Service Delivery in Public Primary Schools in Madagascar: Results of a Budget Tracking Survey

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1. Introduction

Multiple studies have shown the importance of access to education as a means to alleviate poverty. The international community has therefore agreed that one of the major goals of the Millennium Plan is to expand access to education at the global level as to ensure that by 2015 children everywhere will be able to complete primary schooling and that girls and boys will have equal opportunities to all levels of education. In line with these goals, the new government of Madagascar proposes to reform the education sector with the aim to significantly improve access to primary education, as for example indicated in the Poverty Reduction Strategy Paper (PRSP).

Currently, Madagascar has low enrollment rates, even compared to other African countries. According to a recent World Bank study (World Bank, 2002), only 60% of the urban children complete primary school. This compares to a low 12% for children in rural areas. To improve the enrollment rates – as well as the quality of education as repetition rates are very high in public primary schools in Madagascar (World Bank, 2001) – government and donors alike are willing to substantially increase their investments in the education sector.

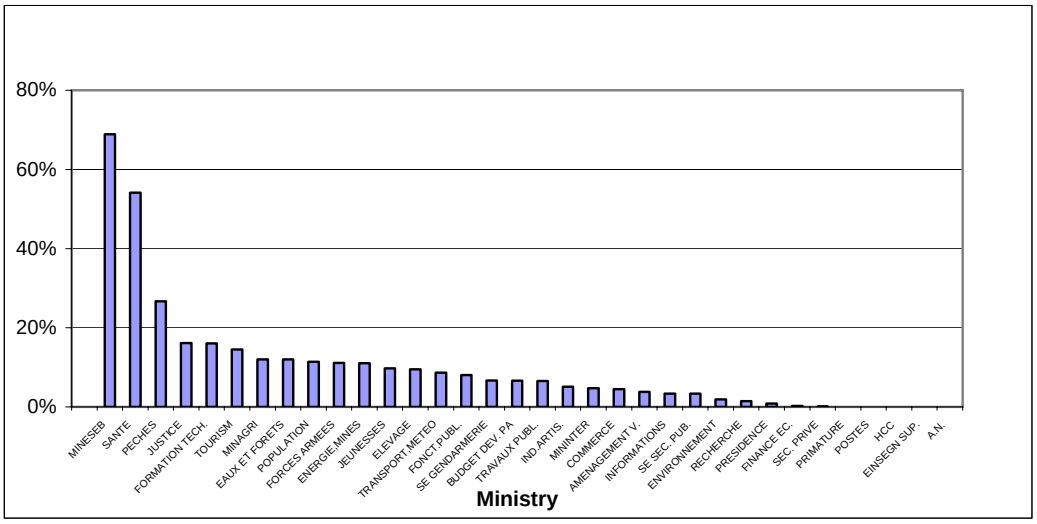
The new government has already shown its commitment to educational change. To mitigate the effects of the aftermath of the political crisis[1], it used part of the HIPC (Heavily Indebted Poor Countries Initiative; IPPTE) funds to pay for the tuition fee of all students in the public primary schools.[2] However, there are currently no good insights on the effective implementation and the impact of these policies decided at the national level. For example, a survey conducted by the ILO program of Cornell University at the end of 2002, i.e. three months after the announcement by the president, showed that about 60% of the public primary schools had not implemented these new policies yet. There is also no representative overview of the financing of local schools at the national level in Madagascar. Given the emphasis on good governance by the new government (see PRSP) and given the new approach towards programmatic lending that donors are planning to implement (i.e. funds will be given to the government and the evaluation criteria on the use of these funds will solely be based on outcome indicators), more insights are clearly necessary as to be successful in the channeling of resources to the expected beneficiaries.

Moreover, these insights might help in the debate on decentralization in Madagascar. It has been shown that public services are heavily concentrated in Madagascar with about 88% of expenditures executed at the central level (World Bank, 2003). However, the sectors of health and education are more deconcentrated than others, with 55% of recurrent expenditures dispensed to the provincial and district levels in health and 69% of recurrent expenditures allocated to the provincial and district levels in education (Figure 1; World Bank 2003). Moreover, the World Bank and other donors increasingly rely on facility levels and decentralized interventions to improve education services. A key institutional player in this respect is the deconcentrated district facility level (Cisco). Consequently it is of crucial importance to better understand leakages and constraints at the district as well as at the local level.

[1] It was shown that a significant number of parents were unable to pay for schooling and health costs after the political crisis (ILO program, 2002).

[2] For every extra student inscription, the school would receive an extra 10,000 Fmg or 15,000 Fmg (for Antananarivo City).

Figure 1: Shares of recurrent expenditures executed below the center



Source: World Bank Report on Decentralization, Report No. 25793-MAG, June 2003

It was therefore decided to organize a study on school finance. Based on a representative sample of schools at the national level, the main objective of this study is to provide detailed information on expenditure allocations and leakages in the Malagasy education system. The specific objectives are to:

(i) quantify the amount of funds that *do* arrive at the district education level;
(ii) quantify the amount of funds and materials that *should* arrive at the local facility level;
(iii) quantify the amount of funds and materials that *do* arrive at the local level.

