



Knowledge hub
-
Collection of best practices

Summary of the best practice

1. Title of the best practice (e.g. name of policy, programme, project, etc.) *

EDUCATION PUBLIC EXPENDITURE REVIEWS

2. Country or countries where the practice is implemented *

Bangladesh, Philippines, among others

3. Please select the **most relevant** Action Track(s) the best practice applies to *

- Action Track 1. Inclusive, equitable, safe, and healthy schools
- Action Track 2. Learning and skills for life, work, and sustainable development
- Action Track 3. Teachers, teaching and the teaching profession
- Action Track 4. Digital learning and transformation
- Action Track 5. Financing of education

4. Implementation lead/partner organization(s) *

World Bank

5. Key words (5-15 words): Please add key descriptive words around aims, modalities, target groups etc. *

education expenditure, budgets, public expenditure, primary education, secondary education.

6. What makes it a best practice? *

This education PER can be considered as a best practice because it can be applied across other sectors using the same methodologies and the findings offer insightful policy priorities that need to be addressed within the specific sector a PER has been conducted in

Description of the best practice

7. Introduction (350-400 words)

This section should ideally provide the context of, and justification for, the practice and address the following issues:

- i) Which population was affected?
- ii) What was the problem that needed to be addressed?
- iii) Which approach was taken and what objectives were achieved? *

To best understand Education Public Expenditure Reviews, one must have an understanding of the general concept of Public Expenditure Reviews (PERs). PERs are a core diagnostic tool to assess the state of financing in different sectors. They review the adequacy, sustainability, efficiency, and effectiveness of spending of public, private, and donor spending in relation to sector goals. A PER examines the quantity and quality of public spending over time in relation to policy goals and performance indicators. Their scope can vary from analysing all government expenditure or concentrating on one or more priority sectors, such as health, education or water and sanitation etcetera. PERs are useful tools to guide strategic planning and budget preparation and to identify ways in which to enhance the effectiveness and efficiency of government resources. Public Expenditure Reviews (PERs) have a focus on spending outcomes, by examining the efficiency, effectiveness, and equity of spending, but have less focus than FinEd on the underlying bottlenecks that are the likely root causes of problems in each of these areas. In general, PERs contain the following: Summary of macroeconomic indicators, assessment of public spending against national and international benchmarks, disaggregation of spending according to various categories, including capital or recurrent spending, identifying bottlenecks and capacity constraints that impact efficiency and implementation and lastly, assessment of the performance of spending in terms of efficiency, effectiveness, and equity. Besides the mentioned seemingly evident uses of PERs, more specifically, PERs are useful tools to engage government on policy priorities and policy reforms in the following ways:

- **Renewing engagement:** In a country that has seen limited engagement in the education financing sector over a considerable period, a PER provides a starting point to identify key challenges.
- **Emergency support:** In response to a crisis (say in the education sector), a PER can be useful in identifying the most urgent financing needs.
- **Project preparation:** a PER can be helpful in providing the grounding before a new education project is launched.
- **Capacity building:** by ensuring close collaboration with stakeholders, a PER can be an important capacity building tool.
- **Governance challenges:** If a government is concerned about funds not reaching schools, a PER can help identify potential Public Finance Management (PFM) weaknesses.
- **Fiscal sustainability:** a PER can be used to assess the fiscal sustainability of an education sector reform.
- **Efficiency gains:** a PER can also identify potential areas for efficiency gains.

An Education Public Expenditure Review is often situated as part of a multisectoral or comprehensive PER. Typically, sector analyses are done in isolation before being combined into a broader, comprehensive PER. As such, while the education PER should have its own, sector-based objectives, it should align with the overall purpose and objectives of the comprehensive PER. In terms of the general education finance framework, PERs often cover raising an adequate volume, and allocating and spending it efficiently.

An example of education PER is the Bangladesh education sector public expenditure review – 2019 which sought to analyse major spending and outcomes trends in the overall education sector in Bangladesh in recent years, with a focus on primary and secondary education.

8. Implementation (350-450 words)

Please describe the implementation modalities or processes, where possible in relation to:

- i) What are the main activities carried out?
- ii) When and where the activities were carried out (including the start date and whether it is ongoing)?
- iii) Who were the key implementation actors and collaborators? (civil society organizations, private sector, foundations, coalitions, networks etc.)?
- iv) What were the resources needed (budget and sources) for the implementation?

