literacy, numeracy and test scores. Moreover, the achievements in education quality such as they did exist were not equitably distributed across regional, income and gender differentials. It is useful to note also here that operational efficiency and value for money in the sector remained limited throughout the SBS period too.

302. This section questions how far the package of SBS inputs contributed indirectly to the positive achievements noted above. From the foregoing analysis, it seems clear that SBS (and the imputed share to education from the GBS programmes which evolved out of SBS) facilitated the scaling up of primary education capacity which made the increases in enrolments possible. Through a combination of un-earmarked and notionally-earmarked funding, SBS and GBS supported investment in new facilities, upgrading of existing facilities, procurement of instructional materials, training and recruitment of new teachers, and running costs for schooling a rapidly multiplying pupil population. Alongside the flow of funds effects, the non-financial SBS inputs supported MoES to translate the Presidential strategic policy imperative of free universal primary education into systems and processes of policy-making, planning, budgeting, monitoring and reporting through the education SWAp and the ESIP, ESSP and ESSP-2. Policy dialogue, conditionality, technical assistance, capacity building, coordination and harmonisation all served to enhance MoES implementation of the access agenda and to ensure highly-inclusive coverage of primary education.

303. SBS certainly cannot claim an exclusive contribution to these achievements, but it seems reasonable to argue that it was instrumental in allowing the scale-up to proceed as rapidly as it did. The UPE Capitation Grant, the Primary Schools Facilities Grant and the payroll for primary-level teachers could not readily have been afforded by GoU in the early period following UPE introduction, without funding from SBS and GBS donors.

304. What are the prospects for SBS inputs contributing in future to better sector systems and processes which are capable of addressing successfully the challenge of improved quality in education and, ultimately, better literacy and numeracy levels? At this juncture, the question may have become largely academic because SBS has ceased to be a major feature of donor support to the education sector in Uganda. Instead, it has been supplanted by a combination of GBS and project aid. A defensible position on the hypothetical future contribution of SBS may be linked to the question of whether the institutional arrangements for GoU-donor engagement through the SWAp can be sustained in the absence of SBS as a significant factor. It is likely the SWAp will be an important vehicle for tackling education quality throughout the sector as the returns to expenditure in both primary and secondary are challenged, but it is questionable whether the SWAp will function so effectively in the absence of SBS.

6. Conclusion

Primary Study Question:	How far has SBS met the objectives of partner countries and donors and what are the good practice lessons that can be used to improve effectiveness in future?
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SBS achievement of partner country and donor objectives

305. It is difficult to offer a single definitive response to the question of whether SBS to education in Uganda has met its objectives. The experience spans a period of ten years and has involved eight different donor agencies and a similar number of domestic stakeholder groups. The objectives of each of those parties, even if clearly articulated at the outset, have evolved and developed during the period studied.

306. However, some tentative conclusions may be drawn against the background of the major GoU policy initiative which established the rationale for donors to provide SBS originally: free universal primary education. Based on that policy objective, SBS was intended to offer scaled up funding to support achievement of the UPE target and to deliver a package of non-financial inputs and direct effects which would support GoU, the education SWAp, and the sector systems and processes associated with UPE implementation. In terms of that shared objective during the early period of the new instrument, it seems clear that SBS succeeded in its immediate aim of facilitating the scale-up of primary education capacity to accommodate greatly increased demand for basic education.

307. As to the subsequent aim of tackling the deficit in primary education quality, it is necessary to add the qualification that SBS declined in both total volume and number of providers following the early period after UPE introduction. The influence of the package of SBS inputs, including the influence of the donors themselves on sector systems and processes and less directly on sector outcomes, may therefore have diminished at precisely the juncture when greater influence was required to tackle the substantially more complex and challenging objectives of improving primary education quality and guarding against diversion of focus to secondary education following the announcement of USE.

308. Against these 'second-round' objectives, SBS has not proven so effective and its scale and participation have failed to recover since the surge between 1998/99 and 2003/04. The non-financial SBS inputs have not proven so adept at addressing inadequate learning outcomes as they were at boosting the supply of classrooms, textbooks and trained teachers. From the perspective of GoU, SBS has been a flexible and responsive aid instrument which also satisfied the broader 'Partnership Principles' by transforming rapidly into GBS from the largest donors. It is unclear however whether MoES regards SBS as having succeeded beyond the limited objective of providing increased funding to the sector.

Lessons learnt and recommendations for improvement

309. Table 11 presents a summary of those SBS practices which the evidence from this study shows to have contributed positively and negatively to sector processes, outputs and outcomes. It is not an exhaustive analysis, but it does highlight the point that many of the practices with positive effects are concentrated in the domain of 'sector policy, planning, budgeting, monitoring and evaluation'. By contrast most practices yielding negative effects – or at least failing to promote positive effects – are found in the domain of 'capacity of sector institutions and systems for service delivery'. The foregoing analysis in Section 4 bears out that conclusion by revealing that greatest attention by EFAG and SBS donors was directed to upstream engagement with central

government stakeholders and that the most-neglected dimension by those donors was education management and inspection at the District level.

Table 11: Summary of Practices with Positive and Negative Effects

Domain	Practice with positive effects	Practice with negative effects
Sector policy, planning, budgeting, monitoring and evaluation	<ul style="list-style-type: none"> ✓ Multi-donor adoption of SBS as preferred modality ✓ Rapid shift towards GBS by donors where permitted by their HQ procedures ✓ Fast and significant scaling-up of donor funding for education sector, partly associated with PAF introduction ✓ Conditionality requirement for minimum shares of government expenditure (incl. SBS) to education sector and specifically primary education ✓ Coordination of all sector donors through EFAG ✓ Establishment of 'Partnership Principles' for donor-government engagement through MoU ✓ Formalised bi-annual (and subsequently annual) joint review process ✓ Annual sector planning and budgeting workshop between sector MDAs, MFPED, EFAG and NGOs/CSOs ✓ Strong participation of MFPED in sector planning and budgeting processes, esp. through annual workshops ✓ Strong donor-GoU combined input into development of implementation strategy for UPE ✓ Donor requirements for additionality of SBS funds ✓ Use of GoU's own management information and reported data as the basis for donor monitoring 	<ul style="list-style-type: none"> ✗ Almost Exclusive focus of SBS funds on primary sub-sector through notional earmarking ✗ Recent preference by SBS donors to balance aid portfolios with project assistance ✗ Emphasis of early dialogue on access to primary education rather than on educational achievement (i.e. quality)
Procurement, expenditure, accounting and audit processes	<ul style="list-style-type: none"> ✓ Good use of government systems by SBS, through feeder account into the Consolidated Fund – SBS on budget, on procurement, on treasury, on accounting, on reporting, etc ✓ Adoption of joint PETS as mechanism for assessing extent of 	<ul style="list-style-type: none"> ✗ Improvements in predictability of disbursement of sector aid not evident following shift to SBS ✗ Lack of focus on efficiency of primary education expenditure until several years into the SWAp and SBS

Domain	Practice with positive effects	Practice with negative effects
	<ul style="list-style-type: none"> any leakages in flow of funds to serviced delivery units ✓ SBS donor reliance on reports by OAG as basis for financial accountability ✓ GBS reliance on SBS undertakings as disbursement trigger ✓ SBS has relied on GBS inputs to address PFM system reform in MFPED 	<ul style="list-style-type: none"> ✗ GoU emphasis on scaling up and ensuring provision of schooling through classroom construction, etc ✗ SBS has not focused on FM systems at district level
Capacity of sector institutions and systems for service delivery	<ul style="list-style-type: none"> ✓ Significant scaling-up for funds to primary schools (since 1997) and to secondary schools (since 2006) through Capitation Grants ✓ At least one new donor entrant to sector intending to use SBS ✓ Direct MoES funding increases to district inspection through conditional grant allocation 	<ul style="list-style-type: none"> ✗ Negligible focus by SBS inputs - funding channels, dialogue, conditionality and technical assistance - on local government institutions and systems for service delivery ✗ Very limited use of technical assistance in mix of SBS inputs (assuming that need was not articulated or demand not met) ✗ Lack of technical assistance to DEO and staff at District level ✗ Erosion of capitation grants to primary schools over period 1997/8-2008/9 ✗ Absence of a systemic focus by donors and lack of dialogue on institutional arrangements to improve quality ✗ Heavy focus on dialogue and GoU-donor engagement forums
Domestic ownership, incentives and accountability	<ul style="list-style-type: none"> ✓ Major policy initiative and priorities developed outside the donor-GoU dialogue framework ✓ GoU not heavily influenced by donor preference on thrust of policy making ✓ EFAG donor requirements for robust and transparent monitoring and reporting of resource use, as a condition for SBS/GBS disbursement 	<ul style="list-style-type: none"> ✗ All funding targeted on central GoU budget and reinforcing dominance of inert-governmental grants as mechanism for funding education delivery ✗ High dependency on foreign aid (incl. SBS) to sustain expenditure levels in primary and secondary education sub-sector
Partnership and aid management	<ul style="list-style-type: none"> ✓ Appointment of rotating lead EFAG donor ✓ Establish of joint-donor and donor-GoU forums ✓ High quality sector dialogue process and high quality dialogue during early period of SWAp 	<ul style="list-style-type: none"> ✗ Increasing preference for projects and some move away from SBS

Source: Annex 2

310. Some good practice lessons and recommendations emerge from the analysis and are relevant for future SBS to the education sector in Uganda.

- It is critical that SBS inputs pay attention to the full delivery chain in the education sector and do not neglect the role of district governments in the context of a decentralised primary education system. Disproportionate focus has tended to be given to central government institutions, to upstream policy, planning and budgeting, and downstream financial management arrangements, without sufficient regard to the factors which drive service delivery.
- Donors should be more assertive in their challenge function on sector service delivery performance and should use policy dialogue and technical advice as mechanisms to interrogate MoES objectives and measures in areas such as quality and efficiency. The purpose is not to supplant legitimate domestic accountability processes, but rather to engage MoES on the difficult or intractable issues and to encourage them to develop policy responses or mitigation strategies for agreed weaknesses.
- A shift is necessary from the narrow sub-sector focus of donors on the primary education sector to taking a broader and more coherent perspective on the current and future challenges across the education sector. The second-round priority for GoU of secondary education as the 'UPE bulge' passed through the system has not seemed to register as a concern with SBS donors.
- If SBS is to continue being a significant influence in the sector, it will need to regain its popularity with EFAG donors as an aid instrument of choice ahead of project support. The positive influence of SBS, and of SBS donors, was rooted partly in its success in crowding in multiple donors and of bringing them together as a coherent group for the purposes of engaging with and supporting sector stakeholders, systems and processes.
- A greater understanding of the ways in which SBS may be designed and delivered is important if donors are to use the package of SBS inputs intelligently to contribute to sector outputs and outcomes more effectively. The full range of possibilities for applying and linking together funding, policy dialogue, conditionality, technical assistance, capacity building, coordination and harmonisation under the SBS framework (and linked to complementary GBS inputs) does not yet seem to have been explored.

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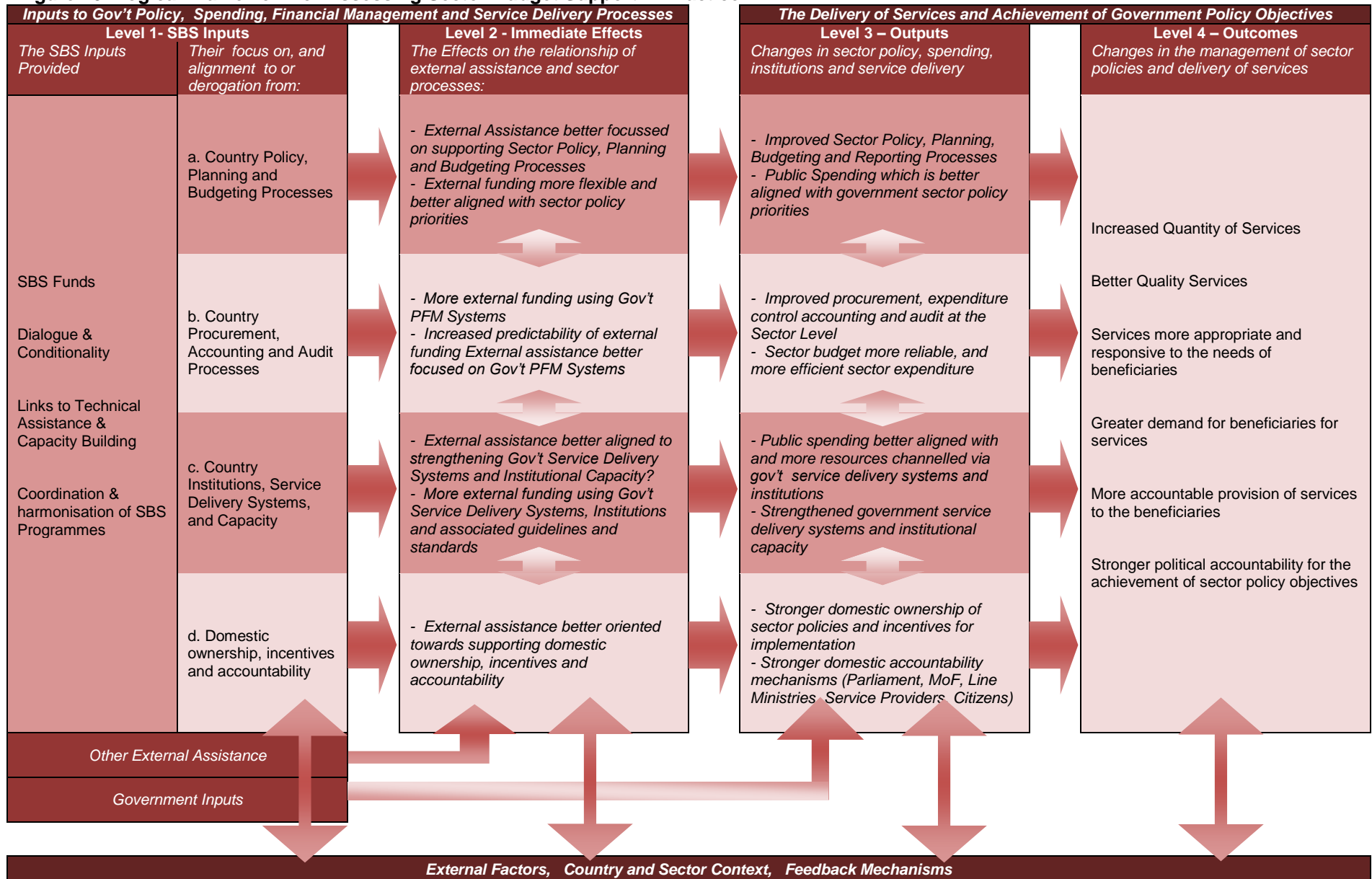
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Annex 1 – Assessment Framework

