

Report on Quarterly Tracking of

Three Schemes in

**Education Budget of the Punjab and Khyber
Pakhtunkhwa (2010 – 2011)**

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Context of the Quarterly Tracking Report

The education system of Pakistan is continuously facing major challenges of poor data management, inappropriate budgetary allocation, and capacity deficit to absorb available financial resources and use them effectively. It is a well-established fact that the education data analysis and budget tracking is the key to identifying and resolving issues in the education system and to promote data-based decision making at all levels i.e. federal, provincial and district.

In Pakistan, presently, there is no proper mechanism in place to monitor and track the budgetary allocation and utilization in education sector. Complexity of budgetary system, complex presentation of education data, and hurdles in access to information make it very difficult for citizens and research organizations to effectively engage with budget processes. Moreover, the country lacks equity, public participation, and transparency in budget making process. Hence, the responsible departments and officials remain unaccountable.

These developments and challenges faced by the existing education financing system highlight the need for monitoring and tracking allocations and utilization of expenditure on education. Considering these issues, I-SAPS carried out tracking of three selected schemes from education sector on quarterly basis. From the budgetary analysis already done with the support of DFID, I-SAPS identified three sub-sectors/schemes namely: i) teacher education and training; ii) schools councils; and iii) girls stipend for the carrying out quarterly tracking. Allocation and expenditure on the identified sub-sectors/schemes have been tracked in order to identify any issues in the release or utilization of finances. The data will be used for promotion of transparency and public engagement and to engage the concerned government departments for removing the bottlenecks in disbursement and utilization of the funds.

This quarterly report is the fourth of the series of quarterly tracking reports that would be produced under Effective Education Budgeting Initiative (EEBI). EEBI is being implemented with the financial support of Department for International Development (DFID). The quarterly report will contain tracking of the budget for above mentioned three schemes in the education budgets of the Punjab and Khyber Pakhtunkhwa (KP).

The report will start with the concept and significance of budget tracking followed by the data and analysis regarding three identified schemes.

Understanding Budget Tracking

Budget tracking is a technique used to closely monitor and evaluate the budgetary allocation, disbursement and expenditure, made by the government in various sectors and sub-sectors. Budget Tracking is a careful and intentional “watch” over the use of financial resources, which continues along the budgetary cycle i.e. from planning, allocation, disbursement, utilization to the final stage of assessing the effect utilization of available resources in a particular sector.

Budget tracking determines whether the public finances allocated by the government have been spent according to allocations and in effective manner or not. Since tracking system checks disbursements of resources in accordance with the existing allocations, therefore it can help to identify issues of mismanagement and corruption as well. Budget tracking can be done both vertically and horizontally. Vertical tracking can inform i.e. how does money flow through a system from national to district to school level whereas horizontal tracking can tell how are disbursements made at one point in the system? Are they regularly spent as planned? For either type of budget tracking, the focus is on whether the money is spent as detailed in the allocations and policy priorities. This report will focus on the Vertical Budget Tracking of the schemes.

Significance of Budget Tracking

Budget tracking not only ensures system transparency but also provides information for adjusting priorities and for building pressure to leverage political commitments for improving allocations under education budget. Similarly, tracking of disbursements and utilization is crucial to take timely decisions for ensuring full utilization of the allocated budget and to coordinate with donors for aid effectiveness and future planning.

Benefits of budget tracking include: rational allocation of resources to sub-sectors; equitable distribution of resources to districts, and functional categories; reduced misappropriation of funds; and effective utilization of available resources. It also contributes to improved transparency and accountability of resources for education. It is important to note that the budget tracking systems facilitate the government and education management record transactions and allocates the financial resources into specific expense categories which are considered policy priority areas.

Tracking of Selected Schemes

Following data and analysis provides detailed information regarding allocations and disbursements made against each selected schemes during four quarters of the financial year 2010-11.