*

The Bangladesh education sector public expenditure review - 2019 is an example where the PER tool has been applied to assess the performance of public expenditure in the education sector. Similar reviews have been done in the Philippines and elsewhere. The main objective of this review was to analyse major spending and outcomes trends in the overall education sector in Bangladesh in recent years, with a focus on primary and secondary education. It hence sheds light on the extent to which resources are used effectively and equitably in the education sector with the aim of informing the way forward among various stakeholders and assist the Ministry of Primary and Mass Education (MoPME) and the Ministry of Education (MoE) in formulating policy priorities and making decisions related to resource allocation and utilization. The analysis utilizes data from household income and expenditure surveys, public expenditure datasets, and student learning assessments. These were particularly obtained from the Bangladesh Household Income and Expenditure Surveys (HIES 2000, 2005, 2010, and 2016), Bangladesh public expenditure BOOST dataset (2014), National Student Assessment (NSA 2011, 2013, 2015, and 2017), and Learning Assessment of Secondary Institutions (LASI 2015).

Some key activities in generation of this education PER included the following:

- An extensive analysis of the trends in major education expenditures, access to education, quality of education, and disparities in education outcomes between 2000 – 2018.
- An evaluation of the composition of education expenditure, consistency between budget allocations and actual expenditures, equity in education spending, and potential links between spending and key educational outcomes.
- After been put together by the World bank team, the PER was subject to extensive peer reviews by senior staff at the bank before been finally made available for public use on the bank's 'open knowledge repository' in January 2019.

This PER is part of a larger set of studies being undertaken under a World Bank Programmatic Advisory Services and Analytics activity entitled "Expanding Quality Basic Education for All in Bangladesh".

9. Results – outputs and outcomes (250-350 words)

To the extent possible, please reply to the questions below:

- i) How was the practice identified as transformative? (e.g., impact on policies, impact on management processes, impact on delivery arrangements or education monitoring, impact on teachers, learners and beneficiary communities etc.);
- ii) What were the concrete results achieved with regard to outputs and outcomes?
- iii) Has an assessment of the practice been carried out? If yes, what were the results? *

The Bangladesh education PER provides a wide range of findings that can be useful in informing responsible ministries and other stakeholders in advancing and or repurposing their policy initiatives towards either maintaining course or improving efficiency and equity to achieve set education expenditure objectives. The findings of the PER include the following among others:

1. Bangladesh has made impressive progress in expanding access to education, with sustained increases in attendance rates at all levels of education. For example, between 2000 and 2016, the net attendance rate at the primary and secondary education levels increased from 72% to 93%, and 50% to 72%, respectively. The expansion in tertiary access has been even more rapid, from around 0% in 2000 to 16% in 2016. Overall, compared to the older generation, the younger generations have had more opportunities for attending and completing school. As a result, the education profile of the adult population has changed, with the percentage of adults older than 18 years of age without schooling decreasing from 63% in 2000 to 44% in 2016.

2. The progress in enhancing access to school education has been accompanied by an increase in the internal efficiency of the system. Repetition rates and cycle drop-out rates have decreased, and the survival rate and the coefficient of efficiency have increased at both levels.

3. There has also been a reduction in the gender gap in access at the primary and secondary levels, but the gap in tertiary level attendance has increased over time. While near-gender parity in net attendance rate was achieved as early as 2000 at the primary level, males significantly lagged behind females in secondary attendance rate at that time. Males continued to lag behind females by 9 percentage points in 2016 as well, but this represented a marked improvement from earlier. On the other hand, tertiary attendance rates are much higher for males compared to females, and this difference has increased over time.

4. Disparities in access across income groups and geographical regions have also declined at the school level, further pointing to the broad-based nature of the expansion in access. Attendance rates across different consumption quintiles have converged over the years, especially at the primary level. For example, compared to a primary attendance rate gap of 26 percentage points between the richest and poorest quintiles in 2000, the corresponding difference in 2016 was only 8 percentage points, although this difference is slightly higher at secondary level.

5. Though access to education has improved, the quality of education, as reflected in student learning outcomes, is low and has been declining. The NSA results show alarmingly low percentages of children achieving grade level proficiency in Bangla and Math at the primary level. For example, in 2017, around 26% and 59% of grade 3 students failed to achieve grade level proficiency in Bangla and Math, respectively. The results are worse for grade 5.