Figure 20: Logical Framework for Assessing Sector Budget Support in Practice



A) Context in which SBS has been provided

Country context	Sector context	Aid management context
<p><u>Policy:</u> Poverty Eradication Action Plan (PEAP) (1997) developed pre-WB-led PRS process (strong endogenous commitment to poverty reduction after civil war - 1986). Regularly updated since then.</p> <p>Poverty Action Fund (PAF) (1998), earmarking specific budget revenues (first, debt relief) to priority/poverty reduction programmes (from 17% to 33% of total budget from 1997/8 and 2003/4).</p> <p><u>Growth:</u> Average 5.1% (1984-1994) and 6.4% (1994-2004); Success story (credit to economic liberalisation) though largely restoring pre-war level, and linked to aid; Unclear whether foundations are in place for longer-term sustainable growth.</p> <p><u>Poverty reduction:</u> Significant reduction of poverty income until 2000 (56% in 1992 to 34%); Recent trend uncertain (van Arkadie vs Whitworth); Wide urban/rural gap; Large and persisting regional disparities (historical roots, continued insecurity; North is poorest, 66% poverty rate in 2000).</p> <p><u>Institutional context</u> (unitary country):</p> <p>Decentralisation: Formalising home-grown model developed during the war; Local Government (LG) Act 1997 (large service delivery responsibilities at district level); Large-scale fiscal decentralisation but increasingly reduced local discretion (conditional grants dominating LG funding).</p> <p>Momentum and early progress in CSR (1990s: down-sizing, first pay reform steps) lost in 2000s.</p> <p><u>PFM:</u> Long history of PFM reforms; Strong Ministry; Continuous improvement in budgeting systems since MTEF 1997/8; Progressive</p>	<p><u>Policy/plan/M&E</u></p> <p>Post-war (1986) period: reconstruction, policy foundations (White Paper 1992). UPE policy (Presidential decision) 1996/7. First education development framework (ESIP 1998-2003) supporting UPE, aligned with PEAP. Current sector framework (ESSP -2015) having to be reviewed to integrate recent (2006) President's decision of Universal Secondary Education (USE).</p> <p>Post-1996 sector policy/plan developments coinciding/ contributing to/aligning with: (i) decentralisation but largely through conditional grants to districts; (ii) MOFPED-led strengthening of overall and sector budget and MTEF.</p> <p><u>Spending levels:</u> Three periods:</p> <p>Post-UPE (1996/7-2001/2): Very rapid growth (+17% annually); reorientation to primary (52% sector budget by 2000/1).</p> <p>2001/2-2006/7: Sector envelope just keeping pace with inflation. Flattening of increases for primary.</p> <p>2006/7- : Nominal increase (support USE), only +2% annual average in real terms. Growth in secondary, decline in primary (real terms < 2001/2 level).</p> <p>Share from 24% to 17% over the period. Largest increases = wage bill; erosion of other spending.</p> <p><u>Sector results</u></p> <p>Massive expansion (e.g. primary enrolment from 2.5 in 1996 to 7.5 million in 2008/9). Primary NER rose to 93% (2005) (gender parity); But completion rates have remained low. Secondary NER stood at 33% (2007/8); Sharp increase in primary/</p>	<p><u>General aid trends:</u></p> <p>Late 1990s ODA increasing then flattening around 2005 (approximately 50% budget).</p> <p>Big shift to BS from late 1990s; shift SBS to GBS from around 2000; project (off-budget) increase (volume and share) from 2004 (Government of Uganda/GOU withdrew commitment to additionality and deterioration in aid relationship).</p> <p>Recent shift from SBS to standalone projects and joint donor projects, with increased derogation from use of country systems</p> <p><u>Aid to education sector:</u></p> <p>SWAp and SBS since 1998 with ESIP, PEAP and PAF. Gradually institutionalised sector dialogue structures and processes, well-linked to budget process and GBS dialogue, inclusive all aid modalities/donors.</p> <p>Comparatively relatively little TA/CD during the period (1996/7-today). Policy dialogue through donor group's technical notes.</p> <p>Initial (post-1996) shift from projects to various forms of SBS; rapidly followed by shift to sector support through GBS (e.g. DFID, WB) for one group of agencies. Another group remained focused on PAF as vehicle. GOU' decision to stop additionality of any sector aid, perceived lack of effectiveness of BS modalities with regard to "quality issues", and support to secondary, prompted further gradual shift to projects since 2003. Thus, SBS peak in 1998/9; smaller (volume and share) in sector aid since then but influential in dialogue.</p>

Country context	Sector context	Aid management context
strengthening of budget implementation (control, accounting, oversight) especially after 2003. Recent trends: Mounting corruption and other governance issues are a concern since early 2000s, and eroded “coalition” between the President, the Ministry of Finance, Planning and Economic Development (MOFPED) and donors.	secondary transition rate. Strong post-UPE deterioration of PTR and PCR (primary) reversed though still large disparities (rural/urban; grade; regions). Lack of progress re: textbooks and other inputs (e.g. teacher supervision). Similar scenario for post-USE secondary. Low average achievement (e.g. exam score in primary 4/10 in 2006, only very slightly improving since 2000).	Overall envelopes, numbers etc. not yet available.

B) Nature of the SBS provided

Types	Timescale	Donors
SBS earmarked to specific education expenditures	1998	Netherlands, Irish, US
SBS to primary education		Canada, EC, Irish
SBS to the education sector overall	1998	World Bank, DFID, Irish

Funds and Financial Management	Dialogue and Conditions	TA and Capacity Building	Links to other Aid
<p>Funding Level: Started with high levels of additional aid funding to the sector, and then a gradual decline of SBS overtime as major donors switched to GBS.</p> <p>Earmarking: All SBS notionally earmarked either to the sector as a whole, primary education or programmes. Between 1998 and 2003 the Ministry of Finance committed to and demonstrated additionality of SBS funds, but since 2003 additionality not guaranteed.</p> <p>Tracking: No specific tracking of SBS through the budget. All based on</p>	<p>Dialogue Structures: SBS uses SWAP dialogue structures which were developed alongside SBS, and are well established. No formal MoU covers the working of these structures</p> <p>Conditionality Framework: SBS uses a successful joint Education Sector Review as the basis for disbursing sector budget support. No additional conditions are imposed (apart from EC)</p> <p>Focus: Whilst the dialogue is sector wide, early on the focus was predominantly on primary education.</p>	<p>Part of SBS Instruments: There has been no structured provision of TA or capacity building in the context of SBS. Ad hoc TA has been provided, particularly in the context of the dialogue and review process.</p> <p>Links to other initiatives: Early on, some TA was provided in the context of projects which had been established prior to the move to SBS – there was little explicit link to these. However these were phased out after the shift to budget support, and there has been little TA or capacity building support provided to the sector in parallel to SBS.</p>	<p>Links to Project Funding in the sector: Links to project funding takes place in the context of the SWAP, and dialogue structures. Early on, when there were multiple parallel projects, integrated planning for the use of project aid. As the shift to SBS and GBS was complete, this became less important, and was neglected. Recently, project aid is increasing, and the structures need to accommodate this.</p> <p>Links to GBS: Up to 2007/08 and 2008/09 a prior action for GBS was a successful education sector review, and therefore fully consistent with</p>

Funds and Financial Management	Dialogue and Conditions	TA and Capacity Building	Links to other Aid
<p>government systems.</p> <p><u>Cash Management:</u> Education budget disbursed in accordance with normal budgetary procedures, with no special disbursement procedures for SBS. GoU gives commitment, as part of the Poverty Action Fund, primary education budget would be disbursed in full.</p> <p><u>Use of Gov't FM Systems:</u> Full use of government FM systems - the focus was on establishing and strengthening those systems. An early requirement for a quarterly audit of Poverty Action Fund, which included some education SBS was dropped soon after it was realised that it was impractical.</p> <p><u>Derogations:</u> Apart from the early audit requirement there were no derogations from country systems.</p>	<p>With the introduction of Universal Secondary Education there has been a shift towards secondary.</p> <p><u>Derogations:</u> There are no derogations from established SWAP processes, as they were developed in tandem.</p>		<p>SBS. Since 20010/11, this has changed. In 2007 the preparation of the Joint Budget Support Framework commenced, and this includes specific indicators and actions linked to the budget process.</p>

Effects on Partnership
<p><u>Quality of Dialogue:</u> Early on the dialogue structures established in the context of the SWAP and SBS led to a significant improvement in the quality of dialogue, and a strong sense of partnership. There is evidence that there is increasing domestic leadership in the dialogue structures, and they are less donor led. However, over time, the dialogue has become increasingly routine, and the quality of donor engagement has declined. This is not helped by the high turnover of donor staff, many of whom are generalists, and not education specialists. Furthermore their disappointment with the quality of primary education.</p> <p><u>Transactions Costs:</u> The dialogue structures have led to a significant reduction of transaction costs on the side of the Ministry of Education, all though the Education Sector Reviews represent a significant workload for the education planning department. Nevertheless these can be considered an important</p> <p><u>External Factors:</u> The 2006 policy decision to introduce Universal Secondary Education (as indeed Universal Primary Education) was made outside of the context of the dialogue, and was not part of the ESDP which had been finalised just before the announcement. This put strain on the partnership.</p>

C) The Effects of SBS in Practice

i) Policy, Planning, Budgeting, Monitoring, Evaluation and Expenditure

Inputs	Effects	Outputs
<p>SBS funding is on budget, is aligned with government policies and is reported on using government systems.</p> <p>Focus (TA/CD, dialogue, conditions) on sector policy, planning, budgeting, monitoring and evaluation processes?</p> <p><i>Derogations: why, justified, temporary?</i></p>	<p>External funding more flexible and better aligned with sector policies overall; assistance better focused on supporting sector policy, planning and budgeting processes.</p> <p><i>Effects of derogations</i></p>	<p>SBS contribution to:</p> <ul style="list-style-type: none"> Public spending is better aligned with government sector policies. Improved Sector policy, planning, budgeting and reporting Processes <p><i>How do derogations affect outputs?</i></p>
Contextual factors: Headlines:		

ii) Procurement, Accounting and Audit

Inputs	Effects	Outputs
<p>SBS funding uses government expenditure control, accounting and audit processes.</p> <p>Focus (TA/CD, dialogue, conditions) on strengthening government expenditure control, accounting and audit processes at the sector level?</p> <p><i>Derogations: why, justified, temporary?</i></p>	<p>External funding uses government FM systems more and is more predictable; assistance better focussed on gov't FM systems.</p> <p><i>Effects of derogations</i></p>	<p>SBS contribution to:</p> <ul style="list-style-type: none"> Improved sector procurement, expenditure control, accounting and audit at the sector level; Sector budget more reliable and sector expenditure more efficient. <p><i>How do derogations affect outputs?</i></p>
Contextual factors: Headlines:		

