



Improving Decentralized PFM in the South Sudanese Education Sector (draft)

Consolidated findings from a subnational education PFM survey in six more States



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Executive summary

The present note provides an analysis of PFM practice and challenges at decentralized levels in the education sector of the Republic of South Sudan (RoSS). Findings are based on field research conducted in 6 States (Eastern Equatoria, Lakes, Northern Bahr El Ghazal, Western Bahr el Ghazal, Warrap and Central Equatoria)¹ from mid-March through mid-April 2014. This included (i) administration of questionnaires to the State Ministries of Education (SMoE) and randomly selected County Education Departments (CEDs), Payam offices, primary and secondary schools; and (ii) when available, collection of supporting documentary evidence of PFM policy and practice. The research builds on prior in-depth analysis of PFM readiness in Western Equatoria State (WES pilot) that provided the preliminary findings for designing the questionnaire². This note presents complementary evidence based on a larger and (most likely) more representative sample size and geographic scope: 6 SMoEs, 9 CEDs, and 12 Payam offices, 25 primary and 7 secondary schools.

The main purpose of the research is to produce a baseline of education PFM at State, County and Payam level, and selected schools, to be updated in 2016 and 2018. It is evident that if PFM at every level does not work this will lead to inefficient and informal reallocations that will undermine delivery of GRSS (and GESS) intentions and deliverables.

New evidence corroborates previous findings indicating that decentralized levels need to be better prepared to efficiently implement a reform agenda that transfers decision-making authority and financial management to lower levels of government (including schools). Efficient PFM is a process of directly interrelated components that ensure coherence and accountability in public spending. The note identifies some major challenges in the current PFM chain and formulates recommendations for GRSS and partners to build a more efficient system.

1. Main findings

Policy development.

- Absence of a coherent recipient-driven education policy that (i) primarily addresses locally-identified priorities and the need for structural reform; and (ii) takes stock of all available financial resources to underpin such policy;
- Predominant centrally-led dynamics that contrast with the logic of a decentralized policy;

The planning and budgeting process.

- Significant unconformities of SMoE and CED budgets with planning and budgeting guidelines due to (i) a major dysfunction in the chain of information; and (ii) weak capacity to fully understand the institutional, financial and technical scope of the decentralized agenda;
- Use of suboptimal budget formats that focus on inputs rather than results and therefore remain opaque on their quality and relevancy;
- Absence of context-specific standardized unit costs that reflect ground realities;

Accountability.

- Annual income from *Capitation grants* (schools) and *Operating grants* (CED/Payam offices) are significantly higher than current income from registration fees; this creates an opportunity to reassess and question current school fee policy and practice based on the principle that public financing should gradually replace contributions from households;

¹ The following acronyms are used: WES (Western Equatoria), EES (Eastern Equatoria), NBG (Northern Bahr El Ghazal), WBG (Western Bahr el Ghazal) and CES (Central Equatoria).

² See CGA, *Improving decentralized PFM in the South Sudanese education sector* (November 2013).

- Analysis of routine PFM in schools (such as accounting) indicates better accountability practices than at CED/Payam levels; however, current budgeting tools used in schools are judged too sophisticated and add an unnecessary layer of complexity to the reform process.

2. Main recommendations

Policy development.

- Establish a coherent policy framework for systemic development based on the following principles: (i) priority-setting is the result of locally-identified needs in line with a decentralized policy that seeks to effectively improve the quality of teaching and learning; and (ii) strategic allocation of *all* available resources (domestic and external) to support this policy;
- Define a clear delineation of roles and responsibilities in line with decentralized policy;

The planning and budgeting process.

- Remedy major information-sharing shortfalls to ensure conformity with the State/County education planning and budgeting guidelines;
- Design pedagogically-oriented, relevant and standardized budgeting tools to explain the basic budgeting principles and facilitate understanding;
- Use simple budget formats that contain relevant information on resource allocation in line with identified priorities instead of line-item budgets that focus on inputs rather than results;
- Produce standardized unit costs for recurrent activities to draft realistic and context-specific budgets;

Accountability.

- Develop simple and relevant PFM tools at decentralized levels to ensure proper accounting;
- Adopt a coherent school fee policy that gradually replaces household contributions by public financing.

1. SMoE and CED planning and budgeting practice

Analysis of SMoE and CED budgets confirm unconformities with the State/County education planning and budgeting guidelines despite improved access to official directives.

All States declared having received a copy of the *Guidelines for State Planning & Budgeting for FY 2013-14*; they use it to draft their respective budgets and feel therefore confident that these comply with official instructions. This is not always the case at County level, where CED offices located in Lakes, CES and WBG were not aware of the County guidelines and the grant allocation policy; only the CEDs of Warrap, EES and NBG reported having access to the County guidelines. However, and despite this improved awareness and increased availability of government directives

SMoE budget / transfers 2013-14 (Northern Bahr el Ghazal)			
Category	Budget 2013-14	State Transfers	County Transfers
Wages and Salaries	22,532,158	4,532,253	
Wages and Salaries	22,080,696		
Incentive and overtime	451,462		
Uses of goods and services	1,865,520	701,518	
Travel	70,000		
Staff training and other staff cost	1,090,363		
Contracted services	0		
Repairs and maintenance	275,432		
Utilities and communications	38,736		
Supplies, tools and materials	248,330		
Other operating expenses	141,000		
Transfers to Counties			
Transfer Conditional salaries	0		17,049,905
Transfer Operation	0		1,612,439
Transfer Capital	0		1,155,063
Transfer to Service delivery units	0		6,969,864
Capital expenditure	8,303,364		
Infrastructures and land	8,303,364		
Vehicle	0	180,000	
Specialized equipment	0		
Subtotal transfers		5,413,771	26,787,271
Total transfers		32,201,042	
Total budget	32,701,042		

at both SMoE and County levels, analysis of their budgets still shows recurrent non-compliance with PFM good practices such as appropriate use of earmarked allocations, full transparency on the beneficiaries of funds, and relevant activity-based/policy-oriented costing instead of line-item budget formats that do not establish a rationale between expenditure and results.

By way of example³, analysis of some SMoE and CED budgets may provide more factual evidence on the scope of these unconformities and the nature of the challenges. In a number of cases, officials have applied abstractly reasonable criteria but ignored the amount, the conditionality and the allocation principles of grants, whether willfully or for lack of information and understanding.

SMoE budgets

Mainly alimented by financial resources from conditional transfers⁴, the NBG and Lakes SMoE budget formats 2013-14 (see budgets on the left and below) do not comply with State/County guidelines; resources seem to have been reallocated

following a proper logic and other priorities. In both cases, SMoE budgets (i) roughly correspond

³ Analysis shows that all SMoE and CED budgets have similar issues.

⁴ Surpluses in SMoE budgets may come from additional financial resources such as State block grants (Warrap State and CES) or school fees (e.g., contributions from private schools in WBG). However, SMoE budgets do not incorporate external resources from donors (e.g. GESS school grants).

to the total amount of the grants (State and County transfers), indicating a possible technical internal rearrangement of the budget; and (ii) seem to follow *de facto* locally-led dynamics of resource allocation and management noncompliant with government directives.

Such practices may disclose (i) vested interests and resistance to change; (ii) a government-led resource allocation policy that does not (or insufficiently) address the local needs; and/or (iii) weak capacity at recipient level to fully understand and implement the institutional and technical scope of the decentralized reform agenda.

Major unconformities with government policy and PFM good practice include: (i) SMOE budgets do not differentiate between conditional transfers to State and Counties; transfers to Counties are not visible in the budget; (ii) SMOEs recognize that salary grants also finance unclassified staff: both SMOE budgets show salary allocations that exceed the salary transfers (up to 33% in Lakes)⁵; (iii) SMOE budgets do not specify the respective shares of SMOEs, TVET centers and Teacher Training Institutes (TTIs); (iv) according to the guidelines, operating grants cannot be used to finance staff costs; however, both budgets allocate a significant amount to (unspecified) *Staff training and other staff costs* (respectively 58% and 46% of the operating costs) potentially representing ‘hidden’ salary costs ; (v) following directives, the capital grant is exclusively allocated to purchase one vehicle per State (lump sum of SSP 180,000 for all States): NBG does not have this acquisition budgeted and Lakes has a budget for two vehicles; and (vi) as mentioned above, both SMOE budgets are more or less in balance with the total amount of the conditional transfers indicating limited availability of additional resources. The latter could imply the allocation/use of earmarked *Transfers to Counties* for other purposes.

