

BRIEFING PAPER

PUBLIC EXPENDITURE TRACKING SURVEY (PETS) ON EARLY CHILDHOOD EDUCATION IN CAMBODIA

I. INTRODUCTION

The Advocacy and Policy Institute (API) in partnership with the Cambodia-ASEAN Center for Human Rights Development (CACHRD) is implementing a project 'Promoting the Effectiveness Of Public expenditure in Local Education' funded by USAID through Result for Development (R4D) 2012-2014. This project aims to promote public accountability and enhance the effectiveness of public expenditure in the education sector, particularly early childhood education through conducting evidence-based research and advocacy activities.

The objective of the current Public Expenditure Tracking Survey (PETS) is to provide detailed information on the flow and arrival of resources at the frontline, i.e. public pre-schools, and on the performance of service providers and quality of services. It aims to examine public expenditure in the specific area of early childhood education, a program for the ages three to under-six years. The findings are important for policy reform to ensure better and more satisfactory delivery of public services, especially early childhood education to citizens and contribute to filling the accountability vacuum in public financing system in the education sector. Three early childhood education officials from the provincial education office, seven officials at the district education office, 37 pre-school principals and 66 teachers in five provinces including Kampong Speu, KampongThom, Kampong Chhnang, Pursat and Banteay Meanchey province took part in the survey.



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II. KEY FINDINGS

Key findings include the flow and the bottleneck of budgets for early childhood education that mainly focus on Program-Based Budgets to support public pre-schools.

Guidelines and legal framework

- Some legal guidelines and regulations on early childhood education exist but are limited to the specification and simplification on certain timeframes and the number of budget installments and budget procedures particularly at the pre-school level.

Power in decision making:

- In current practice, the reallocation of the PB (Program-Based Budget) has been undertaken at provincial level. There is decision making on the budget formulation to the prioritized programs at PoE (Provincial of Education) after cash withdrawal from PTs (Provincial Treasuries). Government officials from three PoEs responded that there are some challenges and impacts of the complexity in budget allocation, timely installments, and payment process encountered at provincial, district and pre-school level.

Uncertainty on budget arrival:

- In 2012, frontline service providers, POE, DOE and pre-schools, experienced delays in receiving cash for their activities. PETS results revealed that the 2012 disbursement of PB from POE to DOE and pre-schools did not experience any delay as long as POE received confirmation from provincial treasury. However, POE experienced the delay in receiving cash from the provincial treasury as sometimes cash was not available and disbursed by the provincial treasury which influenced the timeliness of PB payment to pre-schools.
- It is claimed by PoEs, DoEs, and school principals that there is no timeline to define the disbursement of PB from Provincial Treasuries to POEs, to DOEs, and finally to pre-schools. As a result the process of PB disbursement is not transparent or predictable as it varied from province to province based on the diverse situation on budget flow and strategy on budget allocation at PoEs. The 34 public pre-school principals in five provinces reported that they received PB in maximum two installments, of which the first was disbursed in February or March and the second in September or November 2012.
- Through reviewing guidelines and interviewing PoEs, no regulation defines the number of installment of PB to pre-schools. The numbers of installments are explained based on the amount of budget to be released. In 2012 all pre-schools in Kampong Thom, Kampong Speu and Kampong Chhnang received the PB budget in two installments. In Pursat most of the pre-schools received the PB budget also in two installments; however some of the smaller schools received the PB budget in just one installment. Pre-schools in Banteay Meanchey received one full PB installment. The average annual PB amount delivered in one installment is KHR 89,000, and the average annual PB amount in two installments is on average KHR 457,000. Two installments of PB were described as a burden for school principals in regards to time and the cost of transportation and technical reporting as they had to travel back and forth several times a year to the District of Education to pick up the cash and submit clearance documents.

Table 3. PB received by pre-schools in 2012: months and amounts (in KHR)

Province	One instalment	Two instalments		Amount receivedw		
		1st	2nd	min	max	average
Kampong Thom		Feb	Nov	59,000	286,800	192,540
Kampong Speu		Mar	Sep	140,000	960,800	362,215
Kampong Chhnang		Mar	Sep	820,000	1,380,000	1,076,333
Pursat	Mar	Mar	Sep	58,800	1,078,000	239,000
Banteay Meanchey	Mar or Apr	n.a.		58,800	135,000	88,300

n=34

Budget adequacy to pre-school:

- Budget for early childhood education in Cambodia is not adequate in terms of the quality of meeting the demands of the recipients. In 2012, all pre-schools in Kampong Speu, Kampong Chhnang, Pursat, and Banteay Meanchey received 100% of PB allocated to pre-schools, whereas Kampong Thom province only received 75% due to cash deficiency at Kampong Thom provincial treasury. DOE and POE explained that since the POE did not receive the full PB budget they decided to reallocate the received budget over all activities (pre-school, primary school, mentoring et cetera). As a result, none of the activities received the full budget.