Inputs	Effects	Outputs

iii) Capacity of Sector Institutions and Systems for Service Delivery

Inputs	Effects	Outputs
<ul style="list-style-type: none"> SBS use of Gvt mainstream funding mechanisms and sce delivery institutions Focus (other inputs) on devt and strengthening of mainstream sce delivery institutions? Derogations: why, justified, temporary?	<p>SBS contribution to increased and better aligned aid with regard to service delivery</p> <p>Effects of derogations</p>	<p>SBS contribution to increased total funds flows through aligned channels and stronger sce delivery systems and institutions</p> <p>How do derogations affect outputs</p>
<p>Contextual factors: Decentralisation (1997) in principle giving key role to districts in primary and secondary education, not adhered to for secondary and curtailed due to limited discretion in resource use for primary; Early education SWAp (1997); Big “access drive” policy decisions (UPE 1996, USE 2006) taken by political leadership outside of SWAp context; Sector budget initially responsive to “access drive” decisions, then eroding over time, with a decreasing share in total GOU budget (same pattern replicated for primary sub-sector within sector budget); Early shift to SBS within SWAp, then early shift from SBS to GBS for some donors; recent increase in project funding (to support USE and quality in primary).</p>		
<p>SBS funding supported a significant scaling-up of funds for primary (UPE) and secondary schools (USE) (Capitation Grants) and more generally to meet the recurrent and investment costs in order for the system to cope with the “access drive” decisions. However, funding was eroded over time in the case of the primary education sub-sector (CG and total), and donor support to secondary is less discretionary, with only one donor entering the sector to support secondary, intending to use SBS.</p> <p>SBS funding for service delivery just “passed through” districts to reach schools, following GOU conditional grant system which leaves nothing for district administrations to fulfill their mandate and denies them an effective role in planning and budgeting for education.</p> <p>Generally there has been very little focus of SBS inputs (funding, funding channels, dialogue, conditionality and assistance to capacity building)</p>	<p>SBS was initially a major sector aid channel in terms of funding and other inputs. Its own alignment with GOU service delivery systems (as just described) therefore led to greater alignment of aid as a whole (continued with GBS). Moreover, SBS donors played a key role in the development of the SWAp, which led to better aligned projects too.</p> <p>Even though SBS importance has decreased in terms of funding, SBS non-funding inputs have remained much influential on sector aid generally, through the role of SBS donors in the SWAp dialogue and focus of conditionality.</p> <p>However, some SBS donors have shifted a part of their education aid into projects, as they found SBS-related mechanisms ineffective to address service delivery issues of concern, especially related to primary education quality, and equity in access (focus on Northern Uganda). It is not clear</p>	<p>Through SBS additional discretionary funds was available to GOU for service delivery in the primary sub-sector first, and now in the secondary sub-sector – albeit in a more limited way for the latter as most sub-sector aid is projectised.</p> <p>The availability of (relatively discretionary) funds at the school level had a systemic effect leading to higher school-level budgeting and financial management capacity. Discretion by school management over expenditure may bring better teaching/ learning. However, this discretion is exercised within tightly defined limits, and the erosion of the funding available led to erosion of school motivation and capacity. SBS systemic capacity effects were also limited by the continued lack of in-year predictability in transfers to schools, which was left un-addressed by SBS dialogue/conditionality. The eroding in sector funding also leaves critical gaps in the coverage of certain service delivery costs (e.g. instructional</p>

Inputs	Effects	Outputs
<p>on LG institutions and systems for service delivery. There was also no systemic focus by donors, and a lack of dialogue on institutional arrangements to improve quality (although this has been claimed to be a concern since a while).</p> <p>Instead, there has been a tendency to address issues of low school/district performance through (and channel funds - including SBS - to) de-concentrated institutions running parallel to the district administrations (e.g. CCTs, ESA, Engineering Assistants). As an exception, recently MOES established an additional conditional grant for the district inspection function.</p> <p>TA was scarce in the mix of SBS inputs. At the sector policymaking and planning level this was somewhat compensated by the regular and well structured SBS/SWAp dialogue between donors and especially MOES Planning Department (and complemented by “un-conventional TA” in MOFED, who focused on the education sector⁴). But there was very limited technical input on service delivery issues addressed to the relevant line departments in MOES and no sector-driven assistance to the district level.</p> <p>SBS brought with it a heavy focus on dialogue and GOU-donor engagement forums.</p>	<p>that these projects will be as well aligned in terms of service delivery. The same question arises with major projects supporting secondary education.</p> <p>The overall Division of Labour exercise and within-sector streamlining arrangements (silent partnerships etc.) reduced donor technical capacity to engage in dialogue.</p>	<p>materials).</p> <p>District Education Offices (and District Inspection function until recently), by-passed by GOU service delivery system are under-incentivised. As a result of not being used, planning/budgeting and generally management capacity at this level was lost (making it difficult, for instance, to tackle key service delivery issues such as imbalanced deployment and absenteeism of teachers). Instead, the consolidation and/or emergence of parallel de-concentrated mechanism further undermine DEO incentives. SBS failed to focus on, and therefore failed to help address these issues.</p> <p>The recently established conditional grant led to a substantially enlarged district inspection function and increased number and quality of schools inspections. But in the absence of a simultaneous strengthening of DEOs’ capacity to act on the inspection findings, effects on schools may be limited.</p> <p>There has been inadequate attention to critical drivers of school performance and educational attainment (even though studies have identified them). This is now being addressed through project modalities by some donors – although the reasons why projects might be more adequate are not explicit/clear.</p> <p>There is clear evidence of capacity building in Planning Department (producing good quality</p>

⁴ Although the TA to MOFED was not part of SBS inputs, it is plausible that the decision of MOFED to hire such TA and focus them on the education sector was linked to the sizable presence of SBS and SBS donors in that sector.

Inputs	Effects	Outputs
		<p>planning and performance review outputs, based on data and reports from EMIS system of reasonable and reliable standard, and leading a sector budget process well regarded by MOFPED) and that this attributable in part to SBS (systemic effects and dialogue). However, there is a trade off between capacity building and capacity drain: to a certain extent the intensive GOU-donor dialogue is a drain on staff time and capacity in MOES Planning Department.</p> <p>Importantly, the lack of focused inputs meant that opportunities to build capacity in MOES line departments and at district level were missed – which presumably both explains and reflects the limited systemic attention to service delivery and quality issues.</p>

iv) Domestic Ownership, Incentives, and Accountability

Inputs	Effects	Outputs
<p>How do SBS inputs support</p> <ul style="list-style-type: none"> Stronger ownership of policies and incentives to implement them? Stronger domestic accountability⁵? <p>Derogations: why, justified, temporary</p>	<p>SBS contribution to aid influence on strengthening ownership, incentive and domestic accountability</p> <p>Effects of SBS derogations</p>	<p>SBS influence on ownership, incentives & domestic accountability (stronger sense of responsibility & demand for performance etc.)</p>
<p>Contextual factors: Decentralisation (1997) in principle giving key role to districts in primary and secondary education, not adhered to for secondary and curtailed due to limited discretion in resource use for primary; Early education SWAp (1997); Big “access drive” policy decisions (UPE 1996, USE 2006) taken by political leadership outside of SWAp context; Sector budget initially responsive to “access drive” decisions, then eroding over time, with a decreasing share in total GOU budget (same pattern replicated for primary sub-sector within sector budget); Early shift to SBS within SWAp, then early shift from SBS to GBS for some donors; recent increase in project funding (to support USE and quality in primary).</p>		

⁵ Understood as accountability to parliament, of sector spending agencies to Min Finance, of scc providers to sector ministry/LG, of scc providers to citizens, of LGs to sector ministries (within respective mandates)

Inputs	Effects	Outputs
<p>SBS funding and other inputs aligned ‘ex post’ with major policy initiatives and priorities developed outside the donor-GOU dialogue framework, and it is evident that GOU is not heavily influenced by donor preferences on the thrust of policymaking. However, SBS dialogue and conditions (and limited TA/ CD support) assisted MOES to unpack the operational implications of these big policy decisions.</p> <p>The provision of SBS entailed requirements for robust and transparent planning, budgeting, and monitoring and reporting of resource use (including follow-up on issues of leakages of funds through regular PETS) as a condition for disbursements. But there has been little if any focus on spending efficiency and value-for-money until very recently and this is not (yet?) translated in systematic attention in the dialogue and/or the conditionality framework.</p> <p>Even when it was additional SBS funding was strongly integrated (through dialogue and conditionality) to the mainstream GOU budget process, increasing the importance of the latter for the sector/MOES. SBS funding was channelled through GOU systems and therefore reinforced the dominance of non-discretionary inter-governmental grants as the main mechanism for channelling resources for education delivery by districts and schools.</p> <p>Generally there is a high dependency on foreign aid (including SBS) to sustain expenditure levels in the primary and secondary education sub-sectors. However, SBS “additionality” is now no longer granted by MOFPED, and the sector budget envelope is thus decided taking into account all aid</p>	<p>SBS donors and programmes have been a major influence on the development of the SWAp and the way aid to the sector interacted with domestic ownership, incentives and accountability systems.</p> <p>SWAp mechanisms such as the joint reviews have become fully integrated within GOU budget and accountability processes.</p> <p>The SWAp has survived ups and downs (e.g. 2005/6 was a difficult period). It may be further tested in terms of its interaction with domestic ownership, incentives and accountability systems, with the increase in project funding, and with the shift in focus away from “easy issues” around access to primary education, to issues over which consensus is more difficult to build (among donors and between donors and GOU).</p>	<p>SBS had no effect on the fact that leadership on the “big policy narrative” is fully exerted by GOU, based on domestic/ national concerns, and that donors have no influence on this. However, SBS contributed to enabling ownership by MOES and MOFPED, within the limits defined by the big decisions taken above them, by providing discretionary resources and engaging in dialogue on meso level policies and policy implementation.</p> <p>Through dialogue and conditionalities SBS contributed to strengthen GOU monitoring and reporting systems (supply-side of accountability), which led to more and better information produced by GOU on resources flows and resource use and on education indicators (through the strongly MOES-owned EMIS). It also supported better access to this information (through performance reports and sector reviews) by the general public and by GOU domestic accountability bodies (Parliament Select Committees etc.) (demand-side of accountability), which facilitated greater engagement by the public/the media/NGOs with education sector financial/non-financial performance. However, reflecting the lack of attention to issues of education quality, spending efficiency and value-for-money, accountability for such types of results remained limited. Moreover, these trends apply at the national level but not at district level.</p> <p>SBS funding, dialogue and conditionality framework considerably raised the importance of the MTE/budget process for the sector as a whole, thus strengthening domestic accountability lines between MOES and MOFPED, and to non-executive accountability bodies as said above.</p>

Inputs	Effects	Outputs
flows and other sector requirements.		<p>There is strong ownership of the education budget by MOES (especially by the Planning Department), and quite strong ownership of education policy implementation by MOFPED. However, this pattern of alignment is not perfect. There have been cases of undertakings agreed at joint reviews yet not properly resourced in the budget. MOFPED officials also point at the mixed message emanating from donor agencies providing SBS to education (donor education staff allying with MOES to press for higher sector allocations whilst the economists support MOFPED strong fiscal discipline agenda), which mixes up incentives.</p> <p>SBS alignment on GOU conditional grant system removed any incentive for the district administration to engage with education management (lack of resources for the administration, and lack of discretion in managing school resources), which negatively affected ownership of education policy at the district level (blame put on MOES standards and policies). This and the general trend (also centrally led) of erosion of the district tax basis also meant a lack of incentives for district politicians to mobilise domestic revenues for education.</p> <p>SBS, flowing through the conditional grant system without questioning it, left outstanding the tension between centralised and decentralised primary education management, and if anything, comforted MOES in its lack of enthusiasm for decentralisation.</p>

D) The Outputs and Outcomes of SBS

SBS Outcomes	Main SBS Outputs Influencing Outcomes
Changes in the implementation of sector policies and delivery of services influenced by SBS	Changes in sector policy, spending, institutions, service delivery systems and accountability influencing sector outcomes

E) Lessons Learnt and Good Practice Recommendations

Domain	Good Practices	Areas for Future Improvements
Sector policy, planning, budgeting, monitoring and evaluation	<ul style="list-style-type: none"> ✓ The harmonisation of DP requirements for GoU to report on sector performance has reduced the fragmentation of MoES effort in managing multiple reporting lines and has led to a reduction in transaction costs. SBS donors at the start of the SWAp succeeded in mobilising broad DP participation in a joint monitoring and reporting regime which included SBS and project donors. ✓ The dialogue associated with the SWAp and with sector support through SBS has strengthened staff capacity in MoES, especially in the Planning Department. The decision to reduce the number of reviews per year is evidence of greater capacity GoU capacity to prepare costed sector work plans, to monitor their implementation and to report against agreed performance undertakings. ✓ Dialogue between GoU and EFAG DPs has focused on policy issues and has left detailed operational issues to the discretion of GoU. The dominance of SBS (and imputed shares of GBS) has enabled the DPs to be strategic in their engagement with GoU and to structure the dialogue around broad resource allocation issues and on the policy agenda within the sector. ✓ The MoES monitoring and evaluation system for sector data and performance has improved as a direct consequence of 	<ul style="list-style-type: none"> ✗ Despite the positive findings on GoU-EFAG dialogue, it should be noted that the strategic focus of DP dialogue has tended to occupy a meso-level whereby DPs have not influenced the highest-level policy narratives and the macro-political decisions on UPE and UPPET. Domestic politics have proved to be a significantly more powerful factor than EFAG dialogue in shaping major policy decisions and a lesson for future SBS is that the potential for policy influence about the meso-level should not be overstated. That fact that the ESSP was so rapidly overtaken by policy decisions suggests the limitations of DPs and even senior sector officials. ✗ Further evidence of the limitations to SBS influence is the evolving GoU position on additionality of donor assistance to the sector. Between 2003 and 2009, DPs have accepted a position whereby sub-sector budgets have been determined without automatic reference to funding flows earmarked to the sector. In Uganda, the unusual strength of MFPED has permitted it to determine fiscal policy without capture by sector donor groups and thus to protect the discretion of GoU to determine inter-sectoral resource allocation. ✗ SBS from 1997 to 2009 has concentrated on primary education and has not paid full attention to whole-of-sector