The structure of the report is as follows. First, we discuss the methodology used. Second, the situation of the students and the teachers in the public primary schools is looked at. We will pay special attention to the dynamics between the previous and this school year. Third, the financial situation at school and district facility (Cisco) level is unraveled and the extent of leakage is looked at. Fourth, we look at the contributions – and leakages – in kind. We finish with conclusions and recommendations.

2. Methodology

The structure of the different players involved in school finance is illustrated in Table 1 and 2. Budgets are allocated by the central government (MINESEB) directly to the district facility levels (Cisco's). The Interregional Directorate of Secondary and Basic Education (DIRESEB) manages 70% of teachers salaries, but in general it only has an administrative task. The district facility levels administer 12% of recurrent expenditures. Two third of their budget is allocated to the procurement of services, while the purchase of goods is assigned in equal parts to administrative and school supplies respectively (World Bank, 2003). The Cisco's do not execute salary expenditures, but they allocate teachers within districts and they are able to hire teachers on their credit line for school equipment (see also Section 4). Therefore, in principle districts have some autonomy on how to allocate the funds for a subcomponent of their budget (i.e. from maintenance to local teachers' salaries) (World Bank, 2003). Moreover, for this school year the Cisco's can/could decide on the distribution of the IPPTE and CRESED funds to the schools (see Section 5) and they organize the

distribution of the books[3] donated by the CRESED project. There is, in general, one 'Zone d'Administration Pédagogique' (ZAP) per Commune who serves as a liaison between the Cisco and the schools. He organizes the distribution of funds and material to the schools within his Commune. However, he does not have any rights to make decisions on allocations.

Table 1: Education structures by level

Level	Education Structure
Center	• Ministry of Secondary and Basic Education (MINESEB)
Province (Faritany)	• Interregional Directorate of Secondary and Basic Education (DIRESEB)
District (Fivondronana)	• District Education Office – Circonscription Scolaire (Cisco)
Commune (Firaisana)	• Zone d'Administration Pédagogique (ZAP) • Public primary school (EPP) • Lower secondary school – Collège d'Enseignement Général (CEG) • Higher secondary school (Lycée)
Village (Fokontany)	• Public primary school (EPP) • Parents-school partnership association (FAF) • Association of parents of students (FRAM)

Source: World Bank Report on District-level Service Delivery in Rural Madagascar, July 2003

It is clear that the Cisco's are a crucial node in the education system. Hence, we will look in detail at their functioning. Given logistical and financial constraints, this study will almost exclusively focus on the Cisco's itself and the situation downstream from the Cisco's, i.e. from the district level to the school level. To this effect, three types of surveys were organized.

Table 2: Personnel and budget functions in the social sectors

	Budget Planning	Budget Execution	Personnel Management
Center	Line ministries determine global budget envelopes	Ministries for recurrent administrative expenditures and the whole investment budget	Hiring, firing and sanctioning of staff
Deconcentrated agencies: • *Province level*: Interregional directorates		Payment of salaries for teachers and doctors	Allocation of staff within province
• *District level*: Cisco's, SSDs	Allocation of budgets across facilities	Execution of recurrent non-salary expenditures (maintenance, materials)	Allocation of staff within districts. Hiring and firing of locally employed teachers (education sector)
Decentralized agencies: • Communes		Execution of conditional grants on health/education Co-financing FRAM-managed schools	

Source: World Bank Report on Decentralization, Report No. 25793-MAG, June 2003

Survey 1: Post-crisis survey, November/December 2002

To evaluate the socio-economic situation post-crisis, INSTAT in cooperation with FOFIFA[4] and the ILO program of Cornell University organized a socio-economic survey in 150 Communes[5]. The stratified sampling frame was set up in such a way to be representative of the situation at the national and provincial level. Districts (Fivondronana) were divided in six

[3] Books of the 'Serie Vola' and others.
[4] INSTAT is the national statistical institute; FOFIFA is the national agricultural research center.
[5] Out of 1391 Communes in total, i.e. more than 10% of the Communes.

strata depending on the distance to the capital of the province (close, medium, far) and on the availability of a tarred road. In each strata, one district was selected for every province. In each district (36 out of 111 in total), four Communes were selected randomly.

In each Commune, two public primary schools were surveyed: one in the center of the Commune and one remote school that was at least 3 km away from the center. Given the size of the population in cities, these were treated differently. In Antananarivo, 12 public primary schools were surveyed. In the provincial capitals, this number was reduced to six public primary schools. 326 schools were visited in total. 15% and 85% of the schools were located in urban and rural areas respectively (Table 3).

The major purpose of the survey was to evaluate the impact of the crisis on economic activities and social service delivery. The survey included one module on the education sector. In this module, information was gathered on the financial situation of schools in 2001/2002 as well as 2002/2003. Contributions to the school by (i) the Ministry of Education (through the Cisco), (ii) the Commune, and (iii) the parents of the students (FRAM) were asked for during these two years.