Table 4. Actual amount of PB disbursed to pre-school in 2012 by province

Province	TNumber of Pupils	PB Planned by ECE	PB planned by POE	Actual disbursement	% of actual disbursement
Kampong Thom	6164 (ECE)	38,184,000			
	7063 (current)		38,184,000	28,650,000	75%
Kampong Speu	4227 (ECE)	27,762,000			
	4498 (current)		27,762,000	27,762,000	100%
Kampong Chhnang	2974 (ECE)	20,544,000			
	3315 (current)		20,544,000	20,544,000	100%
Pursat	2537 (ECE)	17,662,000			
	-		17,662,000	17,662,000	100%
Banteay Meanchey	4944 (ECE)	34,400,000			
	9836 (current)		34,400,000	34,400,000	100%

- Undertaking activities planned by the MoEYS, especially frontline service providers, is a challenge and the allocated budget does not meet the requirements of the frontline service providers. A Government official from the Department of Early Childhood Education explained that the data on a number of students was usually contested during the budget planning process at national level. The mismatch between actual student number and official student number has repercussions for the amount of the allocated PB budget. In addition to interviewing with PoEs and DoEs, since budgets were allocated based on the official student number, the coefficient of PB support per five-year-old pupil in reality is often lower than the KHR 6,000 per pupil as is stated in the official documents. This implies that even if the full PB budget is disbursed, it is not adequate for the actual number of five-year-old students.

Table 5. Variety of coefficient per pre-school pupil of PB in 2012

Province	KHR/pupil	USD/pupil
Kampong Thom	5240	1.31
Kampong Speu	5600	1.4
Kampong Chhnang	5400	1.35
Pursat	*	*
Banteay Meanchey	3000	0.75
DOECE	6000	1.5

*No data from Pursat POE

Efficiency on payment process:

- In interviews with pre-school principals it was confirmed that the guidelines and payment procedures were strictly followed as stated in legal documents. However, based on the circular petty cash expenditure procedure, PB was seemingly contradictory to its characteristics of cash advance. In practice, regardless if the PB budget has arrived, schools have to pay for certain materials when needed, which is not preferable since school have to lend money to do so. Due to the lack of predictability of timing of PB payments to pre-schools, school principals purchase necessary materials or other administration supplies before receiving PB. As a result, school principals are unlikely to employ the budget for school operation effectively. Meanwhile, the 37 pre-schools confirmed having School Management Committees who hold the rights to give oversight on payment process of each installment.
- PoE and DoE added the limited capacity of some school principals particularly newly opened pre-schools resulted in technical mistakes on invoices and reporting which prolonged the budget liquidation process and interrupted the next installment at Provincial Treasuries. All 37 pre-schools accepted that they are not obviously aware of the amount of PB provided to support pre-school and each five-year-old student a year as officially determined in Activity Plan and Budget Allocation for Early Childhood Education.



III. CONCLUSION AND KEY RECOMMENDATIONS

ECE is a small proportion of the education sector, yet there are several issues, which are significantly interrelated to the entire sector, including: the power in decision making, and limitations of existing legal guideline and policy. However, some problems are beyond the limitation of this study.

Key recommendations are consolidated and proposed to the relevant stakeholders for consideration on areas to be improved. In order to improve the existing system of budget expenditure for early childhood education for pre-schools functioning and performance, several recommendations are addressed as follows:

- Certain schedule and number of budget installments to pre-schools importantly boost the effectiveness of school function. MoEYS and MoEF should consider reviewing the existing policy and regulation on improving early childhood education particularly budget installments and expenditure at pre-schools in order to simplify the existing system.
- There are two different calculation methods on the number of students, which impacts the quantity of budget approval for early childhood education. MoEYS should dialogue with MoEF for a harmonized system.
- Cash shortage at provincial treasuries is a concern. MoEF should consider investigating the issue in order to eliminate the suspicion at local level.
- Strengthening capacity development properly can reduce the finance and reporting burden at school level. MoEYS should propose training orientation and supervision activities to pre-school principals and teachers particularly newly opened pre-schools.
- Promoting public participation is crucial to ensure sustainability in enhancing the early childhood education sector. Information on budget planning and expenditure, guidelines and regulations in early childhood education should be intensively disseminated to local Government, the public and other stakeholders.
- NGOs and other academic institution are encouraged to carry out further research studies on the simplification of budget and advocacy activities on the concept of accountability for public expenditure in the education sector.

Detailed PETS report is available upon request.

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