6. The NSA and LASI data indicate that gender differences in learning outcomes at both the primary secondary levels are generally small, but there are significant disparities in learning outcomes across geographical areas.

7. Though Government of Bangladesh has been making substantial investments in the education sector with the broad goals of increasing both access and quality, the overall education budget has remained low by international standards.

8. Over 70% of the education budget is typically allocated to revenue or non-development expenditure each year, limiting the amount of development expenditures in education.

9. While the overall budget utilization rate in the education sector is high, there is a bunching of

development spending in the last trimester of the fiscal year and in June as in other sectors.

10. Along with the increase in the education budget, public spending per student has also been increasing over time but remains relatively low. Howe

10. Lessons learnt (300 words)

To the extent possible, please reply to the following questions:

- i) What were the key triggers for transformation?
- ii) What worked really well – what facilitated this?
- iii) What did not work – why did it not work? *

- One of the key lessons learnt in this PER is that the challenges in education access are twofold: at the primary level, bringing the remaining out of school children into regular schooling; and increasing overall access to higher levels of education, especially at the tertiary level.
- Another lesson is that high drop-out rates continue to be an issue of concern, especially at the secondary level in Bangladesh. Also, due to disadvantages faced by women of older generations in accessing education, the percentages of adult women who have completed different levels of school education are still lower than those for men.
- The PER encountered a significant challenge of limited data to conduct a robust review across all levels of education and hence only focused on primary and secondary levels for which there was data.
- While Bangladesh has made commendable achievements that provide a solid foundation on which it can build to reach its goal of becoming an upper- middle-income country by 2031, the country is at a crossroads. In the years ahead, Bangladesh is expected to benefit from a demographic dividend resulting from a higher share of working-age population and a declining dependency ratio. However, with 88.5 percent of the labour force in informal employment, and 41 percent of workers with no education at all, the economy is at risk of falling into a low-productivity/low-wage trap. The majority of the youth are stuck in low-wage, labour intensive and insecure informal work. This is especially the case for poor youth, who often do not have the required education and skills needed for accessing remunerative, formal wage employment.

11. Conclusions (250 words)

Please describe why may this intervention be considered a “best practice”. What recommendations can be made for those intending to adopt the documented “best practice” or how can it help people working on the same issue(s)? *

This education PER can be considered as a best practice because it can be applied across other sectors using the same methodologies and the findings offer insightful policy priorities that need to be addressed within the specific sector a PER has been conducted in. A recommendation would be that, a more in-depth policy research scrutinizing public expenditures and education service delivery could be helpful in designing future programs aimed at enhancing the efficiency of public spending and improving education quality. The current study has looked at the expenditures primarily at the national level, presented an analysis of trends in education access and quality, and attempted to explore the linkages between spending and education outcomes. Building on the findings of this study, it would be valuable to do an in-depth examination of the flow of funds from the centre to the school and student levels in terms of the major expenditure items, analyse the timeliness and potential leakages of funds at various points of expenditure trail, and identify possible links between expenditure and key service delivery inputs, processes, and outcomes at the school level. Hence, a comprehensive Public Expenditure Tracking Survey (PETS)/ Quantitative Service Delivery Survey (QSDS) based on a nationally representative sample of schools be conducted in the future to provide more specific knowledge inputs for enhancing the efficiency of public spending and improving accountability and transparency in the education sector. School-level data from such a survey could also be utilized to do a more rigorous analysis of the determinants of education outcomes.

12. Further reading

Please provide a list and URLs of key reference documents for additional information on the “best practice” for those who may be interested in knowing how the results benefited the beneficiary group/s. *

World Bank (2017). Education Public Expenditure Review Guidelines.

<https://openknowledge.worldbank.org/bitstream/handle/10986/27264/116334-WP-P158328-PUBLIC-EducationPERGuidelinesfinal.pdf?sequence=5&isAllowed=y>

World Bank (2019). Bangladesh Education Sector Public Expenditure Review.

<https://openknowledge.worldbank.org/bitstream/handle/10986/35956/Bangladesh-Education-Sector-Public-Expenditure-Review.pdf?sequence=1&isAllowed=y>