



Engaging with Public Finance reform for Education

THURSDAY, JUNE 26TH – 13:30-14:40 PM

VENUE: RIVERSIDE S6 ---- THE EGG, RUE BARA 175, BRUSSELS, BELGIUM

Today, 57 million children are still denied access to primary education and 250 million children do not have the most basic skills in reading and maths, despite having spent at least 4 years in school. Many of these children are from disadvantaged communities, living in remote rural communities, slums, and households in conflict affected areas. Providing quality education to these populations will require allocating significant effort and resources to the poorest and most fragile countries.

The way public financing is allocated and spent has a critical bearing on education provision. Many children remain excluded from a quality education in large part due to public financing systems that are not functioning in a way that supports effective service provision. As we press the case for increased domestic financing for education, we should also encourage public financial management reform that will support improvements in the quality of public expenditure.

Some progress has been made. A number of low- and middle-income countries have reformed their Public Financial Management (PFM) systems over the past two decades. This has taken many forms, ranging from improvements in budget formulation and execution (through Medium Term Expenditure Frameworks) to decentralization of financing and decision making, and reform of procurement systems. Yet, in many countries with large education needs, there is still a long way to go, and huge weaknesses exist across various parts of the PFM system. However, PFM reforms in themselves do not necessarily translate into improved education delivery. Standard PFM reform programs tend to be focused on the Ministries of Finance, with insufficient attention to line ministries, including ministries of education. There is a case to be made for education development programs to engage more directly with PFM reform.

Donor partners providing education aid often do not use national systems, because of the associated complexities and fiduciary risks. This is despite their commitment to this goal under the Paris, Accra and Busan agreements. Alignment will often be limited to engagement with broad national policies and strategies, adoption of certain elements of the public finance system (procurement) or through efforts of aid harmonization (through pooled funds that are not necessarily aligned on national PFM systems).

This session will discuss challenges in PFM reform for more effective service delivery and alignment of donor finance with often weak country financial systems. It will examine how country systems can be used and/or supported most effectively in delivering education aid.

The event aims to raise awareness and increase understanding around the importance of public financial management for education delivery which is currently a relatively neglected area. It will identify areas for further action and research bringing together public financial management and education delivery.

The session will include a presentation of new research from ODI on experiences with country system alignment in fragile contexts which will be followed by a discussion. Questions will include:

- What parts of the public finance system are most important to education service delivery, and how can they be targeted for support?
- Do education sector plans focus enough attention on public financial management?
- How can donors delivering education aid best engage with or support public financial management reform? What role could GPE play in this?
- What have we learnt about the various forms of alignment with national systems that can be successful in fragile states or contexts where national systems are weak?
- What kinds of incentives and attitudes to risk management are needed to encourage aid programs to be more effectively aligned on national systems?

Presenter:

Bryn Welham – Research Fellow, Centre for Aid & Public Expenditure, Overseas Development Institute (ODI)

Moderator:

Liesbet Steer – Fellow, Center for Universal Education, The Brookings Institution

Panelists:

H.E. Shiferaw Shigutie – Minister of Education, Ethiopia

Daniel Nkaada – Commissioner Basic Education, Ministry of Education, Uganda

Manuel Antonio Magalhães Rego - Director of Planning and Cooperation, Ministry of Education, Mozambique

Veronique Lorenzo - Head of Unit, Health, Education, Research & Culture, EC-EuropeAid

Catherine Asego - Elimu Yetu Coalition (National Education Coalition), Kenya

Ed. Lamot – Senior Country Operations Officer, GPE