Domain	Good Practices	Areas for Future Improvements
	<p>the primary reliance by the Sector Working Group and SBS DPs on its outputs for use in Joint Sector Reviews. Project support helped the development of the EMIS which is an important input into this process.</p> <ul style="list-style-type: none"> ✓ The transition from project support to SBS and then to GBS in some cases directly supported MFPED efforts to strengthen the budget process and budgeting systems at sector level. Derogations from the use of government policy-making processes and budgeting systems were minimal. ✓ The use of earmarking in the context of non-traceable SBS, combined with the MFPED commitment to additionality has helped donors respond to the GoU's new policy priorities – first primary, and now secondary education. Crucial to success of this process was the involvement of MFPED in discussions of sector budget allocations in the context of Sector Working Groups, and the commitments to additionality made by MFPED under the Poverty Action Fund. 	<p>issues.</p>
<p>Procurement, expenditure, accounting and audit processes</p>	<ul style="list-style-type: none"> ✓ A significant proportion of sector funding has flowed through government funding channelled and used procurement and accounting systems. In the early stages of the SWAp, most donors migrated to provision of non-traceable budget support, with varying degrees of earmarking applied to their funding contributions. This meant that budget did not create parallel funding channels, and did not involve derogations from government financial management systems. Furthermore by increasing the use of those systems it helped strengthen those systems ✓ During the period 1998-2002, SBS was the dominant aid instrument in the sector and there was a consequent increase in the scrutiny by donors, MFPED and the MoES on budget predictability, financial reporting and statutory audit of sector expenditure. The biannual disbursement triggers focused on PFM systems and strengthened incentives to improve those systems. ✓ The progression of EC, DFID and World Bank from SBS in 	<ul style="list-style-type: none"> ✗ Despite the focus on MoES PFM systems and on institutional arrangements for budget support to the Consolidated Fund, very limited corresponding efforts have been made through SBS or through the SWAp to strengthen PFM systems at district and school levels. Equally, the package of SBS inputs has not succeeded in improving the predictability and reliability of budget releases to District Education Depts or to schools. ✗ Despite early relative reductions in the leakage of funding, SBS has been ineffective at reducing resource leakages. Even if the incidental initiatives to reduce leakages following the second PETS in 2002 are factored, the high levels of inefficiency went unchecked until long after the SBS had ceased to be the dominant donor funding instrument to the sector. ✗ There has been a lack of coordination between GBS dialogue/conditions which address the cross-cutting dimensions of resource leakage in service delivery. This is

Domain	Good Practices	Areas for Future Improvements
	<p>education to GBS linked to the PAF established a strong complementarity between the EFAG focus on sector PFM systems and the DEG emphasis on cross-cutting PFM systems. Although the coordination between the working groups for GBS and SWAp/SBS on planning and budgeting processes has not always been optimal, there appears to have been complementarity between the two.</p> <p>✓ Rather than attempt to improve the predictability of donors, the application of discount factors, and effective cash management systems have enabled the MFPED to guarantee budget disbursements to priority programmes, including primary and secondary education, in the context of unpredictable budget support disbursements from donors.</p>	<p>manifested by a focus of the PFM dialogue on national rather than decentralised systems, mirroring the bias at the sector level.</p> <p>✗ Donors SBS disbursements have been unpredictable, and this has made cash management and budget execution more difficult for the MFPED.</p>
Capacity of sector institutions and systems for service delivery	<p>✓ Restructuring of the funding arrangements for schools through the UPE Capitation Grant (and more recently the UPPET Capitation Grant) and the School Facilities Grant has increased funding available for the delivery of primary education, using the new decentralised institutional structure. The fact that SBS was non-traceable meant that parallel mechanisms were not created. This provided resources to schools, and empowered school Management Committees and head teachers. Although the Capitation Grant is tightly-earmarked to specific running cost items based on a line-item formula (and despite the fact that schools do not influence the allocation of the SFG) the greater focus on budgeting, financial management and financial reporting at school level has helped slowly to build capacity.</p> <p>✓ The recent reinvigoration of the District Inspectorates as a mechanism to address poor learning achievement and low levels of 'quality' in primary education is emerging as an area of good practice. An evidence-based approach has been taken to identify and analyse weaknesses in service delivery systems/capacity and dialogue among MoES-EFAG and then to develop the policy response of strengthened schools inspection. It is still premature to attempt a proper assessment of the effectiveness of the initiative, but the early</p>	<p>✗ Within MoES the focus of SBS inputs and EFAG donor attention on the Planning Dept has come at the expense of other institutional stakeholders within MoES and across the sector. A probable corollary is that EFAG has addressed itself disproportionately to strengthening of systems and processes at the expense of dialogue and policy engagement with MoES sector performance and service delivery. This critique is threefold: it concerns the balance of engagement among departments within MoES; the focus on central government rather than District administrations; and the development of planning, budgeting and reporting systems ahead of decentralised delivery capability and incentives. Evidence from recent studies points to the central importance of effective school management and district superintendence of schools as drivers of improved service delivery and better learning outcomes. It is not clear that those elements have been targeted sufficiently well by the design of SBS.</p> <p>✗ Leakage of GoU resources intended for frontline service delivery along with inefficiency in the use of those resources to deliver services were not the highest priority issues for SBS donors until almost a decade after the start of the SWAp and first SBS programme. One explanation may be a</p>

Domain	Good Practices	Areas for Future Improvements
	<p>indications of its immediate effects are encouraging and the approach demonstrates a positive contribution from sustained and constructive SBS dialogue.</p> <ul style="list-style-type: none"> ✓ Sustained provision of multiple SBS inputs (notably dialogue, conditionality, technical assistance and capacity building) on specific organisational groupings in the institutional framework for service delivery can have discernible influence and impact upon the capacity of those actors. The MoES Planning Department was cited by senior MFPED officials as an area of particular functional strength within the sector, described by one expert as ‘the MFPED of the MoES’. The functional capability in MoES for planning, budgeting, monitoring and reporting is attributed in part to the SBS approach. Evidence is provided by the increasing robustness of the EMIS and the willingness of EFAG donors to rely more heavily on its monitoring/reporting data, and by the growing assertiveness of MoES vis-à-vis EFAG in sector dialogue centred on the ESR and the P&BW. ✓ A complementary achievement of SBS has been its role in facilitating a more disciplined approach by EFAG donors in their engagement with GoU. One result has been a strengthening of sector institutions at central government level and of cross-sector institutions such as the SWGs, ESC, ESR and P&BW. ✓ Good quality analytical work has been another positive contribution of EFAG donors. ‘Technical Notes’ from EFAG to MoES were not reviewed as part of this research study, but MoES Planning Dept noted the contribution that they had made to dialogue and to capacity building. The World Bank PER on efficiency in 2007 is a clear example of well-focused and time-relevant analytical work carried under a joint MoES-donor mandate. Although the World Bank is no longer an SBS donor, it does retain a strong interest in the education sector through the sector-specific conditions in its PRSC credit and through its participation in EFAG and its funding of secondary education projects to support UPPET. The PER 	<p>lack of coordination between GBS dialogue/conditions which address the cross-cutting dimensions of resource leakage and expenditure efficiency and SBS dialogue/conditions which should focus on sector-specific policies, systems and processes. Another factor may have been the joint GoU-donor objective to scale up funding for UPE implementation. Alternatively, the relatively high earmarking of SBS funds to particular budget lines and projects in the early stages of the SWAp may have lessened to concerns of donors with operational efficiency and focused their attention on allocation issues. Even if the incidental initiatives to reduce leakages following the second PETS in 2002 are factored, the high levels of inefficiency went unchecked until long after the SBS had ceased to be the dominant donor funding instrument to the sector.</p>

Domain	Good Practices	Areas for Future Improvements
	mobilised a strong response from MFPED and MoES and a commitment by them to improve efficiency and value-for-money before committing to further expenditure growth in the primary sub-sector.	
Domestic ownership, incentives and accountability	<ul style="list-style-type: none"> ✓ SBS has not usurped the policy prerogative of GoU/MoES. Policy alignment has proved to be largely successful and effective, with SBS inputs supporting the implementation of GoU sector policies and advising on adjustments to those policies in order to improve their effectiveness. The explanation for this ease of alignment may be incapability as much as humility. The major policy decisions in the sector over the SBS period have all been made by the President without reference to donors or necessarily to MoES officials. ✓ The institutional framework for SBS within the SWAp and EFAG has lent itself naturally to the emergence of MoES Planning Dept as the leading influence in sector dialogue and has served to strengthen the ownership by MoES of sector planning, budgeting, monitoring, evaluation and reporting. ✓ Development of the EMIS as a shared source of management information on education sector performance has contributed to positive MoES ownership, incentives and domestic accountability. It demonstrates how the package of SBS inputs can be applied in combination to achieve positive influence on sector processes. ✓ There has been careful and collaborative design by EFAG and MoES of ‘undertakings’ to be included in the SWAp performance framework which triggers SBS disbursements. Consequently both sides are committed to the conditions and they cover issues which are independently the priorities for GoU/MoES. Government ownership of the undertakings serves to align incentives between SBS donors and MoES officials in a way that builds domestic commitment to policy implementation. ✓ Funds disbursed under SBS programmes have been subject to government systems for budget preparation and 	<ul style="list-style-type: none"> ✗ Although SBS donors can make a reasonable claim to have acted in a way which fosters government ownership of sector policies, there is some evidence that they have not been sufficiently robust or assertive in raising concerns about the focus of MoES sector policy. The imbalance between access and quality during the first decade of UPE implementation registers in EFAG-MoES dialogue records, but the undertakings included in the joint aide memoires continue to focus on access and equity until well after the conclusion of the ESIP in 2003. That suggests broad consensus between EFAG (including SBS donors) and MoES on the thrust of policy direction. ✗ EFAG donors have neglected to take proper account of the political economy of how fiscal imbalances affect the incentives of district politicians to take responsibility for the performance of decentralised service delivery. By focusing attention on MoES as the exclusive driver of sector performance through a centralised delivery model, donors have disregarded the decentralised model on which primary education provision is based. Misalignment of funding and functions at the District level has distorted incentives and accountability, with the issue compounded by the erosion of local government revenue capacity. The central government aversion to delegated discretion may be based on fears of inadequate current capacity, but the centralised response has served to entrench the status quo and to leave some of the key drivers of improved service delivery neglected. ✗ An emerging donor response to the weaknesses in service quality at primary level is to pursue a strategy of increased diversification of aid instruments. The remaining SBS donors started design project interventions alongside their continued SBS programmes. In at least one case, the project is off-

Domain	Good Practices	Areas for Future Improvements
	execution, accounting and reporting, and external audit. That alignment with government systems has avoided the risk of distorted incentives and focused attention of government on government policy implementation processes and systems. Minimal derogations from government accountability systems have largely succeeded in keeping attention focused on domestic accountability stakeholders.	budget. This may undermine the gains made towards strengthening the accountability of government for performance.
Partnership & aid management	✓	✗

Annex 2 – Country and Sector Data

a) Core Country Data

Uganda	1990	1995	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	SSA (2007)
Exports of goods and services (% of GDP)	7	12	10	12	11	12	11	11	14	14	15	17	34
GDP growth (annual %)	6	12	5	8	6	5	6	7	7	6	11	8	6
GNI per capita, Atlas method (current US\$)	320	220	280	270	260	240	240	240	260	290	330	370	951
GNI per capita, PPP (current international \$)	390	530	610	650	670	700	740	780	830	870	960	1,040	1,869
Gross capital formation (% of GDP)	13	12	16	20	19	19	20	21	22	22	21	22	22
Inflation, GDP deflator (annual %)	44	9	9	-	8	5	-	7	5	8	2	7	6
GDP (current US\$m)	4,304	5,756	6,585	5,999	6,193	5,841	6,216	6,604	7,221	9,225	9,957	11,771	847,438
Official development assistance and official aid (% GDP)	15	14	10	10	14	14	12	15	17	13	16	15	4
Official development assistance and official aid (current US\$m)	663	833	655	606	845	825	732	999	1,217	1,195	1,549	1,728	35,362
Revenue, excluding grants (% of GDP)	-	-	11	12	11	11	11	11	12	12	13	-	-
Total debt service (% of exports of goods, services and income)	81	20	21	14	8	5	6	7	7	9	5	2	5
Fertility rate, total (births per woman)	7	7	-	-	7	-	7	-	-	7	7	7	5
Population growth (annual %)	4	3	3	3	3	3	3	3	3	3	3	3	2
Population, total (m)	18	21	23	24	25	25	26	27	28	29	30	31	800
Income share held by lowest 20%	-	-	-	6	-	-	6	-	-	6	-	-	-
Poverty headcount ratio at national poverty line (% of population)	-	-	-	-	34	-	-	38	-	-	-	-	-
Agriculture, value added (% of GDP)	57	49	42	38	30	30	25	26	25	27	26	24	15
Primary completion rate, total (% of relevant age group)	-	-	-	-	-	57	59	59	56	54	-	-	-
Ratio of girls to boys in primary and secondary education (%)	-	-	89	90	93	95	97	97	97	98	-	-	-
Births attended by skilled health staff (% of total)	-	38	-	-	-	39	-	-	-	-	42	-	45
Contraceptive prevalence (% of women ages 15-49)	-	15	-	-	-	23	-	-	-	-	24	-	23
Immunization, measles (% of children ages 12-23 months)	52	57	53	57	59	61	63	64	66	68	68	68	73
Life expectancy at birth, total (years)	50	46	-	-	46	-	48	-	-	50	51	51	51
Malnutrition prevalence, weight for age (% of children under 5)	-	22	-	-	-	19	-	-	-	-	-	-	27
Mortality rate, under-5 (per 1,000)	175	164	-	-	149	-	-	-	-	136	-	130	146
Prevalence of HIV, total (% of population ages 15-49)	14	12	10	9	8	8	7	7	6	6	6	5	5
Roads, paved (% of total roads)	-	-	-	-	-	-	-	23	-	-	-	-	-
Improved sanitation facilities, urban (% of urban population with access)	27	27	-	-	28	-	-	-	-	-	29	-	-
Improved water source (% of population with access)	43	49	-	-	56	-	-	-	-	-	64	-	-

b) Sector Expenditure and Service Delivery Data

Sector Budget Outturns (UGX billion 2003/04 Prices)