SMoE budget/ transfers 2013-14 (Lakes State)			
Category	Budget 2013-14	State Transfers	County Transfers
Wages and Salaries	22,412,838	2,724,744	
<i>Wages and Salaries</i>	22,412,838		
<i>Incentive and overtime</i>			
Uses of goods and services	2,374,444	603,038	
<i>Travel</i>	130,000		
<i>Staff training and other staff cost</i>	1,100,000		
<i>Contracted services</i>	175,000		
<i>Repairs and maintenance</i>	458,000		
<i>Utilities and communications</i>	310,000		
<i>Supplies, tools and materials</i>	150,000		
<i>Other operating expenses</i>	51,444		
Transfers to Counties			
<i>Transfer Conditional salaries</i>	0		14,124,255
<i>Transfer Operation</i>	0		1,771,406
<i>Transfer Capital</i>	0		1,848,101
<i>Transfer to Service delivery units</i>	0		5,066,660
Capital expenditure	2,028,101		
<i>Infrastructures and land</i>	1,118,000		
<i>Vehicle</i>	500,000	180,000	
<i>Specialized equipment</i>	410,101		
	Subtotal transfers	3,507,782	22,810,422
	Total transfers	26,318,204	
	Total budget	26,815,383	

The Lakes SMOE budget proposal also provides succinct descriptions of activities related to *Operating costs* (Table 1) that seem to confirm some of above-mentioned findings. Even if the SMOE operating budget (a total of SPP 2,374,444) equals the total amount of State and County grants, the reading of the planned activities indicates that (i) TVET centers and TTIs appear to be ignored; (ii) nothing indicates that CED and Payam offices will receive their respective shares

⁵ All States (except Warrap State) admitted using the salary grant for paying unclassified staff; others maintained that operating grants were eligible to finance staff costs (CES).

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(40% and 60%); (iii) some expenditure is not eligible (incentives for teachers and staff); and (iv) secondary and primary schools should not receive a part of the State/County operating grants (they will receive school grants (from GESS) and capitation grants). Similarly, part of the one-off earmarked *Capital grant* is used for non-eligible expenditure “to complete the construction of the SMoE HQs and one Boarding Girls primary school” and “to purchase two Landcruisers (Toyota) for the SMoE”, instead of one, as authorized (source: *Lakes SMoE budget submission form*).

Table 1. Operating costs: description of planned activities

Operating costs	Description
<i>Travel</i>	Domestic travel of SMoE staff.
<i>Staff training and other staff cost</i>	Teachers and education managers training for both in-service and pre-service level.
<i>Contracted services</i>	Contract for some teachers from neighboring countries and other State contract services.
<i>Repairs and maintenance</i>	Ministry's cars, generator, motorbikes, bicycles. Office equipment and office maintenance.
<i>Utilities and communications</i>	VSAT-internet connection and power accessories, office phones etc.
<i>Supplies, tools and materials</i>	Secondary schools and some primary according to priority in supply; child desks and office assets.
<i>Other operating expenses</i>	Incentives for part-timers teaching staff and other motivation to our staff that may go for supervision of schools.

Source: *Lakes SMoE budget 2013-14*

Gogrial West CED budget 2013-14 (Warrap State)	
Category	
Salaries	3,963,756
Operating costs	354,655
<i>Domestic Travel</i>	20,000
<i>Printing and Advertising</i>	10,000
<i>Rent and Equipment hire</i>	10,000
<i>Training workshops</i>	35,000
<i>Hospitality and entertainment</i>	25,000
<i>Insurance</i>	15,000
<i>Specialised supplies</i>	10,000
<i>Office and general supplies</i>	50,000
<i>Fuel and lubricants</i>	20,000
<i>Vehicle maintenance</i>	25,000
<i>Other maintenance</i>	40,000
<i>Emergency and disaster relief</i>	29,655
<i>Donations</i>	25,000
<i>Other operating expenses</i>	40,000
<i>Conditional Operating transfers</i>	0
Capital	231,013
<i>Furniture and Equipment</i>	40,000
<i>Vehicles and other transport</i>	11,013
<i>Construction and civil works</i>	180,000
<i>Conditional Capital transfers</i>	0
Total	4,549,424

CED budgets

Similar findings of noncompliance with official guidelines are found at CED level.

Analysis of Warrap State CED budgets (see Gogrial West on the left) shows that despite accurate budget ceilings for both *Operating* and *Capital grants*, budgets do not comply with the allocation principles of conditional transfers. Evidence includes: (i) budget lines do not differentiate between the shares of CEDs, Payams and County Education Centers (according to the directives, *60% of the operating grant should be allocated to Payam offices*); (ii) similarly, the capital grant does not clarify the respective shares of CED and Payam education offices; (iii) construction and civil works financed by the capital grant are non-eligible expenditure (guidelines limit its use for *motorbikes, office equipment, furniture and minor office repairs*); and (iv) the service delivery unit grants (capitation grants for primary schools) are missing (despite the fact that CEDs and Payams are expected to monitor school budgets).

Moreover, incoherencies seem to occur between ‘understanding’ of guidelines and ‘practice’. For instance,

when interviewed on the grant allocation policy, the County Education Director of Gogrial West provided answers that are in contrast with the CED budget categories (for instance, his understanding that *Capital grants* can finance teacher training and *Operating grants* school construction). This could indicate that (i) CED budgets were drafted at Warrap State level with limited participation of local actors⁶; or (ii) planning and budgeting remains a technical activity that needs appropriate training and support (such as the use of *simple* planning and budgeting tools and *basic* understanding of effective education policies).

Strong evidence from CED budgets on the grant allocation policy shows that most CED budgets do not comply with government directives (Table 2). For instance, (i) *Capital grants* are used for construction (Gogrial West, Aweil West, Torit, Jur River, and Raja), training (Gogrial West), transport and meeting allowances (Lainya) [Government directive: *Each County will receive a one-off capital grant to be used to furnish and equip the CED or Payam education offices (motorbikes or other transportation, office equipment, furniture or small office repairs)*]; (ii) CEDs are unaware that *Service Delivery Unit Grants* are capitation grants for schools (all of them); and (iii) *Operating grants* are used for construction (Gogrial West), and office equipment (Torit, Jur River) [Government directive: *The operating grant should be used for running costs, including utilities, office supplies, transportation costs, workshops and contracted services*].

Table 2. ‘Understanding’ of grant allocation policy at CED level

CED (State)	Service Delivery Unit Grant	Operating Grant	Capital Grant
Gogrial West (Warrap)	<ul style="list-style-type: none"> • Stationeries for schools • Supervision and inspection • Airtime 	<ul style="list-style-type: none"> • School reconstruction • Water supply to schools • Transportation of materials 	<ul style="list-style-type: none"> • Building CED office • School construction • Training of teachers
Aweil West (NBG)	<ul style="list-style-type: none"> • Salaries and wages for civil servants 	<ul style="list-style-type: none"> • Inspection • Office, vehicle maintenance • Fuel and generators 	<ul style="list-style-type: none"> • Schools construction • Latrines and renovation
Torit (EES)	<ul style="list-style-type: none"> • Capital expenditure • Teacher training/recruitment • Inspection and supervision 	<ul style="list-style-type: none"> • Office equipment • Maintenance and repair • Supplies and utilities 	<ul style="list-style-type: none"> • Vehicle, motorbikes, bicycles • Maintenance and repair • School construction/rehab
Magwi (EES)	<ul style="list-style-type: none"> • CED is not aware 	<ul style="list-style-type: none"> • 40% CED – 60% Payams 	<ul style="list-style-type: none"> • CED is not aware
Jur River (WBG)	<ul style="list-style-type: none"> • Assessment 	<ul style="list-style-type: none"> • Maintenance and repair • Office stationary/equipment 	<ul style="list-style-type: none"> • Construction and renovation • Office furniture/equipment
Raja (WBG)	<ul style="list-style-type: none"> • Maintenance (vehicle, etc.) • Construction and renovation 	<ul style="list-style-type: none"> • Fuel • Office supplies • Airtime • Water and refreshments 	<ul style="list-style-type: none"> • Office furniture • Vehicle • Motorbike • CED expansion
Wau (WBG)	<ul style="list-style-type: none"> • CED is not aware 	<ul style="list-style-type: none"> • CED is not aware 	<ul style="list-style-type: none"> • CED is not aware
Lainya (CES)	<ul style="list-style-type: none"> • Repairs • Training of teachers 	<ul style="list-style-type: none"> • Stationeries • Transport 	<ul style="list-style-type: none"> • Transport • Meetings and allowances

Source: *County survey questionnaires - budget process* (2014)

⁶ Reportedly, the budget preparation committee was composed of the Local Government Planning Unit, the CED and the County Planning Officer.

Budgets further suggest confusion or incorrect understanding of the conditionality of the financial transfers: the Gogrial West CED budget has specific budget lines for *Conditional Operating*

CED Budget/ transfers 2013-14 (Torit County - EES)		
	Budget 2013-14	County Transfer
Use of goods and services	1,081,580	277,838
Travel	145,000	
Staff training and other staff cost	240,000	
Contracted services	150,000	
Repairs and maintenance	150,000	
Utilities and communications	150,000	
Supplies, tools and materials	220,000	
Other operating expenses	26,580	
Transfers to Payams	48,000	1,115,742
Transfer to Service delivery units	48,000	
Capital expenditure	495,013	231,013
Infrastructures and land	0	
Vehicle	200,000	
Specialized equipment	287,013	
Totals	1,624,593	1,624,593

transfers and *Conditional Capital transfers* that are left blank; in this particular case, the budget headings “Operating costs” and “Capital” should have been replaced respectively by “Conditional Operating transfers” and “Conditional Capital transfers”. This may indicate uncertainty and/or confusion about the conditional/discretionary use of public funds, and in a broader sense, unclarity about the respective roles at different levels of the decentralized system.