1. Teacher Education and Training

Teachers have a central role in the provision of quality education. Recognizing this, the Punjab and KP Governments have developed elaborate infrastructure for both pre and in-service teacher trainings. Regular teacher education and training helps in improving the quality of learning outcomes in educational institutions. Provincial governments are largely responsible for pre and in-service teacher training and education. Funds for teacher training have been consistently increasing over past few years.

Tracking of quarterly releases for teacher education budget of financial year 2010-11 informs that since the teacher training related budget in Punjab was 100% released during

first quarter therefore there was no release during the second, third and fourth quarters under this head. (see table 1).

Table 1: Allocation and Release for Teacher Education and Training

Teacher Training	Total Allocation for 2010-11 (Rs. in Million)	Released Amount (Rs. in Million)			
		Quarter 1 (July-Sept. 2010)	Quarter 2 (Oct.-Dec. 2010)	Quarter 3 (Jan.-March 2011)	Quarter 4 (April-June, 11)
KP	232.936	226.000	00	6.930	00
Punjab					
Directorate of Staff Development, District Training & Support Centers (DTSCs) & Cluster Training Support Centers (CTSCs)	1746.851	1746.851	00	00	00
Govt Colleges for Elementary Teachers in Punjab	419.231	419.231	00	00	00

Out of total allocations of Rs. 232.936 million in KP, 97% budget was released during the first quarter; there was no release during second quarter, whereas remaining 3% budget was released during January- March 2011. Since, 100% allocated budget was released during the first and third quarter of 2010-11, therefore there was not release under the head of teacher training education during fourth quarter. This shows that in both provinces 100% budget allocated for teacher training and education was released and there was no over or under-spending by the provincial departments in this regard.

However, there are issues with the allocation of resources for teacher training in KP. There is serious mismatch between policy priorities and the allocation of funds for teacher training thus pointing towards lack of allocative efficiency of funds in the province. The funds for teacher training are allocated not only for in-service but also for pre-service teacher training programs. Although the policies and plans put greater emphasize on in-service teacher training, which is ultimately expected to contribute towards system improvement, however the distribution of allocations for pre-service and in-service teacher training in Khyber Pakhtunkhwa (KP) is not consistent with this policy provision. During 2010-11 out of total allocations for teacher education and training in KP, around 72 percent budget was allocated for pre-service training, 11 percent for Directorate of Curriculum and Teacher education whereas only 16 percent budget was allocated for in-service teacher training which is the policy priority. Allocation of more resources for pre-service training is not consistent with the government policy for improving skills of teachers in the existing system.

In KP there are 20 Regional Institutes of Training (RITEs) (11 for male and 9 for female) for pre-service training. These RITEs are providing pre-service training (primary Teaching certificate –PTC) for appointment as primary school teachers in the primary schools and certified teachers (CT) for appointment in middle and high schools as CT

teachers. B.ED and M.Ed training is provided in the Research & Training Institute Peshawar University. The teaching staff is generally drawn from schools, not trained as trainers. The capacity of RITEs is underutilized and very rare in-service trainings are imparted.

2. School Councils (SCs)/Parent Teacher Councils (PTCs)

School councils, which are called Parent Teacher Councils in KP, have been established in all regions of the country to foster participation of parents and community members in the management and development of schools. In 2010-11, Khyber Pakhtunkhwa (KP) allocated Rs. 789.880 million for school council funds whereas allocations in the Punjab the head of Grant-in-Aid to school council were Rs. 1500 million.

Table 2: School Council Funds

School Councils / PTCs	Total Allocation for 2010-11 (Rs. in Million)	Released Amount (Rs. in Million)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
KP	789.880	00	00	350.392	00
Punjab	1500	1236.770	00	00	00

Out of total allocations for the year 2010-11 the release for the first quarter in KP was zero on the contrary in Punjab 82% of school council funds were released during first quarter.

