

# Planning, Budgeting, Spending and Performance in Basic Education

*Presentation at the UNICEF Engagement*

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## INTRODUCTION

- PSAM welcomes the opportunity to contribute to the UNICEF engagement, leading to the 2019 Medium-Term Budget Policy Statement (MTBPS).
- The 2019 MTBPS will be the first one of the 6<sup>th</sup> administration.
- It will be delivered in a context where the 5<sup>th</sup> administration had major budget adjustments on key programmes, poor planning, underspending and underperformance.
- While spending on education remains the largest budget allocation on both the national and provincial government, the right to quality education remains unrealised due to the lack of proper planning; existence of budget cuts/reductions; underspending and poor performance.

## Context of the Lack of Proper Planning

- Planning within the education context is important for the realisation of access to quality education.
- This is particularly important for the ECDoE, for example, to know what it plans to be achieve in a financial year.
- However, while the department outlines what it wants to achieve, there is continued lack of proper planning in outlining clear timeframes of what is planned.
  - For example, in the 2015/16 financial year, the department had an annual target of 165 public ordinary schools to be provided with water supply, but with no quarterly targets.
  - In 2016/17, the department also did not have quarterly targets for this. It just had an annual target of 178 public ordinary schools.
  - Noting that of the 178 target, only 77 public ordinary schools were provided with water, with a variance of 101.
  - The lack of proper planning leads to underperformance and unrealized Sustainable Development Goal (SDG) 4.

## Context of budget cuts/reductions

- In addition to the poor planning, basic education has also been affected by the implementation of budget reductions.
- While the budget allocation to the Department of Basic Education (DBE) increased from R19.68 billion in 2014/15 to R24.50 billion in 2019/20, it is worth mentioning that the 5<sup>th</sup> administration implemented budget cuts between 2017/18 and 2018/19.
- The PSAM, in its [2018 Budget Brief](#), reported that the national budget for the basic education decreased by 3%, in nominal terms, from R23.40 billion in 2017/18 to R22.72 billion in 2018/19.
- It was noted that the budget reductions were likely to have an adverse impact on learners' access to quality basic education resulting, for example, from the delayed completion of school infrastructure.

## Programme 6 (Infrastructure Development) of the ECDoE

- While the budget allocations to Programme 6 (Infrastructure Development) of the ECDoE increased during the 5<sup>th</sup> administration, from R1.10 billion in 2014 to R1.58 billion in 2019/20, it is worth noting that the department experienced budget cuts between 2017/18 and 2018/19, specifically for infrastructure development.
  - The budget allocations decreased from R1.65 billion in 2017/18 to R1.59 billion in 2018/19.
  - This decrease continued until the current financial year, where the allocation to the programme decreased by 1% in nominal terms, from the *adjusted budget* of R1.59 billion in 2018/19 to R1.58 billion in 2019/20.
  - In real terms, this decreased by 3% to R1.55 billion.

## Programme 5 (Early Childhood Development) of the ECDoE

- It is concerning that the Early Childhood Development (ECD) programme had its budget allocation decreased both in nominal and real terms.
  - For example, the allocation to the ECD programme decreased by 17% in nominal terms, from the *adjusted budget* of R723 million in 2018/19 to R602 million in 2019/20.
  - In real terms, the allocation to the ECD programme decreased by 19% to R589.49 million in 2019/20

## School Infrastructure Backlogs Grant

- It is important to mention that the School Infrastructure Backlogs Grant (SIBG) experienced budget cuts between 2014/15 and 2018/19 – where the [budget decreased from R2.93 billion in 2014/15 to R1.32 billion in 2018/19.](#)
- Also, between 2017/18 and 2018/19, the total budget allocation to the grant decreased by 49% from R2.59 billion in 2017/18 to R1.32 billion in 2018/19.
- While the budget increased by 42% from R1.32 billion in 2018/19 to R1.86 billion in 2019/20, it still does not make up for the budget cuts implemented over the years.

## The Context of Underspending and Poor Performance

- Basic education continues to be characterised by poor spending and underperformance.
- These continue to have a negative impact on the realisation of quality basic education.
  - As such, quality education for all remains unrealised in South Africa, where the schooling system is characterised by severe inequalities between rural and urban schools, poor learning outcomes and high dropout rates.
  - Poor learning outcomes are especially evident in the lower grades.



- While South Africa is seen as having some of the highest rates of universal access to primary education, with Gross enrolment rates in primary schools having increased from 88,1% in 2002 to 94,2% in 2015 (StatsSA, 2016), public schools continue to face infrastructure challenges.
- For example, in January 2018 the DBE in its National Education Infrastructure Management System (NEIMS) reported that out of the 5 400 schools in the Eastern Cape, 1 945 schools used pit latrines, 154 schools had no electricity.

## Table 2: ECD Grant Spending

Province	2017/18 Spending R'000			
	Amount received by the department	Amount spent by the department	Unspent funds	% of available funds spent by department
Eastern Cape	56 365	27 238	29 127	48%
Free State	18 398	12 937	5 461	70%
Gauteng	38 489	35 938	2 551	93%
KwaZulu-Natal	71 879	71 870	9	100%
Limpopo	41 085	36 034	5 051	88%
Mpumalanga	25 799	23 645	2 154	92%
Northern Cape	13 761	11 710	2 051	85%
North West	32 686	20 304	12 382	62%
Western Cape	19 150	18 770	380	98%
<b>TOTAL</b>	<b>317 612</b>	<b>258 446</b>	<b>59 166</b>	<b>81%</b>

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- Through the maintenance component, the Eastern Cape Department of Social Development targeted 96 ECD centres to upgrade or maintain, of which none benefited, as shown in Table 3 below

**Table 3: Number of ECD centres targeted vs. achieved for the maintenance grant per province, 2017**

Province	Target	Achieved
Gauteng	16	16
Western Cape	13	13
Northern Cape	65	65
North West	46	10
Free State	79	79
Mpumalanga	62	62
Limpopo	96	96
KwaZulu Natal	117	117
Eastern Cape	96	0
<b>Total</b>	<b>590</b>	<b>458</b>

# Recommendations

## 2019 MTBPS EXPECTATIONS

- The ECDoE should ensure that its performance targets are Specific, Measurable, Attainable, Reliable and Timely (SMART). For example, it should be clear how many ECD centres will be upgraded per quarter.
- The National Treasury should consider inflation when allocating funds to departments, especially considering its impact on the delivery of services by departments.
- The technical capacity of the ECDoE should be strengthened so that projects can move faster, as explained by President Cyril Ramaphosa in the 2019 State of the Nation Address (SONA).
- The National Treasury; the National Department of Social Development and the relevant provincial treasuries should provide comprehensive support and assistance to provinces to address the ECD grant implementation challenges when the ECD has been moved to the DBE.

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- There is a need for more financial management support by the National Treasury to the provincial departments of Social Development to avoid under-expenditure within the ECD grant
- The National Treasury to allocate more funding towards school infrastructure and reverse budget cuts implemented over the years.

### **GENERAL RECOMMENDATIONS**

- The provincial treasuries should conduct quarterly assessments of departments' spending and performance and hold the respective infrastructure implementing agents accountable for poor performance.

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**THANK YOU!**