Multifaceted challenges

A good example of current budgeting practice and related challenges is the Torit CED budget (EES). Here, all circumstances came together to deliver a budget that is in conformity with the policy: (i) availability of the *Guidelines for County Planning & Budgeting for FY 2013-14* and the *Local Government PFM manual*; (ii) budget submission and subsequent approval; (iii) an accurate budget ceiling transmitted by the Executive Director (SPP 1,624,593); and (iv) technical support from VSO staff to draft the budget.

The above shows that despite an apparent smooth process, the *approved* budget still fails to comply with policy and procedures (see table on the left). This seems to be initially related to the fact that only the budget ceiling was transmitted to the CED without communicating the detailed amounts of the respective grants. As a result, the CED office applied abstractly reasonable criteria but ignored the amounts, the conditionality and the allocation principles of the grants (e.g., the *Transfer to Service delivery units* (capitation grants for primary schools) are incorrectly allocated to Payam offices and operating costs).

Major concerns

Current inconsistencies in the planning and budgeting process seem to highlight major dysfunctions in the information chain. Unconformities appear to be primarily the result of inefficient (or inexistent) communication and/or information sharing at different levels of the information chain. Findings raise the following questions and concerns: Why are most of CEDs unaware of the total amounts of their budgets and grants? Why did Jur River, Wau (and to a certain extent Raja) Counties in WBG State *not* draft/submit a budget and are they not informed about the grant policy and guidelines? Why do all CEDs have an inaccurate understanding of the grants allocation principles? Above considerations, whether the result of willful or unintended action, will need to be addressed adequately.

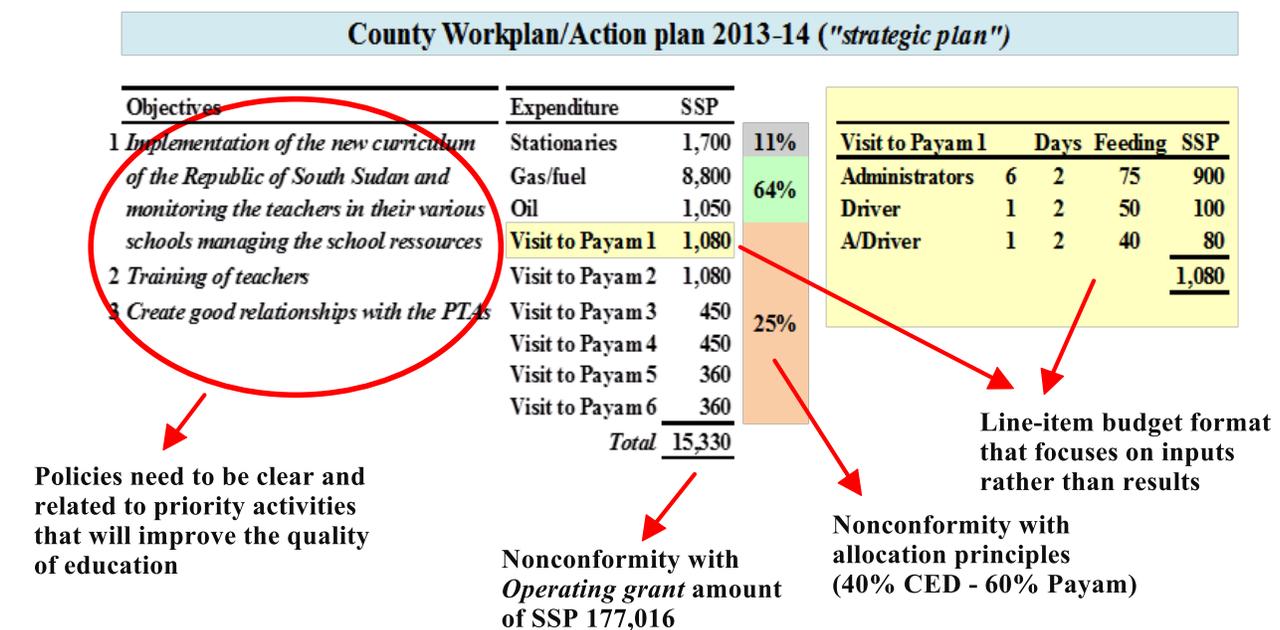
Weak capacity to fully understand the institutional and technical scope of decentralized PFM appears as an obstacle to effective planning and budgeting. It may be useful to assess the accessibility and/or the use of supporting documents such as the *Planning & Budgeting*

Guidelines. Even though findings show (limited) evidence of State and Counties having access to government directives (To the question “Did you receive a copy of the *Guidelines for State/County Planning & Budgeting FY 2013-14?*” all 6 States answered affirmatively and 4 out of 9 Counties negatively), the reading of education budgets at both State and County levels indicates overall weak capacity for effective planning and budgeting. This finding not only raises the question about the quality and/or clarity of the guidelines; it also illustrates the challenge of ‘seeing’, ‘reading’ and effectively ‘using’ information - although all of these may be interrelated. Similarly, local authorities may approve noncompliant budgets (Torit County) demonstrating that ineffective transmission channels can affect the quality control as well.

Most of the SMOE budgets exceed the budget ceilings of State transfers and grants but remain silent about the provenance of additional resources. SMOE budgets may be alimented by different sources of finance such as conditional transfers, block grants, school fees, own resources, and so on. Only two States (Lakes and Warrap) declared extra resources from State block grants next to the salary transfers and operating/capital grants. However, all SMOE budgets remain opaque on the type and amounts of additional income. Such practices result in non transparent and fungible budgets where conditionality and, subsequently, prioritization and resource allocation in line with relevant policies are invisible and therefore hard to monitor and subject to questioning.

Line-item budget formats are suboptimal because they are difficult to interpret and focus on inputs rather than results. SMOE and, in particular, CED budget formats contain insufficient information/details to rightly appreciate their scope and relevance therefore reducing their budgets to mere expenditure records (Table 3). This relative opacity is partly the result of abovementioned weak technical capacity and further amplified by the absence of clearly articulated policies. It is evident that this lack of clarity and transparency about the use of public resources does not facilitate the establishment of trust-based accountability relationships between authorities and citizens.

Table 3. Examples of inconsistencies in CED budget/workplan



Recommendations for improved planning and budgeting**Remediation of information-sharing shortfalls is a major condition for effective budgeting.**

For reasons of efficiency, transmission layers should be limited and, whenever possible, replaced or complemented by direct lines (for instance, CEDs may receive - parallel to existing administrative circuits - formal direct notification from MoEST about their respective budget ceilings and PFM guidelines). Internal administrative circuits (circulars) can substantially reduce the transmission delays; they also allow for triangulation of information sources and can therefore increase budget transparency.

Access to simple tools may help addressing the weak capacity of local actors and reduce the ‘threshold resistance’. It may be useful to develop simple, *pedagogically-oriented*, relevant and standardized tools (not exceeding 10 pages) that explain the basic budgeting principles and how to apply them to local realities. These may, for instance, include mandatory directives on the composition of the budget preparation team (involving actors from Payam and school levels), the budget submission and approval process (Table 4), the principle of equitable and needs-based distribution of resources, and the necessity to develop relevant unit costs tailored to local conditions.

Budget formats should be more transparent, ‘easy-to-read’ and contain relevant information on resource allocation. Initially, a program-based budgeting approach could be too complex to implement; however, there may be a need to explore budget formats that are sufficiently simple but at the same time capable of transmitting adequate information that connects resource allocation to the quality of education in line with pre-established priorities. This includes transparency on *all* sources of income that are fungible but traceable and converge to implement the same policy.

Table 4. A disparate budget submission/approval process at State and County levels

States	Budget submission	Budget approval	Counties	Budget submission	Budget approval
CES	(na)	Not approved	Lainya	April 2013	April 2014
EES	Submitted	Not approved	Torit	July 2013	Approved
WBG	July 2013	September 2013	Magwi	Submitted	Approved
NBG	June 2013	Not approved	Jur River	No budget	No budget
Lakes	Submitted	Not approved	Raja	Not submitted	Not approved
Warrap	June 2013	before July 2013	Wau	No budget	No budget
			Aweil West	Submitted	Not approved
			Rumbek East	October 2013	Not approved
			Gogrial West	Submitted	Not approved

Source: *County survey questionnaires - budget process (2014)*

2. Need for coherent across-the-board policies

Well-articulated, relevant and coherent policies are preconditions for effective planning and budgeting. Noncompliance of SMOE and CED budgets with government directives also reveal the need for local entities to have a better understanding of (context-specific) education issues that will

ultimately strengthen their capacity for setting priorities and making trade-offs in a context of limited resources. It appears fundamental for local education authorities to make relevant and reasonable choices; by definition, all should contribute to improve the quality of teaching and learning. Coherent policies are therefore likely to integrate the following principles:

- **Recipient-driven policy (as opposed to donor-centered support) appears as a way to effectively and systemically address the sector's challenges.** Analysis of available action/work plans at decentralized levels indicates their heavy dependency on external financing (although not reflected in SMoE budgets) and their tendency to meet donor agendas instead of addressing more relevant priorities (Box 1). Such practices are likely to result in 'piecemeal' development that does not trigger the needed structural change; as a consequence, they can significantly slow down the process of progress and local empowerment. Donors (including NGOs) should align their support with government policy and action, not vice versa. The underlying principle is to establish policy consistency across States that allows for adjustment flexibility to local priorities. In concrete terms, donor advice and support is likely to be most effective at two important stages of the planning and budgeting process: (i) the *appraisal* phase, to set the priorities; and (ii) the *financing* phase, to complement available financial resources.
- **Effective priority-setting requires basic knowledge of education issues and minimum capacity for trade-off analysis in a context of limited resources.** This appears as a major area where donors can provide advice. Local actors need analytical capacity to (i) undertake relevant appraisals; and (ii) better understand education-related dynamics; both are indispensable for effectively improving the quality of local teaching and learning conditions. Such an approach is likely to build sustainable, domestically-led policies; these should be based on *real* needs and priorities, not to meet specific agendas. This implies the design of appropriate standardized tools (analysis 'tool box') that need to be simple but pertinent. Factual analysis has the advantage that it provides context-based, *a priori* non-biased screening of education realities: policy and action are decided *a posteriori*, not vice versa. It is evident that an effective policy framework (based on a multilayered design that embeds lower levels into higher levels) could (i) reduce purely 'politically' motivated actions (by government and donors/NGOs); (ii) leverage additional funding (because of clearly-articulated priorities and policies); (iii) increase accountability and transparency (outcome-related indicators); (iv) build coherency and relevancy (instead of spreading funds across multiple, fractional initiatives); and (v) set the basis for increased domestic 'ownership' and sustainability.
- **An effective finance policy takes stock of all available financial resources (domestic and external) that are then allocated in conformity with priorities and equitable criteria.** Donors/NGOs should be aware of the financial flows in the sector, particularly in areas where they operate or have the intention to do so. For instance, the purchase of motorbikes for Payam education offices by a NGO should be the result of a consultative review process that takes stock of available financial resources and support (at CED and Payam levels), including their institutional and technical set-up (e.g., governance and PFM procedures) before deciding whether such a purchase is relevant and in line with local policy. Likewise, the use of public resources (such as conditional grants) by decentralized entities may be a good indicator of their capacity level, including the degree of their accountability and/or commitment. External financial support is likely to be most effective when it complements or strengthens existing policies and efficiencies.

Need for developing operational and pragmatic education policy models that enable decentralized entities to efficiently address context-specific challenges and needs. Findings not only show the absence of such policies but also the need for mechanisms that ensure a more

efficient use of available resources. State and especially CED/Payam levels should receive support to develop such models that need to be relevant, realistic and sustainable (Box 2). This is likely to lead to a better planning and budgeting process, including improved credibility and accountability *vis-à-vis* all parties, in particular citizens (households) and donors as the result of vision and coherent action.

Box 1. Examples of ‘donor-centered’ policies

The FY 2012-13 budget performance of CED Magwi (EES) shows how little the Department was able to achieve with proper resources. This naturally raises the following questions: How many of these activities are in line with State/CED policies? Has a coherent policy framework been developed? If so, are donor contributions complementary to that policy?⁷ What about e.g., the use of local resources, including household contributions? Do they equally contribute to identified needs/priorities as part of a consistent policy? For reasons of efficiency, this type of queries should constitute the fundamentals of public action.

With the actual spending in FY 2012-13 set out below, the Department achieved the following:

- Construction of 2 classrooms in Kangatuny primary school..... (CDF).
- Construction of a full Primary school in Lomilmil by (DFID).
- Construction of a full primary school in Natapar (DFID).
- Construction of Kapoeta Day Secondary school (DFID).
- Construction of Kotome Primary School 5 classrooms and administration block (Italian donors).
- Construction of temporarily teachers houses at Lomilmil, Natapar and Kapoeta day secondary school hub school, 2 blocks of 2 rooms each (DFID through SNV).
- School fencing constructed at Natapar, Lomilmil primary school and Kapoeta Day secondary School (DFID through SNV).
- Teachers quarters constructed at Katiko, Nakware, Nachilagur and Nachukut primary school, 1 block of 2 rooms each (CDF).
- One block of 3 rooms constructed for CEC Tutors (ADRA).
- Fencing at CEC constructed (ADRA).
- Kapoeta Vocational training center renovated (PLAN International).
- A tukul constructed for AVSI facilitator at Kotome primary school (AVSI).
- Mobilisation , awareness creation and baseline surveys for CCFSD project were done in Lomilmil, Natapar and Kapoeta Day Secondary Hub schools and their 11satellites schools (DFID through SNV/NSEA).
- Training of children’s hygiene and sanitation transformation (CHAST) and school led total sanitation was conducted (AAR- Japan).
- Parent Teachers Association (PTA) training conducted for Primary 12 schools (SNV).
- GEM empowerment training was conducted in all schools and clubs activated (SNV).
- Three major schools inspections were carried out in April, July and October 2012 (Inspectors).8 teachers are in year 2 in- service teachers training at Kapoeta CEC.
- 2 primary schools and 1 ALP center sat PLE 2012.
- Payment of ALP incentives for March, May, June and July was done 2012.

Source: *CED Magwi (EES)*

Likewise, the entire CED Torit *2013-14 Budget plan* looks like a donor-financed girls’ education program that may overlook other (potentially more relevant) priorities. Donors’ first main role is likely to provide local authorities with technical support that helps identifying their needs instead of proposing (even well-intentioned) agendas - generally unaware of the critical issues that may need to be addressed in priority.

⁷ Similarly, the Magwi CED *Annual Workplan FY 2013-14* does not refer to a formal policy framework and remains silent on the provenance/amounts of its financial resources (including grants). The plan looks more like a construction around donor agendas (that is, donors already present in the area with specific programs and/or expertise) than a relevant answer to identified priorities as part of a coherent State/CED policy.

FY 2013-14 Budget plan

With the budget estimates for FY 2013-14 set out below the Department plans to achieve the following:

- Carrying out effective supervision inspection and provision of facilities and materials to all the schools in the (8) eight Payams by inspectors, supervisors with the support of UNICEF/WFP
- Conduct communities sensitization and awareness creation campaign on the importance of girl child education
- Provision of materials support to girls at schools
- Carry out gender development awareness program

Source: *CED Torit (EES)*

Box 2. Developing bottom-up policy frameworks for relevant and coherent service delivery

Rationale. The development of coherent *bottom-up* and decentralized policy frameworks is likely the most effective way to trigger systemic development. Priority-setting should be the result of locally identified needs in line with a decentralized policy that seeks answers to efficiently improve the quality of teaching and learning conditions of teachers and children. This includes strategic allocation of available resources (domestic and external) and optimal policies for effective resource management and service delivery. Such a model is likely to develop and cement a better understanding of the educational challenges at decentralized recipient levels and is therefore expected to direct donor-driven agendas toward structural change. Diagnostics of local realities will further aliment and shape *top-down* education policies and ultimately lead to a common conceptual framework that reconciles both. The model recommends the use of simple but relevant analytical tools and resulting factual data analysis (as opposed to ‘sentiment’ analysis) that allows local actors to design practical and context-tailored policies. Factual analysis isolates measurable and verifiable facts; as such, it constitutes an unbiased approach that stays away from ‘politically’ motivated donor and government schemes. Finally, clear and coherent policies have the potential of leveraging additional funds because they propose a comforting institutional framework with consolidated micro and macro level priorities and well-identified processes of structural change, in particular at subnational scale.

The recommended PFM policy framework (see Graphs 1-2) is based on **three chronological steps**:

1. *Appraisal and analysis phase.* The main purpose is to produce an accurate and relevant view of the education sector, first at Payam and County levels, and ultimately at State level; lower level realities and priorities will feed into higher level policies. Bottom-up analysis seeks to develop a better understanding of local challenges and/or opportunities alongside two ‘sacrosanct’ principles expected to give the best chances to structural change and sustainability; these are (i) working inside the dynamics of the system to improve its efficiency; and (ii) initiating local actors into context-specific policy development. The latter implies a standardized appraisal/analysis process that uses simple but relevant tools.