During second quarter of the year no funds were released for school councils in both the provinces. This informs that till December 2010 (i.e. during first six months of the financial year 2010-11) no funds were released for school councils in KP. However, during third quarter 44% of total allocation was released in KP. In Punjab there was no release for school councils during third and fourth quarters of the financial year 2010-11. Release in the fourth quarter in the Province of Punjab was also zero.

Analysis of allocations and release of funds for school councils informs that during 2010-11, the Punjab released only 82% of the total allocations for school councils, whereas in KP this release for the year was just 44% of the total allocations, ultimately leading to under-utilization of available finances.

The reason of under-spending of PTC funds was discussed in detail with the officials of education and finance departments in KP. The officials during meetings informed that the till 2010, PTC funds were upfront transferred to the bank accounts of the PTCs by the district offices. But in some districts the EDOs transferred the funds to their accounts and retained the funds for certain period and then released to PTCs on case to case basis. This issue was highlighted during the audit conducted by the department. As a result, the district education offices were asked by Finance department to report the utilization of the funds transferred during 2009-10 so that the budget allocated during 2010-11 could be released. According to provincial officials, only 10 districts furnished such reports and their funds were released on 21.3.2011 (that is quarter 3 of the financial year) after the lapse of 8 months of the financial year. They were of the opinion for changing that there

is need to improve transparency of the system in manner that should not impinge upon the efficiency and swiftness of the system. Officials also informed that a Third Party Audit of school council funds is also being conducted till the service delivery level to track the misappropriations and issues in the flow of resources.

3. Girls Stipends

Keeping in view the importance of scholarships and stipends for the encouragement of poor students, the quality of education and the access to education for the marginalized section of the society especially for girls, both KP and the Punjab allocated Rs. 850 million and Rs. 1050 million, respectively during 2010-11.

Table 3: Allocation and Release under Girls Stipend Schemes

Girls Stipends	Total Allocation for 2010-11 (Rs. in Million)	Released Amount (Rs. in Million)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
KP	850.000	806.258	00	00	00
Punjab	1050	65.757	265.757	199.115	265.757

In the Punjab only 6% budget for girls' stipends was released during first quarter of the financial year 2010-11, during second quarter 25.3% budget was released, followed by release of 19% funds during third quarter of the year. In the fourth quarter 25% budget was released for girls' stipend scheme. This informs that in total Rs. 796.368 million were released in Punjab out of Rs. 1050 million allocations for the year. Thus on the whole 76% budget allocated for girls' stipends was utilized. Similar to the pattern of budget for school councils, this once again points towards underutilization of budget.

The release of girls stipend during first quarter in KP was Rs. 806.258 million i.e. 94.85%, whereas the release during second, third and fourth quarters were zero. Thus out of total allocation of Rs. 850 million only 94.85% budget was released in KP.

Officials of Finance and Education departments at the provincial level in KP informed that the stipends are distributed by district education departments through post offices on quarterly basis. They were shared that some amount released by provincial department might be in the pipeline at district level due to processing delays. They also shared that the unspent amount will lapse due to delay in provision of data by the schools and then district offices. This delay is mainly caused due to issues in the processing of information regarding the actual enrollment and names of students and the time spent in preparation of cheques, etc. They identified timely preparation and compilation of the lists as a major challenge.

Key Challenges and Way Forward:

Following are the major gaps and challenges highlighted through quarterly tracking of three identified schemes:

1. The funds for teacher education and training have been released 100% in both the provinces, however, the share of resources for pre-service and in-service training programs in KP point towards serious issues with reference to lack of allocative efficiency.
2. Since only 82% and 44% school council/PTC funds were released in both Punjab and KP, respectively, therefore the available resources will remain under-utilized. In KP there is need to improve system transparency and processing through necessary changes in the funds transfer procedures.
3. The girls' stipend schemes in both provinces also witnessed under-spending. There is need to reduce and gradually eliminate the processing delays in the system in order to ensure optimal utilization of available resources.