	1997/8	1998/9	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09(E)
Education												
Ministry of Education and Sports	100.95	138.24	121.15	126.55	151.45	134.18	117.24	117.42	93.70	81.04	77.53	120.59
Education Service Commission	0.77	0.75	1.04	0.83	1.29	1.65	1.62	1.71	2.01	2.29	2.06	2.14
Central Tertiary Institutions	33.06	34.64	32.87	39.60	48.63	47.14	63.14	66.67	71.37	66.69	69.36	70.09
Primary Education (Districts)	139.23	160.97	193.92	231.03	293.96	297.34	305.18	302.92	311.97	315.12	293.01	280.57
Secondary Education	36.16	43.94	42.98	44.64	61.84	72.08	74.60	79.60	77.54	89.84	117.98	111.55
District Tertiary Institutions	-	7.71	7.26	7.23	8.62	9.87	10.99	12.07	19.13	17.87	16.92	16.67
District Health Training Schools	1.72	2.11	2.10	1.44	2.14	1.98	1.89	5.11	3.10	3.46	3.16	3.46
Total Education	311.88	388.36	401.32	451.31	567.92	564.25	574.66	585.50	578.82	576.31	580.00	605.06
Total Budget												
Total Centre	1,045.95	1,284.34	1,406.69	1,699.04	1,904.73	1,930.79	1,960.53	1,974.47	2,034.90	2,380.70	2,458.50	2,665.09
Total Local Government Programmes	271.40	347.08	389.00	491.78	697.41	687.93	726.13	738.33	782.98	716.86	824.67	828.82
Line Ministries + Loc. Gov't Programmes	1,317.35	1,631.43	1,795.69	2,190.82	2,602.14	2,618.72	2,686.58	2,712.80	2,817.88	3,097.56	3,283.16	3,493.91
Statutory Interest Payments	75.21	86.74	107.55	138.73	170.20	189.81	248.23	201.81	217.31	191.04	236.91	255.02
Statutory excluding Interest Payments	84.80	51.37	94.58	144.42	181.56	173.68	210.27	205.37	247.18	191.98	187.15	192.69
GRAND TOTAL	1,477.36	1,769.54	1,997.82	2,473.97	2,953.90	2,982.22	3,145.08	3,119.98	3,282.37	3,480.57	3,707.23	3,941.62

Key Sector Budget Lines (UGX billion 2003/04 Prices)

	1997/8	1998/9	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09(E)
Primary Wage	108	116	117	138	188	199	216	225	242	277	258	238
Primary Capitation Grant	32	45	44	42	46	42	40	31	28	25	23	28
Primary Schools Facilities Grant	0	0	33	51	59	56	50	47	42	13	12	15
Secondary Wage	31	39	38	39	54	64	67	74	74	71	78	79
Secondary Capitation	5	5	5	5	8	8	8	6	4	18	29	26
Secondary Schools Facilities	0	0	0	0	0	0	0	0	0	0	11	6

Primary school enrolments 1995-2007 (Million pupils)

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Boys	1.439	1.648	2.832	3.062	3.302	3.396	3.528	3.721	3.873	3.733	3.643	3.553	3.779
Girls	1.197	1.421	2.471	2.745	2.986	3.163	3.373	3.633	3.761	3.644	3.581	3.671	3.759
All	2.636	3.069	5.304	5.806	6.288	6.559	6.901	7.354	7.633	7.377	7.224	7.224	7.538
<i>Annual % change</i>		16.4%	72.8%	9.5%	8.3%	4.3%	5.2%	6.6%	3.8%	-3.4%	-2.1%	0.0%	4.3%

Source: Education statistical abstract

Annex 3 – Country and Sector Aid Data

a) Country Aid Data

Balance of Payments and Budget Support Disbursements (US\$m)

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Total
<i>FULL GBS</i>	-	-	57.3	176.6	240.5	238.5	266.1	128.6	501.6	196.3	1,805.6
<i>Balance of Payments Support</i>	144.2	144.4	72.0	46.9	1.9	5.6	-	-	-	-	415.1
<i>PAF GBS</i>	-	6.4	32.1	14.0	31.3	60.8	27.7	8.0	35.0	23.2	238.4
<i>SECTOR BS (Incl Ed)</i>	66.4	32.8	86.5	120.6	97.2	105.5	78.4	89.1	82.0	59.1	817.6

b) On Budget Aid to the Sector

	1997/8	1998/9	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Project Aid	59	59	35	46	62	48	57	61	50	30	35
Sector Budget support	0	108	53	119	126	100	40	8	7	12	5
GBS & Other Programme Aid (excluding	26	41	38	36	58	62	65	59	24	81	29
Other Education Sector Resources	227	222	313	287	379	416	477	517	523	534	540

Annex 4 – Inventory of Sector Budget Support

a) Details of Inputs by Type of SBS

This table provides a detailed description of SBS inputs provided in the country.

SBS Input	SBS Type 1	SBS Types 2 & 3
(i) SBS Programmes and their Objective		
Programmes Included (state donor and dates)	<u>Type 1</u> DFID: 1998/99 Irish Aid: 2002/03 – 2008/09 World Bank: 1998/99 – 1999/2000 Netherlands: 2001/02 – 2003/04	<u>Type 2</u> Canada: 2001/02 – 2003/04 Irish Aid: 2005/06 – 2008/09 Belgium: 2008/09 <u>Type 3</u> EU: 2000/01 – 2002/03 Netherlands: 1998/99 – 2001/02 Irish Aid: 1999/2000 – 2004/05 USAID: 1998/99 – 2002/03
What Were the Objectives of SBS Operations and how has this evolved over time?	Ireland: To work in partnership with the Government of Uganda in achieving its development objectives as outlined in the Poverty Eradication Action Plan.	EC: Overall objective was to support the Government of Uganda in its national policy of eradicating poverty by the year 2017. The immediate objective was to contribute to the improvement in the quality of, and equitable access to, primary education within the policy framework of UPE and decentralisation as articulated in the ESIP. The emphasis of EDF support on primary education is in line with Government priorities as expressed in the ESIP and made evident with the introduction of UPE, and reacts to the financial needs of the sub-sector resulting from the introduction of UPE. Ireland: This DP had one MoU for all types of SBS. The objective mentioned under type 1 applied to types 2 and 3, throughout the period of support. Netherlands: To assist the Government's Education Sector as indicated in the ESIP and the Medium Term Budget Framework and (therefore also) a contribution to the Governments' efforts to realize its financial commitments towards primary education. Belgium: The overall objective of the new program is to contribute to poverty reduction, mainly in rural areas. It will assist Uganda in progressing to the MDGs, mainly the ones on

SBS Input	SBS Type 1	SBS Types 2 & 3
		education.
(ii) Level of Funding and Arrangements for Predictability		
Trends in the size of SBS agreements over time. (relate to table in part c of the inventory)	See table below	See table below
Mechanism and timing communication of amounts for the next financial year and the medium term and their reliability in practice. (relate to table in part c of the inventory)	Sector review mechanism.	Sector review mechanism.
No. and timing of tranches within the financial year and their predictability in practice.	Ireland: Two tranches, following the sector reviews, which were predictable.	EC: Two tranches, following the sector reviews, which were predictable. Ireland: Up to FY 2006/7 two tranches that were predictable. From 2007/08 one tranche that was also predictable. Netherlands: Two tranches Belgium: Funds to be transferred will be communicated on a bi-annual basis
(iii) Earmarking, Additionality and Disbursement Channels		
Overall level of discretion/degree of earmarking of SBS (i.e. location on y axis of spectrum of SBS)	Ireland: Full Discretion	EC: Full Discretion Ireland: Full Discretion Netherlands: Full Discretion Belgium: Earmarked for secondary education and BT/VET
Route of channelling funds to treasury and thereafter to sector institutions (describe diagram in section b of inventory)	As described in diagram of SBS funding flows in the context of mainstream budgetary channels	
Requirements for additionality of funds to sector budgets / programmes within the sector, if any.	There were no explicit requirements in programme documents, however there was a commitment from MFPED up until 2003 that SBS would be additional. From 2003 the GoU withdrew this commitment.	
Specific arrangements for earmarking of funds to specific programmes in the budget and during budget execution.	Ireland: None	EC: None Both Ireland and the Netherlands earmarked to primary education subsector. However no specific arrangements were spelt out in the MoUs in this regard. Belgium: Following the approval of the MoU between MOES,

SBS Input	SBS Type 1	SBS Types 2 & 3
		Belgian support to be earmarked for secondary Education and BTNET
(iv) Conditionality and Dialogue		
Overall Focus of Dialogue and Conditionality (location on x axis of spectrum of SBS)	On overall sector policies and systems (4)	Ireland, Netherlands: On primary sector policies and systems (3) Belgium: While the development partner participates in EFAG, the main focus of dialogue will be USE and BTNET.
Nature of Underlying MoU/Agreement (this may be agreement specific or joint)	Ireland: SBS programme	EC: SBS programme Ireland: SBS subsector programme Netherlands: SBS subsector programme Belgium: SBS subsector programme
Nature and types of condition relating to the sector	Sector undertakings agreed at joint reviews	Sector undertakings agreed at joint reviews
Conditions outside the sector	None Ireland: The Government of Uganda continues to comply with its macroeconomic management commitments under the World Bank and IMF programmes as stated in the PRSC and PRGF	Ireland: As mentioned in SBS type 1 Netherlands: Respect for human rights, democratic principles, the rule of law and good governance. Belgium: None
The nature of Performance indicators monitored, and the source of performance indicators	Netherlands: Quantitative, qualitative and process indicators drawn from the sector strategy Ireland: (i) Quantitative, qualitative and process indicators drawn from the sector strategy. (ii) On performance targets: Ireland subscribed to the undertakings agreed upon through the PRSC and the PRGF process between the GoU, WB, IMF and other participating development partners.	EC: Quantitative, qualitative and process indicators drawn from the sector strategy Ireland: As mentioned in SBS type 1 Netherlands: As mentioned in SBS type 1 Belgium: Quantitative, qualitative and process indicators drawn from the sector strategy.
Accountability requirements for SBS programmes	EC: GoU audited accounts of the preceding year at the time of the first release of the financial year, together with the results of the annual review. For the second release reports from hotspots or system audits made available where appropriate alongside the results of the interim review. Ireland: GoU audited accounts	EC: GoU audited accounts of the preceding year at the time of the first release of the financial year, together with the results of the annual review. For the second release reports from hotspots or system audits made available where appropriate alongside the results of the interim review. Ireland and Netherlands: GoU audited accounts Belgium: Annual sector audits
Existence of any performance assessment framework or equivalent, and description of its structure and content.	There wasn't a performance assessment framework until FY 2007/08 when the DEG spearheaded the formulation of a performance framework called the Joint Assessment Framework (JAF). The JAF has three sections. The first has macro level indicators; the second one has crosscutting reform programmes;	There wasn't a performance assessment framework until FY 2007/08 when the DEG spearheaded the formulation of a performance framework called the Joint Assessment Framework (JAF). The JAF has three sections. The first has macro level indicators; the second one has crosscutting reform