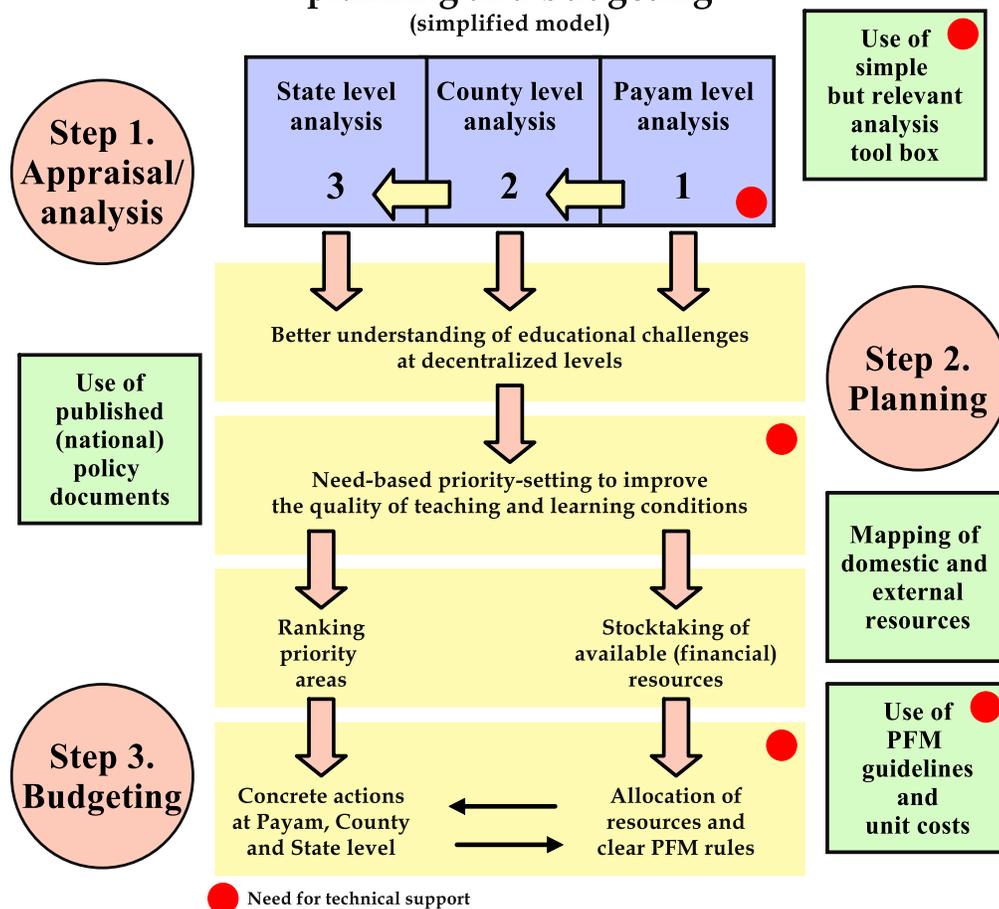
Appraisal-related activities are twofold: (i) **collection and analysis of key statistical data** at Payam (school) and County levels; and (ii) **compilation of existing official directives** (central and decentralized decrees, circulars, etc. including texts on South-Sudanese education standards). Both are complementary for analysis and could eventually lead to the production of a *Practical guide to policy development* for Payam and County offices. Existing data bases (such as State EMIS, SSPS etc.) are helpful but will need to be complemented with specific information to develop more effective policies.

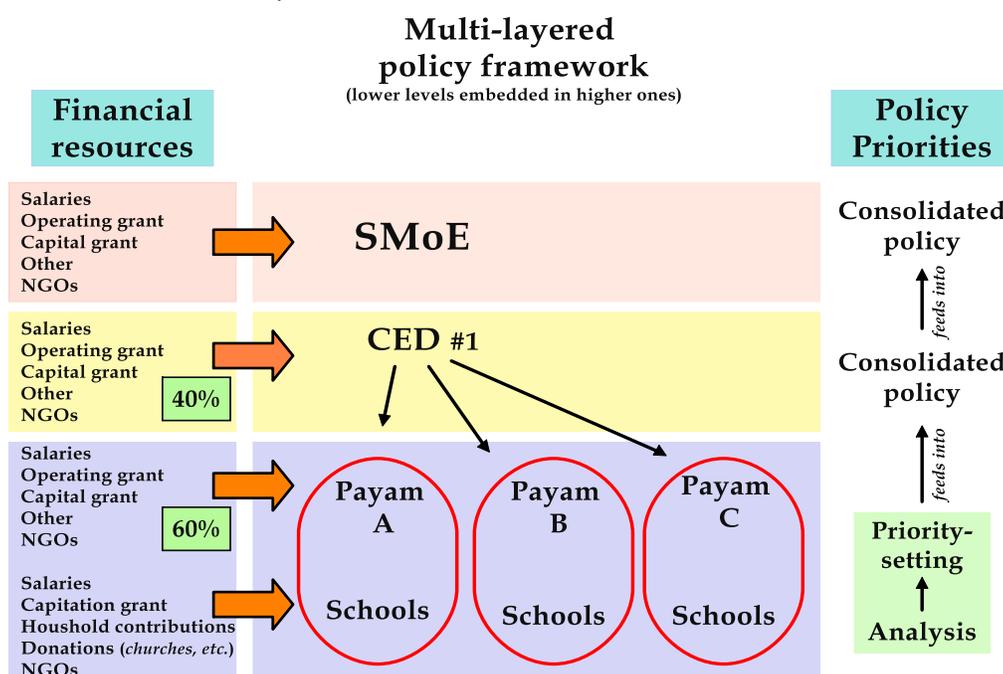
2. *Adequate planning.* Factual data analysis will allow for identifying the scope of the challenges. These need to be prioritized. The following activities/tools will guide the planning process: (i) **use of a ranking scale to prioritize needs** (a simple, probably standardized scale that indicates the relative impact of education interventions (teacher policy, textbooks, construction, etc.) on the quality of the teaching and learning conditions; (ii) if available, **use of national education strategy/policy papers** (useful as reference tools); and (iii) **mapping of available financial resources (domestic and external)**. The latter includes public resources sent to schools, Payams and Counties; stakeholder mapping and analysis (type, duration and scope of NGO action in the area; local faith-based initiatives; parent contributions; support from the private sector, etc.). All of these converge to the same policy and will inevitably require *trade-offs* between available (limited) resources and non/essential needs. Finally, the mapping (knowledge) of countrywide

interventions (such as, for instance, the delivery of textbooks to all primary schools) appears as a precondition for efficient planning at micro-level.

3. *Relevant budgeting.* Effective budgets are developed on the basis of (i) data collected at appraisal phase; and (ii) trade-offs made during the planning phase. It is essential that local levels develop **unit costs for their recurrent activities** (such as school visits, training, etc.); this should be relatively easy if relevant data have been collected upstream (e.g.; distances). Unit costs can be developed at all levels (from schools to County level). It is further important that budgets are drafted in formats that clearly tie outputs to results and allow for external observers to see the policy behind the numbers.

Graphs 1-2
Toward coherent decentralized
planning and budgeting
 (simplified model)





The absence of a coherent and comprehensive policy framework produces a heterogeneous and (at times) divergent policy and priority perception at the different levels of the system. Analysis shows dissimilar views across the system, both horizontally and vertically: SMOEs think differently about State priorities, CED education offices set other priorities than those defined by the SMOE, Payam offices within the same County adopt disparate policy choices, and so on (Box 3). If it is true that needs and realities may differ locally, general conditions and related challenges that shape the quality of teaching and learning remain basically the same. It is therefore useful to develop a comprehensive model that (i) structures the conditions for an efficient education policy; and (ii) consolidates horizontal (“at the respective levels”) and vertical (“across the system”) consistency.

Box 3. Incoherent policies: example of WBG State

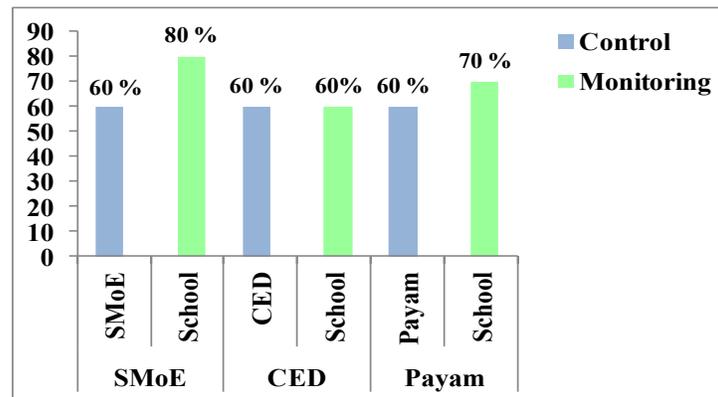
A motivated teacher workforce is generally considered a precondition for quality teaching and learning. Yet, WBG State does not list *teacher policy*¹ as a priority; CED and Payam offices rank it low on their priority scales (respectively 4th and 5th) whereas schools, on the contrary, consider it of the utmost importance. This sort of incoherencies may indicate that

- **Interest groups (SMoEs, CEDs, Payams and schools) continue thinking in terms of their own benefits** (e.g., CED/Payam: operating costs for offices, renovation of office buildings; schools: teacher policy, that includes salaries and recruitment of teachers; SMOE: textbooks, school construction etc. for reasons of visibility);
- **Actors at different levels of the system do not perceive the need for consistency** (in absence of a concept that highlights the interrelated, intertwining and interdependent character of an efficient policy);
- **Priorities rather reflect donor-led programs and are not the result of locally-developed initiatives** (especially at SMOE level);
- **Actors are mostly unaware of the scope of impact their policy options have on the quality of education** (from an institutional, technical and financial viewpoint).

