

Motivation

The PETS in Ghana was implemented in response to the government's effort in streamlining public spending and improving related outcomes in social sectors. The study took place at the time when the government has not only increased its budget share for education, but also increased the share of basic services within the sector budgets, and developed the legal framework of decentralization. However, major gaps continued to exist in access to and utilization of basic services by the poor.

Objectives

In order to address this problem, a PETS was implemented to measure leakages between different points of resource distribution, to identify bottlenecks in resource flows in resource flows between three levels (central government agencies, district offices, and service delivery facilities) and to explore ways of ensuring that funds meant for service delivery reach their targets.

Main findings

Large proportion of leakage seemed to occur between central government and district offices (instead of between district and facilities), during the procurement process when public expenditures are translated into in-kind transfers, while leakages between district and facilities occurred to a lesser extent.

Possibilities of leakage were found to be much greater when the value of material distributed was unknown to recipients.

Leakage

Leakage is estimated at about 50% of non-wage education whereas leakage of salaries is estimated at about 20%.

Causes: In-kind nature of transfers increase information asymmetry and lack of accountability in the delivery system and reduce feedback from frontline facilities.

Other findings

As a consequence of high leakage, user fees are much higher than they should be.

Sample

- 10 regions
- 40 districts
- 119 primary schools
- 79 junior secondary schools

Sample design

-Designed with the aim of matching data with the Ghana Living Standard Survey Round 4 (GLSS4) of 1998.

-Two-stage stratified sample: First stage: From each of the 10 regions, 4 districts were chosen: 2 depressed, 1 average and 1 better off (based on criteria of natural resources endowment, infrastructure and level of developments). Second stage: In each selected district, 3 primary and 2 junior secondary schools were selected. Service facilities located in the EA of the GLSS4 were automatically part of the sample as well as facilities reported used by GLSS4 household.

Resources monitored

- Total recurrent expenditure (wage and non-wage)
- Data for FY 1997-1998 and 1998-1999
- 3 units (District offices (education), schools and user perception survey was carried out)

Contact

Sudharshan Canagarajah: Scanagarajah@worldbank.org;
Xiao Ye: Xye@worldbank.org

Main report

Ye, Xiao and Sudharshan Canagarajah (2002) "Efficiency of Public Expenditure Distribution and Beyond: A Report on Ghana's 2000 Public Expenditure Tracking Survey in the Sectors of Primary Health and Education," *Africa Region Working Paper Series* No. 31, The World Bank, Washington, D.C.