SBS Input	SBS Type 1	SBS Types 2 & 3
	and the last section deals with sector indicators and these indicators are qualitative in nature.	programmes; and the last section deals with sector indicators and these indicators are qualitative in nature.
Process for reviewing adherence to conditions	The joint review mechanism used to review adherence to conditions.	The joint review mechanism used to review adherence to conditions.
Linking of conditions to the triggering of release of funds	Funds released against the conclusion that the review was a satisfactory one.	Funds released against the conclusion that the review was a satisfactory one.
Mechanisms/Fora for dialogue with respect to SBS	Bimonthly ESCC meetings are held. Prior to joint reviews, joint district visits are carried out. In the current FY, i.e. 2008/09 joint monitoring visits were instituted.	Bimonthly ESCC meetings are held. Prior to joint reviews, joint district visits are carried out. In the current FY, i.e. 2008/09 joint monitoring visits were instituted.
(v) Links to TA and Capacity Building		
Overall focus of TA/Capacity Building Linked to SBS	EC: None	Ireland: From 2007, Ireland provided TA in Teacher Education Netherlands: In MoU for 2001 - 2003 provision of TA for capacity building mentioned in the MoU, but the MOES was expected to draw resources from government's budget as its first source and to use Netherlands funding as a last resort. Belgium: TA in post primary education to be provided.
Is the provision of technical assistance and capacity building delivered as an explicit part of the SBS programme? If yes, describe.	Ireland: From 2007, Ireland provided TA in Teacher Education	EC: No Ireland: From 2007, Ireland provided TA in Teacher Education
Is the provision of TA/Capacity building in other programmes/provided by other donors explicitly linked to the provision of SBS?	No	No
Are there TA/Capacity Building conditions built into the SBS programme? If yes, describe.	Ireland: TA in Teacher Education.	EC: None None for EC, Ireland and Netherlands
(vi) Coordination with other SBS programmes and other aid modalities		
<i>e.g. common calendar, joint missions, common set of indicators, pooling of funds, delegated cooperation or silent partnership, Joint diagnostic and performance reviews</i>	All DPs coordinated (and still do so) their support through EFAG. Within the division of labour in EFAG there is delegated responsibility and silent partnership in the subsectors.	All DPs coordinated (and still do so) their support through EFAG. Within the division of labour in EFAG there is delegated responsibility and silent partnership in the subsectors.
What provisions are there for coordinating the provision of SBS and its	The donor coordinating group – EFAG and the ESCC for coordination with MoES	The donor coordinating group – EFAG and the ESCC for coordination with MoES

SBS Input	SBS Type 1	SBS Types 2 & 3
associated dialogue and conditionality amongst DPs providing SBS?		
What provisions are there for coordinating the provision of SBS inputs with General Budget Support?	The PRSCs mechanism and since FY 2007/08 the JAF.	The PRSCs mechanism and since FY 2007/08 the JAF.
What provisions are there for coordinating the provision of SBS with project and other forms of aid to the sector?	EFAG, SWG and the ESCC	EFAG, SWG and the ESCC
(vii) SBS as a transition mechanism		
Have donors providing project/basket funding shifted their support to SBS? What was the justification for doing so?	The move from project/basket funding was due to the presence of the PAF that ring fenced funds for UPE, the ESIP, and GoU commitment to improve PFM systems	The move from project/basket funding was due to the presence of the PAF that ring fenced funds for UPE, the ESIP, and GoU commitment to improve PFM systems
Have donors shifted from the provision of SBS to general budget support? What was the justification for doing so?	Ireland: From the onset of its support to the Education sector Ireland provided both GBS and SBS. Due to governance concerns, Ireland shifted from GBS to GBS to the PAF	EC: The shift to GBS was (i) in response to Government policy on its preferred support being GBS. (ii) The EU global policy on provision of aid using the GBS modality. (iii) There is a thin line between GBS and SBS. By providing GBS the EU would have more influence on the national economy. (iv) Confidence in the improved GoU reporting systems. Ireland: As mentioned in Type 1 SBS. Netherlands: There was no shift
(viii) Influence of HQ requirements on the design of SBS instruments		
Degree to which the design of SBS has been influenced by donor HQ requirements	Ireland: To some extent the design of the programme has been influenced by HQ.	EC: To a large extent. Ireland: As mentioned in Type 1 SBS. Netherlands: To some extent

b) SBS Disbursements over Time (US\$m)

PROGRAMME NAME	DONOR	Currency	Total	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Canada Education	Canada	US\$ million	5.5	-	-	-	2.2	1.3	2.0	-	-	-	-
EC Education	EC	US\$ million	22.60	-	-	-	16.5	6.1	-	-	-	-	-
Education Sector Adjustment Credit (98-01)	IDA	US\$ million	78.20	45.0	-	33.2	-	-	-	-	-	-	-
Ireland Education (PAF - Classrooms then Primary)	Ireland	US\$ million	27.1	-	2.6	2.7	3.5	3.9	5.5	3.4	3.0	2.6	-
Ireland Education Strategic Investment Plan	Ireland	US\$ million	28.3	-	-	-	2.5	3.2	4.2	4.7	4.1	5.7	3.8
Netherlands Education	Netherlands	US\$ million	39.0	3.4	2.9	4.3	8.8	10.9	8.8	-	-	-	-
UK Education Sector Programme Aid (97-00)	UK	US\$ million	85.4	10.0	17.5	21.7	17.1	19.1	-	-	-	-	-
Support to Primary Education Reform (92-02)	USAID	US\$ million	58.3	8.0	8.0	-	14.5	6.5	-	-	-	-	-
	TOTAL		344.5	66.4	30.9	61.9	65.1	51.0	20.5	8.1	7.1	8.3	3.8

Sources: Information up to 1999 - UNDP/MFPED Development Cooperation Reports; Information from 1990/00 onwards a combination of Ministry of Finance Budget Performance Reports, Division of Labour (ODI 2007), and OECD CRS Online

c) Details of Conditions relating to Sector Budget Support over Time

This table sets out the specific conditions (e.g. policy actions, performance targets) associated with SBS agreed each year, mapped onto the four themes in the assessment framework.

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
1999 October Review	<ul style="list-style-type: none"> - Budget & releases maintain a minimum of 31% of GoU Recurrent discretionary expenditure⁶. 	<ul style="list-style-type: none"> - TDMS recurrent costs incorporated - Outstanding teacher arrears paid and measures in place to prevent future arrears - Extend MTEF and work plan to cover all development spending in education - Bank accounts for earmarked budget support opened and funds reflected in Medium Term Budget Framework (MTBF) - Full audit cycle completed 	-	-	<ul style="list-style-type: none"> - Schools facilities plan revised, approved and circulated - Teacher payroll updated with all teachers entitled to government salaries on the payroll and paid in a timely manner - Integrated teacher development plan created - Capacity building plans for centre and district completed - Convene six monthly review meetings - Convene meetings annually with donors to share draft budgets and agree performance indicators/conditions for budget supports
2000 April Review	<ul style="list-style-type: none"> - Budget and releases are in line with MTBF, MoES and PAF guidelines maintaining a minimum of 31% of recurrent discretionary expenditure for the education sector with at least 65% of this for primary education 	<ul style="list-style-type: none"> - An annual independent financial audit is carried out by an internationally recognised firm under the auspices of the Office of the Auditor General (OAG), with a jointly agreed systems audit carried out in areas of mutual concern. Independent external financial audit for the 	<ul style="list-style-type: none"> - Basic Learning Materials: The target ratio for textbooks and non textbook instructional materials for the 4 core subjects (1:6) is achieved by April 2001 	-	<ul style="list-style-type: none"> - Joint reviews with mutually agreed TORs are held at six monthly intervals, ESCC meetings are held once in two months pending the meeting of the ESCC on 25th May 2000 and are informed by Commissioners reports in line with the agreed format - Teacher utilisation studies are

⁶ Discretionary recurrent expenditure is recurrent expenditure net of statutory items e.g. debt service (interest payments), categorized wages like for H.E The President, Auditor General and Commissions like Electoral Commission.

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
		entire sector available to the April 2001 review and systems audit available during the year to be presented at the October review			<p>completed and a costed action plan is included in MTBF and in place by October 2000</p> <ul style="list-style-type: none"> - Quality: The inter-ministerial standing committee under the PS, Ministry of Public Service (MoPS) established to provide co-ordination and continuous reporting to the ESCC from May 2000 onwards. District Service Commissions (DSCs) to ensure that 80% of district ceilings for primary teacher recruitment have access to the payroll by April 2001. MoPS to access all appointed teachers to the payroll within one month of receipt of notifications from districts. MoES and LG to develop strategies to attract teachers to disadvantaged communities by April 2001 - Monitoring and Evaluation: A system for monitoring and evaluating progress in the sector, including EMIS and NAPE is planned, costed and the implementation commenced nationally by April 2001 - Post Primary Education and Training policy framework in place. Costed plans for Secondary, Tertiary and TVET included in the MTBF by October 2000 - Equitable Access: A policy framework in place which aims to enhance equitable access for the disadvantaged groups by October 2000 - Costed plans for district and

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
					centre capacity building in place by July and initial activities begun by October 2000. Complete restructuring and recruitment of MoES personnel (90% of post filled by October 2000). ESA in place by April 2001
2000 October Review	<ul style="list-style-type: none"> - Budget and releases in line with GoU guidelines maintaining a minimum of 31% of recurrent discretionary expenditure for education and at least 65% for primary education 	<ul style="list-style-type: none"> - Annual statutory financial audit for education expenditures for previous financial year carried out under auspices of OAG, where appropriate supported by external auditors, with another systems study carried out in an area of mutual concern 	<ul style="list-style-type: none"> - (i) Pupil: Teacher ratio calculated nationally and by district. (ii) Pupil: core textbook ratio calculated nationally and by district. (iii) Pupil :classroom ratio calculated nationally and by district - Share of appropriate age range of girls and boys in P7 nationally and by district 	-	<ul style="list-style-type: none"> - On-going consultations on a policy framework which aims to enhance equitable access for the disadvantaged groups will take place by April 2001 and a policy framework will be in place by October 2001 - A national recruitment drive to get at least 15,000 (out of the required 30,000) teachers into classrooms launched through a multimedia campaign to inform prospective candidates about availability of posts and implemented through: i) recruiting S4 & S6 graduates for immediate deployment to schools and upgrading under TDMS; ii) recruiting and posting retired teachers willing to resume teaching; and iii) recruiting, on trial, newly qualifying student teachers from PTAs - 2000 EMIS data, in which a registry of private schools has been incorporated, analyzed, verified and baseline established. Data collection forms in schools by April 2001
2001 April Review	<ul style="list-style-type: none"> - Budget and releases in line with GoU guidelines maintaining a minimum of 	<ul style="list-style-type: none"> - Annual statutory financial audit for education expenditures for previous 	<ul style="list-style-type: none"> - (i) Pupil: Teacher ratio calculated nationally and by district: 60:1 (ii) Pupil: core 	-	<ul style="list-style-type: none"> - A draft policy framework, including a costed work plan, presented for discussion at the

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
	31% of recurrent discretionary expenditure for education and at least 65% for primary education	financial year carried out under the auspices of OAG for: A) Central Government (including institutions) and B) Local Governments - A tracking study carried out in an area of mutual concern	textbook ratio calculated nationally and by district: 6:1 (P3-P4) (iii) Pupil: classroom ratio calculated nationally and by district: 102:1 - Share of appropriate age range of girls and boys in P7 nationally and by district: 10%		April 2002 review and a finalised policy and costed framework feeds into the 2003/04 planning and budgeting cycle commencing October 2002 - A draft policy paper on disadvantaged group was developed and discussed during the Review. However, more work is needed to ensure that the policy framework meets the quality criteria set out in the April 2001 Aide Memoire - The national recruitment drive will continue and efforts will be made to reduce teacher attrition with the aim of having 105,000 teachers on the payroll by the commencement of the October 2001 Review - 2001 EMIS data, in which a registry of private schools has been incorporated, collected, entered, analyzed, verified and resulting statistics reported on at the October 2001 Review
2001 October Review	- Budget and releases in line with GoU guidelines maintaining a minimum of 31% of recurrent discretionary ¹	- A progress report on the implementation of the Financial Management Strengthening Component of the Second Economic and	- Pupil: Teacher ratio calculated nationally and by district: 49:1 ⁷ (ii) Pupil: core textbook ratio calculated nationally and by district: 0 ⁸	-	- A draft policy framework, ¹⁰ including a costed work plan, presented for discussion at the April 2002 review and a finalised policy and costed framework

⁷ Assumes 5,519,583 children in government primary schools and 112,000 teachers on the payroll in April 2002.

⁸ A ratio for 2002 to be determined. In the interim, it is proposed that a systems study in the allocation, delivery, storage and utilization of instructional materials be undertaken by October 2002.

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
	expenditure for education and at least 65% of the education sector budget for primary education	Financial Management Project and Financial Accountability Project - A tracking study carried out in an area of mutual concern - Tracking study on teachers' recruitment, deployment & payroll management. (Implications on the wage bill).	- (iii) Pupil: classroom ratio calculated nationally and by district: 92:1 ⁹ - Share of appropriate age range of girls and boys in P7 nationally and by district: Keep monitoring progress		feeds into the 2003/04 planning and budgeting cycle commencing October 2002 - MoES sets up a mechanism to monitor the share of filled positions and prepares and implements an action plan for increasing the numbers of teachers on the payroll with particular attention to the 10 districts with the largest establishment gaps. - 2002 EMIS data, in which a registry of private schools has been incorporated, collected, entered, analyzed, verified and resulting statistics reported on at the October 2002 ESR. The School Census 2002 will capture an increasing proportion of secondary schools and post-primary education and training institutions. Information on complementary primary education centers ¹¹ will be collected and included in the Education Statistical Abstract.
2002 April	- Budget and releases in line with GoU guidelines	- Progress reports on the implementation of the	- (i)Pupil: Teacher ratio calculated nationally and by district: 54:16	-	- A draft costed framework for basic education for

¹⁰ A draft policy framework includes concrete and feasible objectives based on research-based cause and effect relationships and wide consultation with stakeholders and will be framed within the context of a realistic appraisal of the resource constraints of the sector.

⁹ Assumes 5,519,583 children enrolled in Government schools and a classroom stock of 63,663.