3. Roles and Responsibilities

Effective policy implementation in a decentralized system requires a clear demarcation of roles and responsibilities and a decisive shift from centrally-led dynamics to local empowerment. The anticipated development of locally-designed policies together with the transfer of significant decision power on the use of public resources to local government are likely to accelerate the demand for well-defined roles and responsibilities at all levels of the system. For frontline service providers (such as Payams and schools) this will naturally lead to more responsibility and accountability for quality public service delivery; for SMoE and CED levels, it entails a fundamental change from centralized control to a more strategic role of oversight, guidance and monitoring. Findings show, however, how current perceptions about roles and responsibilities are still dominated by a vision that locates decision-making at the top of the system and logically accords to higher positions direct control over lower ones. If SMoEs, CEDs and Payams continue showing strong proclivity for control (including, for instance, implementation roles at SMoE level), schools believe this should shift towards a role of monitoring and guidance (Graph 3). It is evident that the development of bottom-up policy frameworks will significantly augment the institutional, technical and financial power of local entities and, as a consequence, the necessity to integrate these new dynamics into an efficient operational model.

Graph 3. Main roles and responsibilities of SMoEs, CEDs and Payams (as perceived by schools and higher levels of the hierarchy)



Source: *Computed from survey questionnaires – policy and priorities (2014)*

4. PFM practice at decentralized levels⁸

4.1. School fee policy and practice

Schools and administrative offices (SMoEs, CEDs and Payams) partly or entirely rely on household contributions for their operating costs. Findings confirm the collection of school fees in *all* States and the dependency of schools and administrative offices on household contributions for their operating costs. To a certain extent, this has enabled the system to maintain a minimum level of operability; however, income from school fees is also erratic⁹ because not easily enforceable and therefore unpredictable, making planning and budgeting a rather ‘futile’ exercise. Findings further show a variety of practices across States that seem to follow a local logic in the absence of written directives¹⁰ (Box 4). In addition, many types of fees seem to subsist¹¹ although, reportedly, only registration fees are subject to *office share* (i.e. percentage of school fees allocated to offices).

In many schools registration fees are the largest or the only fee; at times, however, the fee represents just a small portion of total household contribution to the school budget. Findings learn that registration fees are the most common fee, usually collected on a quarterly basis. In some schools, however, this represents only a minor cost (1% to 2% of total fees) when compared to the rest (Table 5). Current government policy seeks to replace *all* registration fees by public financing; this includes transfers of capitation grants for schools and operating grants for SMoEs, CED and Payam education offices. As a consequence, the collection of registration fees will no longer be authorized¹². Effective and fair implementation of this policy is a challenge: in some schools households will start paying less; in others not. The development of local policy frameworks (see Box 2 above) that assimilates efficient use of financial resources can mitigate this kind of risk; it is commonsense that increased availability of public financing should proportionately alleviate the burden of school fees on households.

Box 4. Percentage of registration fees allocated to SMoE, CED and Payams

Contribution rates to offices range from 0% to 60% confirming an impromptu and arbitrary practice. Rates vary significantly across offices and schools in a same State (WBG, EES) or may remain unclear/silent on the percentage that is allocated to every level, including the SMoE (WBG, EES, Warrap).

⁸ This mainly refers to CED, Payam and school levels.

⁹ As documented by CED/Payam book keeping records (e.g., in Kenyi Payam (CES) 40% of the schools “*paid nothing*” to the CED in school year 2013-14).

¹⁰ Generally, written directives on school fees are not available; one document from WBG confirms a 40% contribution “*to be sent to Ministry HQs*” (Minutes SOME&I/WBGSDGE/17.A.1 March 12, 2013).

¹¹ These mainly include: registration fees, sports fees, school development fund (SDF), uniform, teacher incentives, school feeding program (SFP), examination fees, in-kind contributions, school badge/ID and report cards.

¹² See GESS *School Budgeting Guide* (p.3). Findings show that all schools are aware of this directive.

	State	County	Payam	School
Warrap				
Government schools	0%	0%	0%	100%
Church schools	???	20%	10%	70%
Community schools	???	20%	10%	70%
Lakes (*)				
Government schools	20%	20%	flat rate	60%
NBG				
All schools	20%	20%	flat rate	60%
WBG				
Secondary schools	40%	0%	0%	60%
Raya County	0%	8%	12%	80%
Wau County		no collection		
Jur River County	5%	10%	10%	75%
EES				
Magwi County	0%	???	60%	40%
Torit County	0%	6%	14%	80%
CES				
Primary schools	0%	20%	20%	60%
Secondary school	0%	0%	0%	100%

(*) Only in primary schools

Source: Compiled from survey questionnaires
– Revenue from registration fees (2014)

Table 5. Structure of school fees (2013-14)
(Examples from schools in EES)

Fulla secondary school (EES)		St. Patrick basic school Torit (EES)	
Type of fee	SSP	Type of fee	SSP
SDF	100	School development fund	60
Exams	15	School feeding program	90
SFP	60	Support staff incentive	54
SLF	10	Examination	30
LabMF	10	Payam support	1
Cocurricular	10	Parish support	6
Sanitation	10	Medical	2
Furniture	5	Registration fee	5
Uniform	75	Sports	3
School fence	10	1 bag of cement	
School ID	5	2 pcs toilet paper	
School badge	5		
Registration fee	5		
	Total 320		Total 251

4.2. Routine PFM practices at decentralized levels

Findings show a growing discrepancy between routine PFM practices in schools and CED/Payam offices. Based on limited evidence, the recent allocation/promise of capitation grants for schools may indicate a shift in their routine PFM practices; these include improved

recordkeeping of income and expenditure, the practice of drafting minutes, the presence of *operational* co-management bodies (such as PTAs and BoGs) and the opening of bank accounts. This contrasts with PFM at CED and Payam level where scores are significantly lower (on average, 73% vs. 44% for bookkeeping and 100% vs. 31% for bank accounts). However, these figures do not reveal much about the quality of PFM practices. For instance, head teachers (HTs) may continue exercising a dominant management style (20%) despite an established PTA; in reality, bank accounts operate more like cash transfer services for limited yearly payments than for routine banking operations (e.g., school fee deposits) whereas distances between schools and banks remain a real challenge, the role and (extended) responsibilities of PTAs in managing the financial resources of schools requires a clear definition of their legal status and degree of answerability, and so on (Table 6). It is further evident that increased accountability in schools should correspond to a similar process at CED/Payam levels where routine PFM practices remain weak.

Table 6. PFM practices at decentralized levels

	CED	Payam	School	
Record keeping	60%	28%	73%	Establish financial accountability procedures
Minutes			80%	
Operational PTAs	(n/a)		91%	
Operational SMCs			91%	Develop the use of (bank) accounts for PFM
Operational BoGs			100%	
Bank accounts	62%	0%	100%	
Use of bank accounts for school fees	0%	0%	22%	

<i>PFM practice at the school level</i>	HT alone	PTA and HT	SMC and HT	PTA and SMC	
Decides on the use of school fees	20%	60%	20%	0%	PTAs and HTs continue playing a preponderant role
Involved in the budgeting process	10%	60%	5%	25%	
Bank account signatories	4%	62%	10%	24%	

HT = Head teacher; PTA = Parent-Teacher association; SMC = School management committee; BoG = Board of Governors

Financial transfers to decentralized entities need to be complemented by simple, relevant, pedagogically-oriented and standardized budgeting tools. Field findings confirm earlier observations (WES) about the need for developing simple tools that enable local actors in an overall context of weak capacity to ensure a responsible way of managing financial resources regardless of their origin. For instance, tools recently developed by GESS¹³ are considered too sophisticated (Table 7). Similarly, the design of planning/budgeting tools at CED and Payam levels needs to be practical (Box 2). Additionally, easy-to-use tools are cost-effective because they require a minimum of training, enable self-learning and therefore reduce significantly the time and energy needed to transfer capacities.

Table 7. Opinions on GESS budgeting tools

¹³School Budgeting Guide and the School Improvement Plan & Budget Pack

GESS budgeting tools	Available	Easy to use	Too complex
<i>School Budgeting Guide</i>	72%	37%	63%
<i>SIP & Budget Pack</i>	93%	36%	64%

SIP = School Improvement Plan

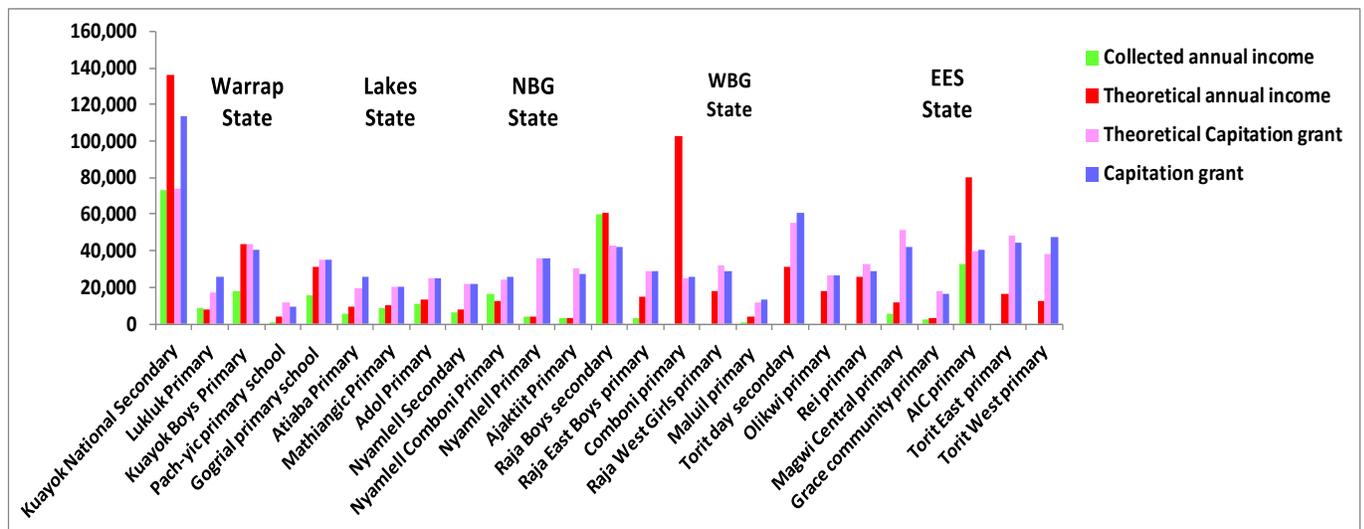
Source: survey questionnaires – budget process (2014)

5. Relevance of *Capitation and Operating Grants*

An important aspect of decentralization is the financial capacity of local governments to implement their policy choices. So far, most of the financial resources of decentralized levels in the education sector have been limited to payment of teacher salaries (central government), contributions and support from donors for capital-related activities (construction) and, more erratically, income from school fees to finance their running costs. Analysis indicates that the level of public financing (i.e. *capitation grants* for schools and *operating grants* for CED and Payam offices) is significantly higher than income from registration fees, confirming preliminary evidence (WES). Basically, these findings indicate that (i) CEDs and Payams do not depend any longer on household contributions for their operating costs and should therefore stop collecting fees from schools; and (ii) PTAs should initiate discussions on their local fee policy and examine how capitation grants can contribute to the reduction of school fees; this includes schools that have more income from (registration) fees than from capitations grants. As a rule, *all* schools eligible for capitation grants should reassess and question their school fee policy on an annual basis, and adopt the principle of gradually replacing fees by public financing. Findings show that

- annual income from *capitation grants* is on average **6 times higher** than the *theoretical* income from registration fees (Graph 4);
- by way of example, annual income in Lakes from *operating grants* is on average **3 times higher** than the theoretical income from registration fees; in NBG it is **11 times higher** (Tables 8-9).

Graph 4. Income from registration fees vs. income from capitation grants



Source: survey questionnaires – revenue from school fees (2014)

Tables 8-9. Income from operating grants vs. income from registration fees (Examples of Lakes and NBG)

Lakes

Income from operating and capital grants							
	Operating grant	40% Counties	60% Payams	Payams (number)	Share per Payam	Capital grant	Total grant
14% Rumbek Centre	241,830	96,732	145,098	6	24,183	231,013	738,862
13% Rumbek East	222,626	89,050	133,576	8	16,697	231,013	692,970
12% Rumbek North	210,623	84,249	126,374	6	21,062	231,013	673,327
11% Awerial	193,820	77,528	116,292	6	19,382	231,013	638,041
17% Culebet	306,644	122,658	183,986	9	20,443	231,013	864,753
11% Wulu	198,621	79,448	119,173	4	29,793	231,013	658,052
11% Yiol East	201,021	80,408	120,613	8	15,077	231,013	648,140
11% Yiol West	196,220	78,488	117,732	7	16,819	231,013	640,279
	1,771,405			54			
Income from registration fees							
Rumbek Centre	81,911	32,765	49,147	6	8,191		
Rumbek East	75,407	30,163	45,244	8	5,655		
Rumbek North	71,341	28,536	42,805	6	7,134		
Awerial	65,650	26,260	39,390	6	6,565		
Culebet	103,865	41,546	62,319	9	6,924		
Wulu	67,276	26,910	40,365	4	10,091		
Yiol East	68,089	27,235	40,853	8	5,107		
Yiol West	66,462	26,585	39,877	7	5,697		
	600,000						

EMIS 120000 pupils
Income 3000000 (SSP 25/pupil)
State 600000 (20%)
Counties 600000 (20%)
Counties 75000/average

NBG

Income from operating and capital grants							
	Operating grant	40% Counties	60% Payams	Payams (number)	Share per Payam	Capital grant	Total grant
16% Aweil Centre	253,833	101,533	152,300	12	12,692	231,013	484,846
32% Aweil East	517,891	207,156	310,735	15	20,716	231,013	748,904
21% Aweil North	330,650	132,260	198,390	5	39,678	231,013	561,663
14% Aweil South	227,427	90,971	136,456	8	17,057	231,013	458,440
18% Aweil West	282,639	113,056	169,583	8	21,198	231,013	513,652
	1,612,440			48			
Income from registration fees							
Aweil Centre	23,613	9,445	14,168	12	1,181		
Aweil East	48,178	19,271	28,907	15	1,927		
Aweil North	30,759	12,304	18,456	5	3,691		
Aweil South	21,157	8,463	12,694	8	1,587		
Aweil West	26,293	10,517	15,776	8	1,972		
	150,000						

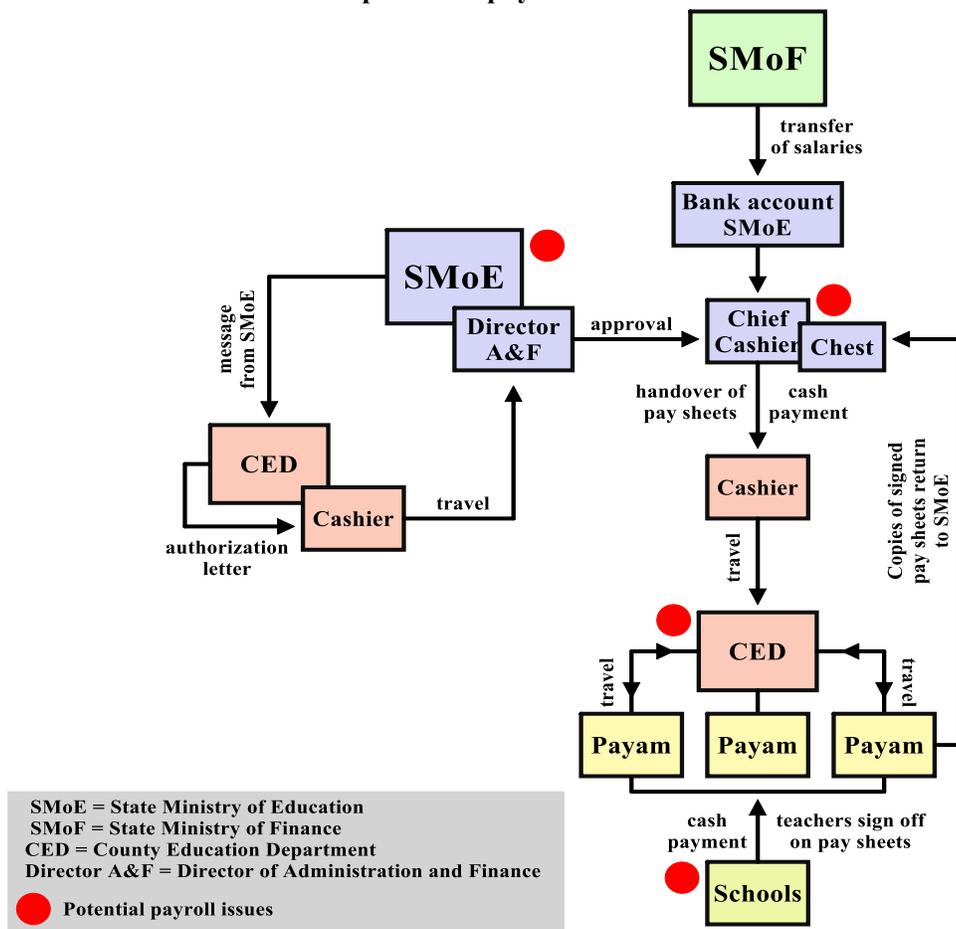
EMIS 150000 pupils
Income 750000 (SSP 5/pupil)
State 150000 (20%)
Counties 150000 (20%)
Counties 30000/average

6. Payroll Procedures

6.1. The payroll payment process

The payroll payment process is centralized and coordinated at State level. Every month, CEDs are informed by the SMoEs of the payment date. Generally, CED staff (chief cashier) travels to the State capital to collect the teacher/staff salaries and the corresponding paysheets. The payroll circuit is similar in all States (Graph 5); in some cases teachers travel to the CED to pick up their salaries (EES, Warrap, Lakes). Travel has a cost and generally comprises expenses for transportation (fuel, car or bike hire) and accommodation (number of days). Costs vary and depend on local conditions of distance and accessibility including the number of trajectories (e.g., return tickets CED-SMoE-CED, Payam-CED-Payam and school-Payam/CED-school). States do not budget the transportation of salaries; this cost is paid by contributions from individual teachers (through monthly salary deductions) or CED/Payam offices (from their “operating budgets”). In both cases, public expenditure is directly financed by citizens (teachers and households). Field findings provide a diverse picture of such costs (Box 5).