⁶ Assumes 6,097,000 children in government primary schools and 113,232 teachers on the payroll in March 2002

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
Review	maintaining a minimum of 31% of recurrent discretionary expenditure for education and at least 65% of the education sector budget for primary education	<p>Financial Management Strengthening Component of the Second Economic and Financial Management Project and Financial Accountability Project</p> <ul style="list-style-type: none"> - A tracking study on primary teachers recruitment, deployment and payroll management carried out by October 2002 ESR - Preparations for tracking study in an area of mutual concern - 	<p>(ii) Pupil:Teacher Ratio for 10 targeted districts⁷ (iii) Pupil:Teacher Ratio for P1 and P2.8 (iv) Pupil: core textbook ratio calculated nationally and by district: 09 (v) Pupil: classroom ratio calculated nationally and by district: 92:110 (vi) Pupil:classroom ratio in 10 targeted districts</p> <ul style="list-style-type: none"> - (i) Share of appropriate age range of girls and boys in P7 nationally and by district. (ii) The learning achievements of primary school pupils as assessed by National Assessment Progress in Education (NAPE), Southern African Consortium for Monitoring Education Quality (SACMEQ) and Monitoring Learning Achievements (MLA) in their reports. (iii) The achievement of improved education quality as assessed by the annual reports of the MoES longitudinal study. (iv) Net enrolment ratios, particularly for the most disadvantaged districts. (v) Primary Completion Rates. Keep monitoring progress 		<p>disadvantaged children feeds into the October 2002 ESR and the 2003/04 planning and budgeting cycle commencing October 2002</p> <ul style="list-style-type: none"> - The mechanism for monitoring the share of filled positions strengthened and the action plan for increasing the numbers of teachers on the payroll with particular attention to the 10 districts with the largest establishment gaps implemented, including:(i)Reworking the establishment formula and aligning this to the national annual target for Pupil:Teacher ratio by 31 May 2002; (ii) Harmonising of staff establishment ceilings for all districts by 31 July 2002; (iii) Reappraising target districts in the light of harmonized establishment ceilings by 31 August 2002; (iv) Revising action plan for focus on new targets and target districts and implementing from early September 2002; (v) Proposing future targets for teacher recruitment to the October 2002 ESR; (vi)

⁷ Baselines and targets, for achievement in October 2003, to be set in October 2002

⁸ Baselines and targets, for achievement in October 2003, to be set in October 2002

⁹ Targets for achievement to be determined in October 2002 for assessment in October 2003

¹⁰ Assumes 6,097,000 children in government primary schools and a classroom stock of 66,300 in March 2002

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
					<p>Presenting a report on progress to the October 2002 ESR</p> <ul style="list-style-type: none"> - 2002 EMIS data, in which a registry of private schools has been incorporated, collected, entered, analyzed, verified and resulting statistics reported on at the October 2002 ESR. The School Census 2002 will capture an increasing proportion of secondary schools and post-primary education and training institutions. Information on complementary primary education centers¹¹ will be collected and included in the Education Statistical Abstract - Post-Primary Education and Training (PPET): A draft policy and costed framework for the expansion of PPET which has been discussed with a range of stakeholders be presented to the October 2002 Review for its comments, endorsement and future development
2002 October Review	<ul style="list-style-type: none"> - Budget and releases maintain a minimum of 31% of GoU Recurrent Discretionary expenditure, of which at least 65% for primary education 	<ul style="list-style-type: none"> - Progress reports on the implementation of the Financial Management Strengthening Component of the Second Economic and Financial Management Project and Financial Accountability Project - GoU publishes the states of 	<ul style="list-style-type: none"> - (i) Pupil: Teacher ratio calculated nationally and by district: 55:1 (ii) Pupil:Teacher Ratio for 10 targeted districts.3(iii) Pupil: core textbook ratio calculated nationally and by district: P1 – P2 : 0, P3-P4:3:1 or 4:1 by subject, P5 – P7: 0 (iv) Pupil: 	-	<ul style="list-style-type: none"> - The costed framework for basic education for disadvantaged children feeds into the 2003/04 planning and budgeting cycle commencing October 2002 - The mechanism for monitoring the share of filled positions and the action plan for increasing the numbers of teachers on the

¹¹ Only GOU-supported centers under COPE, ABEK and BEUPA are referred to here.

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
		<p>LG accounts, and Auditor General Progress</p> <ul style="list-style-type: none"> - Tracking studies and value for money audits on SFG completed, and new tracking study identified 	<p>classroom ratio calculated nationally and by district: 95:1 (v) Pupil: classroom ratio in 10 targeted districts</p> <ul style="list-style-type: none"> - The assumed number of classrooms to be constructed by end of April 2003 for the 10 targeted districts are: - Mbarara (85), Soroti M/C (27), Mbale (85) Kyenjojo (78), Iganga (85), Kabale (78), Yumbe (85), Bugiri (78), Mayuge (74), and Sironko (74) - Share of appropriate age range of girls and boys in P7 nationally and by district. - The learning achievements of primary school pupils as assessed by NAPE, SACMEQ and MLA in their reports - The achievement of improved education quality as assessed by the annual reports of the MoES longitudinal study - Monitor NER particularly for 10 districts with the poorest NER - Primary Completion Rates for 2002 primary seven leavers and survival rates using EMIS data 		<p>payroll strengthened particular attention will be paid to the 10 districts with the worst PTR (Nakapiripit, Kyenjojo, Kamuli, Mayuge, Bugiri, Kotido, Pader, Apac, Gulu and Kayunga) and six district with largest establishment gaps (Kamwenge, Mukono, Kanungu, Iganga, Arua and Rukungiri) as of October 2002. The districts of Apac, Gulu, Pader and Bugiri are in both categories.</p> <ul style="list-style-type: none"> - Undertake a review of EMIS with a view to improving data collection, reliability and presentation. Recommendations from this review to be incorporated into the 2004 school census. - A policy and costed framework for the expansion of PPET which has been incorporated into MTBF FY 2003/2004 be presented to the May 2003 Review - A draft strategic plan for Higher Education which has been discussed with a wide range of stakeholders be presented to the May 2003 Review
2003 May Review	<ul style="list-style-type: none"> - Budget and releases in line with GoU guidelines maintaining a minimum of 31% of recurrent discretionary expenditure for education and at least 65% of the education sector budget for primary 	<ul style="list-style-type: none"> - Progress reports on the implementation of the Financial Management Strengthening Component of the Second Economic and Financial Management Project and Financial Accountability Project 	<ul style="list-style-type: none"> - (i) Pupil: Teacher ratio calculated nationally and by district: 55:13. (ii) Pupil:Teacher Ratio for 10 targeted districts. (iii) Pupil: core textbook ratio calculated nationally and by district: P1 – P2 : 0, P3-P4:3:1 or 4:1 by subject, P5 – P7: 0. (iv) Pupil: classroom 	-	<ul style="list-style-type: none"> - A costed framework for basic education for disadvantaged children feeds into the October 2003 ESR and the 2004/05 planning and budgeting cycle - The mechanism for monitoring the share of filled positions strengthened and the action plan

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
	education	<ul style="list-style-type: none"> - A tracking study of the area of mutual concern agreed at Oct. 2003 ESR - Preparations for tracking study in an area of mutual concern 	<p>ratio calculated nationally and by district: 95:1 (v) Pupil: classroom ratio in 10 targeted districts</p> <ul style="list-style-type: none"> - Government will measure and report on the following indicators. (i) Share of appropriate age range of girls and boys in P7 nationally and by district (ii) Net enrolment ratios, particularly for the most educationally disadvantaged districts (iii) Primary Completion Rates and survival rates using EMIS data (iv) % of pupils reaching defined level of competency in Literacy in English, at determined levels .(v) % of pupils reaching defined level of competency in of Numeracy at determined minimum levels 		<p>for increasing the numbers of teachers on the payroll with particular attention to the 10 districts with the largest establishment gaps implemented, including: (i) Rework the establishment ceilings and align this to the national annual target for Pupil: Teacher ratio by 31 May 2003 (ii) Harmonisation of staff establishment ceilings for all districts by 30 June 2003 (iii) Reappraise target districts in the light of harmonized establishment ceilings by 15 July 2003. (iv) Revise action plan for focus on new targets and target districts and implement from early August 2003. (v) Propose future targets for teacher recruitment to the October 2003 ESR; (vi) Present a report on progress to the October 2003 ESR</p> <ul style="list-style-type: none"> - A draft costed strategic plan, which has been discussed with a wide range of stakeholders, be presented at the October 2003 ESR - Development of a coherent assessment system and an implementation plan for Primary Education - An instructional materials unit (IMU) be established under an appropriate department within the MoES structure with sufficient staff to coordinate all activities for provision,

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
					<p>management, and utilization of reading and learning materials in the primary & cost primary education sub-sector</p> <ul style="list-style-type: none"> - A supervisory classroom construction unit be established under an appropriate department within the MoES structure with sufficient staff to coordinate all, activities for provision management, and construction of classrooms in the primary, post-primary and tertiary institutions, other than Universities.
2003 November Review	<ul style="list-style-type: none"> - Budget and releases in line with GoU guidelines maintaining a minimum of 31% of recurrent discretionary expenditure for education and at least 65% of the education sector budget for primary education 	<ul style="list-style-type: none"> - Progress reports on the implementation of the Financial Management Strengthening Component of the Second Economic and Financial Management Project and Financial Accountability Project - A tracking study on the allocation and utilization of resources in institutions and MOES departments whose roles directly impact on the quality of learning in the primary sub-sector (UNEB, ESA, NCDC, Primary Teacher Education, SNECG, EPD and Pre and Primary Education) 	<ul style="list-style-type: none"> - Pupil: Teacher ratio calculated nationally and by district (ii) Improved Pupil:Teacher Ratio in each of the 10 targeted districts (iii) Pupil: core textbook ratio calculated nationally and by district: P1 – P2 : 0, P3-P4:3:1, P5 – P7: 3:1 (iv) Pupil: classroom ratio calculated nationally and by district (v) Improved Pupil: classroom ratio in each of the 10 targeted districts - Government will measure and report on the following indicators. (i) Primary Completion Rates for P7 using EMIS data and UNEB 2003 P7 results¹² (ii) Survival rates for 	-	<ul style="list-style-type: none"> - i) An evaluation conducted to assess numbers, gender, age, and current qualifications of NFE Teachers/Instructors. (ii) Development of a draft implementation costed plan for mainstreaming NFE Learning Centres into the staff establishment of districts, and corresponding wage adjustments made in the MTBF of 2005/06. (iii) Development of a training module for NFE Teachers/Instructors - The mechanism for monitoring the share of filled positions strengthened and an action plan implemented leading to an increase in the numbers of

¹² Primary completion rate is defined as the total number of pupils registered for the PLE, regardless of age, expressed as a percentage of the population at the official primary graduation age.

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
		<ul style="list-style-type: none"> - Preparations for tracking study/diagnostic education audit in an area of mutual concern 	<p>all grades (iii) % of pupils reaching defined level of competency in Literacy in English at P3 and P6. (iv) % of pupils reaching defined level of competency in numeracy at P3 and P6.</p>		<p>teachers on the payroll with particular attention to the 10 districts with the largest establishment gaps</p> <ul style="list-style-type: none"> - A draft costed strategic plan for higher Education feeds into the 2004/05 planning and budgeting cycle - A coherent national assessment system that includes a costed implementation plan and which recognizes multiple assessment methodologies; defines competencies for different subjects in different grades; and clarifies the roles and responsibilities of various institutions - Establish the Uganda Vocational Qualifications Framework (UVQF) Secretariat as recommended and following guidelines given by the Steering Committee - Development of new critical indicators to reflect the realities and aspirations and targets of ESIP II and PEAP II
2004 November Review	<ul style="list-style-type: none"> - Budget and releases in line with GoU guidelines maintaining a minimum of 31% of recurrent discretionary expenditure for education and at least 65% of the education sector budget for primary education - Incorporate wage bill for Non Formal Education 	<ul style="list-style-type: none"> - Progress reports on the implementation of the Financial Management Strengthening Component of the Second Economic and Financial Management Project and Financial Accountability Project - A tracking study on the allocation and utilization of resources in institutions, 	<ul style="list-style-type: none"> - Pupil: Teacher ratio - calculated nationally and by district: 53:1 - Improved Pupil: Teacher Ratio in each of the 10 targeted districts - Pupil: core textbook ratio calculated nationally and by district: - P1 – P2 - P3 – P7: 3:1 	-	<ul style="list-style-type: none"> - The mechanism for monitoring the share of filled positions strengthened and an action plan implemented leading to an increase in: Use the ESSP as a basis for prioritisation preparations of the MTBF, monitoring implementation and reporting on progress. - (i) The numbers of primary teachers on the payroll with