Graph 5. The payroll circuit



Box 5. Costs related to the transportation of salaries

<p>EES</p> <ul style="list-style-type: none"> • From SMoE to Magwi County (50 km): return ticket 180 SSP (<i>boda boda</i>) - contribution 2 SSP per teacher (total contribution per teacher is 2 SSP); <p>CES</p> <ul style="list-style-type: none"> • From SMoE to Lainya County (93km): return ticket 120 SSP (public transport) - reportedly no contribution from teachers (operating budget of Executive director); from Lainya CED to Kenyi Payam: return ticket 60 SSP - contribution 1 SSP per teacher/staff ; from Kenyi Payam to Bongo primary school each teacher pays for their trip (<i>boda boda</i>): return ticket 35 SSP (total contribution per teacher is 36 SSP); <p>Lakes</p> <ul style="list-style-type: none"> • From SMoE to Rumbek East County: return ticket 50 SSP (public transport or motorbike) - contribution per teacher 3 SSP; each teacher from Atiaba Payam t travels to the County on public transport: average return trip 15 SSP (total contribution per teacher is 18 SSP); • Reportedly, in Rumbek Town secondary school salaries are paid at the SMoE (at walking distance from the school) but teachers have to contribute between 45 SSP and 56 SSP per month and do not know why; <p>NBG</p> <ul style="list-style-type: none"> • From SMoE to Aweil West County (75km): return ticket 1200 SSP plus 1200 SSP (3 days of accommodation) - vehicle hire to transport 4 cashiers - contribution 5 SSP per teacher; from Aweil West County to Comjuer Centre Payam: return ticket including accommodation for 3 days 200 SSP - no contribution (cost financed by Payam office); in secondary school Nyamllell the cost is 420 SSP (return ticket 60 SSP + accommodation for 3 days 360 SSP) paid on the school budget; • In Aweil West County some teachers contribute 5 SSP per month to a trade union. <p>WBG</p> <ul style="list-style-type: none"> • From SMoE to Jur River County: return ticket 300 SSP (cost paid by CED office); <p>Warrap</p> <ul style="list-style-type: none"> • From SMoE to Gogrial West County (30km): return ticket 270 SSP (cost paid by CED office); in Riau Payam travel cost CED-Payam is 250 SSP - contribution per teacher 5 SSP.
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Source: survey questionnaires – payroll (2014)

SMoEs should develop a transparent and consistent policy to cover the costs related to the transportation of salaries and/or travel to banks. Following the principles that civil servants should be paid full salaries and financial transfers to decentralized levels should not induce extra costs for the beneficiaries, it appears useful for SMoEs to adopt a common policy that regulates current practices. This may include (i) provision of transportation costs (on top of the salary envelope) calculated on the basis of distances and number of schools; and (ii) a *mandatory* budget line in CED/Payam operating budgets that authorizes expenditure for travel (time) to collect salaries and/or grants. The latter is in line with government policy in schools that allows travel to collect capitation grants¹⁴. The drafting of these ‘travel budgets’ is further consistent with establishing unit costs for recurrent activities as part of a coherent PFM policy framework (Box 2) and builds on existing ‘cost-sharing’ practices. Earlier findings (WES) show that alternative options to limit transaction costs can be explored, especially in areas where banks are not available or traveling is particularly challenging; these are (i) the use of money transfer agencies; (ii) establishing accounts in parishes; and (iii) grouped purchases and/or travel (school clusters). As a rule, any policy - standardized or customized - should be the result of trade-offs and based on upstream relevant analysis of local conditions.

¹⁴ GESS *School Budgeting Guide* (p.9).

6.2. Payroll management

Findings show a slow and non-uniform payroll update process across SMOEs. On average, resigning teachers stay on payroll for 2.5 months but delays in removing their names differ from State to State; in NBG the process may take up to 6 months. In the mean time, salaries continue being paid. In conformity with the law, names of deceased teachers reportedly remain on payroll for 3 additional months to ensure payments to relatives. In the absence of formal directives, CEDs remain unclear about the use of unpaid salaries (EES, NBG, WBG, and Warrap); only CES says remitting the money to the SMOE and Lakes uses it to pay replacements (volunteer teachers). The latter is a practice that makes sense (although likely illegal) and appears to be routine policy for absent teachers where salary cut offs/retentions are used to finance CED operating costs (EES, NBG), school activities and volunteer teachers (Lakes, Warrap). This is probably also what happens with unpaid salaries although potential abuse should not be ignored. Most schools have to hire part-time or contract/volunteer teachers to address this type of teacher shortages confirming the fact that resigning and deceased teachers are not automatically replaced (Tables 10-11).

Decentralized entities do not have authority to recruit new teachers. Teachers are budgeted for an entire fiscal year; the replacement of departing teachers is therefore an administrative process, not a budgetary one. CEDs express the need for decentralizing the replacement/recruitment process of *budgeted* teachers. This approach is consistent with locally-developed PFM frameworks (Box 2) that seek to put teacher recruitment, deployment and retention at the heart of their policy. Effective decentralization requires - within the limits of institutional regulations and budgetary capacity - a certain degree of flexibility to address local challenges. This is fully in line with GRSS policy; the transfer of resources and decision power to Local Government should lead to greater accountability and answerability for delivering quality education.

Tables 10-11. Payroll management

State County	<i>Are resigning teachers removed from payroll? (average delay for removal)</i>	<i>Are deceased teachers removed from payroll? (average delay for removal)</i>
EES		
<i>CED Magwi</i>	Salaries continue being paid	Salaries continue being paid
<i>CED Torit</i>	Names stay on payroll for 3-4 months before removal	Names stay on payroll for 3-4 months before removal
CES		
<i>CED Lainya</i>	Removed within a month	Removed after 3 months
Lakes		
<i>CED Rumbek East</i>	Names stay on payroll for 1-2 months before removal	Removed after 3 months
NBG		
<i>CED Aweil West</i>	Names stay on payroll for 6 months before removal	Names stay on payroll for 6 months before removal
WBG		
<i>CED Wau</i>	Removed within a month	Removed after 3 months
<i>CED Raja</i>	Removed within a month	Removed after 3 months
<i>CED Jur River</i>	Removed within a month	Removed after 3 months
Warrap		
<i>CED Gogrial West</i>	Removed within a month	Removed after 3 months

State County	<i>Use of salaries from resigning teachers</i>	<i>Use of salaries from deceased teachers</i>	<i>Use of salary deductions (case of absent teachers)</i>
EES			
<i>CED Magwi</i>	No answer	No answer	CED Operating costs
<i>CED Torit</i>	No answer	Family continues receiving the salary for 3 months	I don't know
CES			
<i>CED Lainya</i>	Salaries are remitted to the State (Remit Order)	Family continues receiving the salary for 3 months	Salaries are remitted to the State (Remit Order)
Lakes			
<i>CED Rumbek East</i>	Salary is used to pay a volunteer teacher who does not necessarily receive the same amount	Family continues receiving the salary for 3 months	The school uses the deducted amount
NBG			
<i>CED Aweil West</i>	No answer	Family continues receiving the salary for 3 months	CED operating costs (after approval from the SMOE)
WBG			
<i>CED Wau</i>	Salaries continue being paid	Family continues receiving the salary for 3 months	Salary stays at SMOE
<i>CED Raja</i>	Salaries continue being paid	Family continues receiving the salary for 3 months	Salary stays at SMOE
<i>CED JurRiver</i>	Salaries continue being paid	Family continues receiving the salary for 3 months	Salary stays at SMOE
Warrap			
<i>CED Gogrial West</i>	Salaries continue being paid	Family continues receiving the salary for 3 months	Salary is kept in the school to pay volunteer teacher

Source: survey questionnaires – payroll (2014)

7. Main PFM Recommendations

7.1. *Improve the planning and budgeting process*

The following are interrelated:

- Remedy **information-sharing shortfalls**;
- Develop **pedagogically-oriented, relevant and standardized budgeting tools** (not exceeding 10 pages) that explain the basic budgeting principles and how to apply them to local realities;
- Use **simple budget formats** that contain relevant information on resource allocation in line with pre-established priorities.

7.2. *Develop coherent across-the-board policies*

Need for developing operational and pragmatic education policy models for relevant and coherent service delivery; these include:

- **Analyze local needs and set priorities** in line with a decentralized policy that seeks to improve the learning and teaching conditions of children and teachers;
- **Strategically allocate all available resources** (domestic, NGOs, churches, households, private sector, etc.) to context-specific policies and priorities;
- Produce context-related **standardized unit costs for recurrent activities** (such as school visits and other travel, training activities, classroom construction, etc.);
- Define **a clear demarcation of roles and responsibilities** in line with decentralized policy at all levels of the system, including schools (PTAs);
- Adopt **a coherent school fee policy** that gradually replaces household contributions by public financing;
- Develop **simple and relevant PFM tools** at all levels of the system, including schools;
- Similar to the school fee policy, **minimize costs related to the transfer of resources** (salaries, grants etc.) that are currently financed by teachers or households;
- Define and authorize **a coherent recruitment, deployment and retention policy of teachers** in schools in line with budgetary capacity and institutional regulations.