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
	<p>(NFE) instructors into the MTBF 05/06 and 06/07</p> <ul style="list-style-type: none"> - GoU agrees with funding agencies and other stakeholders on the MTBF for the education sector for FY 05/06 – 07/08 and has consulted and agreed with donor partners through the relevant SWAP mechanisms on major envisaged changes to budget allocations including the FY 04/05 budget. 	<p>MoES Departments and Local Governments whose roles directly impact on the quality of learning in the primary sub-sector (UNEB, ESA, NCDC, Primary Teacher Education, SNECG, EPD and Pre and Primary Education)</p> <ul style="list-style-type: none"> - Preparations for tracking study/diagnostic education audit in an area of mutual concern 	<ul style="list-style-type: none"> - Pupil: classroom ratio calculated nationally and by district: 85:1 - Improved Pupil: Classroom ratio in each of the 10 targeted districts - Government will achieve, measure and report on the following indicators: - Primary Completion rates for P7: 63% - Survival rates for <ul style="list-style-type: none"> - P3: 71% - P5:59% - % of pupils reaching defined level of competence in Literacy in English at P3 and P6 for boys and girls. [to set targets] - % of pupils reaching defined level of competence in numeracy at P3 and P6, for boys and girls [to set targets] - Development of a set of training modules for Teachers/Instructors. - NFE centres will equally benefit from SFG, Capitation Grant and Instructional Materials Grant. 		<p>particular attention to the 10 districts8 with the largest establishment gaps.</p> <ul style="list-style-type: none"> - The numbers of tutors/instructors in BTNET institutions. - Use the ESSP as a basis for prioritisation preparations of the MTBF, monitoring implementation and reporting on progress. - Issue circular to all primary schools requiring more time to be allocated to reading, writing, listening and speaking, number work and life skills for P.1 to P.3 - Finalize and agree the road map for review of the (i) primary curriculum and implement actions in the road map. (ii) PTC curriculum. (iii) Develop a road map for the review of the PTE curriculum and implement actions in the roadmap. - Appointment and Deployment of 570 Tutors for Pre-service and In-service. - Appointment and deployment of tutors in technical schools and technical institutions. - Roles and functions of stakeholders through National protocol signed by MoES/DBTVET, DIT, ESA, NCDC and UNEB - Proposed organizational structure for UVQF agreed upon - Interministerial Taskforce established to adapt/develop policy and guidelines to allow

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
					<p>funds for education to flow to schools/ learning centres in the districts if the north affected by conflict and to be used to address their specific educational needs and challenges</p> <ul style="list-style-type: none"> - Implementation of the policy guidelines to improve education service delivery - Use Strategic Plan for Higher Education as a basis for prioritisation, implementation and reporting on progress in the Tertiary sub-sector
2005 November Review	<ul style="list-style-type: none"> - Budget and releases in line with GoU guidelines maintaining a minimum of 31% of recurrent discretionary expenditure for education and at least 65% of the education sector budget for primary education 	<ul style="list-style-type: none"> - Implementation of recommendations of the most recent tracking study and outstanding issues from previous tracking studies in Education - A tracking study on the allocation and utilization of resources (funds, instructional materials and other support, including pedagogical supervision) to primary and PPET institutions. The study will cover all resources from both the centre and districts - Preparations for tracking study/diagnostic education audit in an area of mutual concern 	<ul style="list-style-type: none"> - Government will implement actions to improve, measure and report on the following indicators: (i) Pupil Teacher Ratio calculated nationally and by district: 50:1. 6,400,000 Children assumed to be in Government schools and 129,000 teachers by June 2006 (ii) Pupil Classroom Ratio calculated nationally and by district: 77:1. 6,400,000 Children assumed to be in Gov't schools and a stock of 83,500 classrooms constructed by June 2006. (iii) Improved Pupil: Classroom Ratio in each of the 10 targeted districts - Government will implement actions to improve, measure and report on the following indicators: (i) Primary Completion Rates for P7 50%.We assume 453,116 will register for P7 with 910,589 children aged 12 years in the 	-	<ul style="list-style-type: none"> - Develop a road map for the review of the PTE curriculum and implement the roadmap

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
			<p>population in 2006, resulting into a completion rate with 53% boys and 47% girls (ii) Survival rates for P3: 59%, P5: 47% We assume a cohort of pupils reaching grade 3 with 59.1% boys and 59.2% girls and grade 5 with 47.3% boys and 46.6% girls. (iii) % of pupils reaching defined level of competence in Literacy in English at P3 and P6 for boys and girls. (iv) % of pupils reaching defined level of competence in numeracy at P3 and P6, for boys and girls (v) Share of female students enrolled in PPET Institutions and other institutions (i) Secondary and (ii) BTVET. (vi) Share of female students enrolled in all Tertiary Institutions: (i) University and (ii) Non-University</p> <ul style="list-style-type: none"> - Five hundred nine (509) tutors/instructors recruited in BTVET institutions - Implement the primary curriculum road map - Development and introduction of competency-based vocational training courses and assessment in at least 11 occupational areas under the UVQF 		
2006	- Budget and releases in line with GoU guidelines maintaining a minimum of 31% of recurrent discretionary expenditure. Meanwhile the primary	- Implementation of recommendations of the most recent tracking study and outstanding issues from previous tracking studies in	- Government will implement actions to improve measure and report on the following indicators: (i) Pupil Teacher Ratio calculated nationally and by district: 51:1. 6,594,872	-	- Six (6) Assessment and Training Packages (Occupational Profiles, Test Item Banks and formats for Modular Curricula) developed by the UVQF Secretariat are

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
	<p>education share of the total sector budget and releases for the FY 2006/07 will be based on the budget as appropriated by Parliament. The share of the primary education budget and releases for the FY 2007/08 – 09/10 will be agreed at the Planning and Budgeting Workshop of March 2007 following the re-costing of the Education Sector Strategic Plan (ESSP) 2004-2015</p>	<p>Education</p> <ul style="list-style-type: none"> - A tracking study on the allocation and utilization of resources (funds, instructional materials and other support, including pedagogical supervision) to primary and PPET institutions. The study will cover all resources from both the centre and districts. - Preparations for tracking study/diagnostic education audit in an area of mutual concern. 	<p>Children assumed to be in Government schools and 129,000 teachers by June 2007. (ii) Pupil Classroom Ratio calculated nationally and by district: 76:1. 6,594,872 Children assumed to be in Gov't schools and a stock of 87,050 classrooms constructed by June 2007. (iii) Improved Pupil: Classroom Ratio in each of the 10 targeted districts</p> <ul style="list-style-type: none"> - Government will implement actions to improve, measure and report on the following indicators: Primary Education (i) Primary Completion Rates for P7 54%. We assume 478,697 will register for P7 with an estimated 883,699 children aged 12 years in the population in 2007, resulting into a completion rate with 58% boys and 50% girls. (ii) Survival rates for P3: 63.2%, P5: 50.7%. We assume a cohort of pupils reaching primary 3 with 62.9% boys and 63.6% girls and primary 5 with 49.7% boys and 51.9% girls. (Survival rate refers to percentage of cohort of pupils reaching a particular grade/class) (iii) Increase % of pupils reaching defined level of competence in Literacy in English at P3 and P6 for boys and girls. (iv) Increase % of pupils reaching defined level of competence in numeracy at P3 and P6, for boys and girls. 		<p>implemented</p>

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
			<ul style="list-style-type: none"> - (b) UPPET (i) Survival rates for Govt and Private institutions S1, S2, S3 - BTVET year 1, 2, & 3. (ii) percentage of pupils reaching defined level of competence in maths at S2 for boys and girls (iii) percentage of pupils reaching defined level of competence in one Science subject at S2 for boys and girls (iv) percentage of pupils reaching defined level of competence in English language at S2 for boys and girls. (v) Share of female students enrolled in public and private PPET Institutions and other institutions (a) Secondary (b) BTVET including UGAPRIVI (c) Tertiary Share of female students enrolled in all Tertiary Institutions. (a)University. (b)Other tertiary - Implement the primary curriculum - Implement the roadmap for the review of the PTE curriculum - Government will fill 99% of the primary education established positions by April 2007 		
2007 October Review	- Budget and releases in line with GoU guidelines maintaining a minimum of	- Implementation of recommendations of the most recent tracking study	- Government will measure and improve the following indicators i-iii and report on credible	-	- Develop a work plan with prioritised actions budgeted for in FY 2007/08 from

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
	31% of recurrent discretionary ¹³ expenditure. Meanwhile the primary education share of the total sector budget and releases for the FY 2007/08 will be at least 60%.	and outstanding issues from previous tracking studies in Education	<p>actions listed below: (a) Primary Education Primary Completion Rates for P7 51%</p> <ul style="list-style-type: none"> - Enforce automatic promotion of all pupils in all classes especially P6 - Review and implement Customised Performance Targets - Implement the primary curriculum in P1 and P2 including training of teachers and continuous assessment of the pupils 		<p>recommendations from previous tracking studies</p> <ul style="list-style-type: none"> - Government will measure and improve the following indicators i-iii and report on credible actions listed below: (a) Primary Education Primary Completion Rates for P7 51% - Convene a workshop for all DEOs, CAOs/Town Clerks Secretaries for Education at LC V, DISs, to mobilise their support and input towards quality education - Devise a non-monetary incentive scheme - Develop work plan with findings from Diagnostic Study - % of pupils reaching defined level of competence in Literacy in English at P3 and P6 for boys and girls - develop work plan with credible actions - Increase % of pupils reaching defined level of competence in numeracy at P3 and P6, for boys and girls - develop and operationalise work plan with credible actions - Develop, pilot and finalise P3 curriculum - develop work plan for 2008

¹³ Discretionary recurrent expenditure is recurrent expenditure net of statutory items e.g. debt service (interest payments), categorized wages like for H.E The President, Auditor General and Commissions like Electoral Commission.

Timing	Policy, planning and budgeting	Procurement, Expenditure, Accounting and Audit	Institutions, service delivery systems, and capacity;	Accountability	Due Process and other Conditions
					<ul style="list-style-type: none"> - Develop and operationalise an action plan for implementation of the costed comprehensive programme to improve quality of primary education - Improve the staffing levels in BTNET institutions in line with budgetary provisions including 368 positions for specialised institutions
2008	<ul style="list-style-type: none"> - Budget and releases in line with GoU guidelines maintaining a minimum of 31% of recurrent discretionary expenditure. Meanwhile the primary education share of the total sector budget and releases for the FY 2008/09 will be at least 58% 	<ul style="list-style-type: none"> - Implementation of recommendations of the most recent tracking study and outstanding issues from previous tracking studies in Education - Conduct Joint Monitoring in FY 2008/09 from recommendations from previous tracking studies - Preparations for a Tracking Study in an area of mutual concern 	<ul style="list-style-type: none"> - Finalize the development of the primary curriculum for P1 to P4 	-	<ul style="list-style-type: none"> - Complete QEI Baseline Survey - QEI targets and indicators incorporated into the revised ESSP

Annex 5 – Institutions visited and Individuals Met

Sukhdeep Brar – World Bank

Ellie Brown – Task Manager, Health Systems 2020

Charles Byaruhanga – Budget Advisor, MFPED

Godfrey Dhatemwa – Commissioner, Education Planning Department, Ministry of Education and Sports

Yuriko Doi – Representative, Japanese International Cooperation Agency

Susan Fraser – Development Attache, Embassy of Ireland

George Kalibala – Education Advisor, Netherlands Embassy

Tim Kos – EFAG Chair, Netherlands MFA

Juliet Kyokuhaira – Desk Officer for Education, Ministry of Finance, Planning and Economic Development

Gwyneth Lee – Senior Economic Adviser, DFID

Jo Lofthouse – DFID Uganda

Ishmael Magona – Commissioner, Infrastructure and Social Sector Development, MFPED

Ilahi Mansoor – Assistant Commissioner, Technical Education, MoES

Sarah Mayanja – USAID

Frederick Matyama – Assistant Commissioner, Infrastructure and Social Sector Development, MFPED

Kenneth Mugambe – Commissioner, Budget Policy and Evaluation Department, MFPED

Keith Muhakanizi – Deputy Secretary to the Treasury, MFPED

Innocent Mulindwa – World Bank

Joseph Muvawala – Assistant Commissioner, Education Planning Department, Ministry of Education and Sports

Agnes Nabirye – Speaker, Jinja District

Patrick Ocailap, – Director Budget, MFPED

Elizabeth Ongom – Operations Officer, Social Sectors, Delegation of the European Commission

Rosemary Rwanyange – UNICEF

Alain Schmitz – Embassy of Belgium

Peter van Acker – Embassy of Belgium

Maris Wanyera – Acting Commissioner, Macroeconomic Policy Department, MFPED

Mrs Washeba – Principal Economist, Infrastructure and Social Sector Development, MFPED

Jessica xxx – Education Adviser, Irish Aid

Xxx – Assistant Commissioner, Planning (M&E), Ministry of Education and Sports

Xxx – Centre Coordinating Tutor, Busesa Primary School, Iganga District

Xxx – Commissioner, Pre-Primary & Primary Education, Ministry of Education and Sports

- Xxx – Commissioner, Secondary Education, Ministry of Education and Sports
- Xxx – Coordinator and Programme Officer, Forum for Education NGO's in Uganda
- Xxx – District Education Officer, Iganga District
- Xxx – District Planner, Jinja District
- Xxx – Education Advisor and Coordinator Commonwealth Education Fund, ActionAid International
- Xxx – Education Expert, Save the Children Alliance in Uganda
- Xxx – Executive Secretary, Uganda National Teachers Union
- Xxx – Head Teacher, Busesa Primary School, Iganga District
- Xxx – Head Teacher, Deputy Head Teacher / Member of Board, Nkutu Memorial Secondary School, Iganga District
- Xxx – Inspector of Schools, Iganga District
- Xxx – Principal Accounting Assistant, Jinja District
- Xxx – Programme Director, Link Community Development