Table 3: Structure of the sample; number of public primary schools visited

Province/Area	Post-crisis survey – November 2002	Budget tracking survey – April/Mai 2003
Antananarivo	60	36
Fianarantsoa	54	30
Toamasina	58	30
Mahajanga	53	29
Toliara	51	30
Antsiranana	50	30
Rural	276	135
Urban	50	50
Madagascar	**326**	**185**

Sources: Post-crisis survey, ILO Program, Cornell University, November 2002; Budget Tracking Survey, World Bank, April/Mai 2003

Survey 2: Budget tracking survey at school level, April/May 2003

Given our aim of better insights on school finance, a new survey at the school level was conducted in April/May 2003. The purpose of the survey was to provide national representative numbers on budget allocations and leakages from the Cisco to the school level. During this new survey, a little over half of the schools included in the post-crisis survey were revisited. Four Fivondronana and 13 Communes were visited by province (a map of the districts visited[6] is included in Annex 3). In total, 185 public primary schools were surveyed, of which 73% were located in rural areas (Table 3). Given the set-up of the two surveys, we will show statistics in most of our analysis for the panel schools as well as for the whole sample at the beginning of the school year 2002/2003, and only for the panel schools at the end of the school year 2002/2003.

Survey 3: Budget tracking survey at Cisco level, April/Mai 2003

To gain insights in the budget allocations at the education facility level in the district (Cisco), an extra survey was organized at this level. Representatives of 24 Cisco's - out of 111 in total, i.e. more than 20% of the Cisco's – were interviewed during a survey in April/May

[6] Even though some districts in the province of Mahajanga were inaccessible because of security reasons, we tried to set up a sampling frame that was as representative at national and provincial level as possible.

2003. Four Cisco's were visited per province. To allow analysis on the budget flows within the education sector, those Cisco's where selected in the districts where the school survey was held. To ensure compatibility, these surveys were held at the same time.

Finally, although at Cisco as well as at school level it was very difficult to verify the exact amount of funds that respectively left and arrived, the enumerators tried to collect as much physical evidence as possible (bank statements, signed receipts etc.) in order to be able to quantify the gaps between Cisco's and schools. In the case where this was not possible our enumerators based themselves on the amounts reported as sent and received at both levels.

3. Student enrollments

The new government is up to a good start. The new education policies have led to a dramatic increase in enrollment rates: the number of inscriptions increased by 14% at the start of the new school year 2002-2003 compared to the year before. The change in number of students ("dropout rates") within the school year 2002/2003 (comparing the beginning of the school year with April/May 2003) is small.

Table 4 shows how the number of inscriptions changed between last and present school year. At the national level, the number of inscriptions increased by 14%. The highest increase is noticed in the province of Mahajanga where a change of 19% was noticed. This compares to an increase of 7% in the province of Antsiranana, the lowest of all the provinces. A higher increase is noticed in rural areas (+15%) than in urban areas (+8%). This differential growth might be due to the fact that enrollment rates in urban areas were already relatively high before and consequently there is less potential for growth.

Moreover, more remote schools show a higher increase than schools close by (Table 4). A doubling of the distance of the school with respect to the chef-lieu of the Commune leads to a 10% higher increase in enrollment rates than average[7]. This phenomenon seems to be explained by two factors: remote areas are poorer (Razafindravonona et al., 2001) and poorer people are more responsive to price changes in schooling costs (Glick et al., 2000).

Overall, these results seem to indicate that the reduction of the schooling costs was an effective pro-poor policy[8]. However, the policy could potentially had even more impact as, on average, still half of the public primary schools asked a tuition fee to deal with the liquidity problems. On the other hand, there was also a problem of incorrect information as at the beginning of the new school year a significant number of parents expected wrongly to be paid by the government to send their children to school (see Section 5).

The dramatic increase in enrollment in primary schools is confirmed by analysis at the household level. The national household survey that was organized in the beginning of 2003 by INSTAT, and which provides statistics representative at the national and the provincial level, shows that the gross enrollment rate for primary education went up by 10.5 points as it increased from 112.3 to 122.8 from 2002 compared to 2001 (EPM 2002, Institut National de la Statistique).

[7] This result is based on the whole dataset of the Post-Crisis Survey (November 2002).
[8] Although that household level data analysis seems to be called for to confirm this.

Table 4: Number of inscriptions for the school year 2001-2002 and 2002-2003 and the number of students in April/May 2003

	Unit	Start 2001-2002 (whole sample)	Start 2002-2003 (whole sample)	Change (%)	Start 2002-2003 (panel schools)	April/Mai 2003 (panel schools)	Change in number of students (%)
Madagascar	**Mean**	**295**	**335**	**+14**	**379**	**377**	**-1**
	Median	**207**	**232**	**+12**	**256**	**248**	**-3**
Urban	Mean	637	690	+8	690	691	0
	Median	508	567	+12	567	568	0
Rural	Mean	242	279	+15	275	273	-1
	Median	179	212	+18	208	190	-9
Antananarivo	Mean	336	378	+13	422	420	-1
	Median	243	263	+8	287	287	0
Fianarantsoa	Mean	309	347	+12	431	440	+2
	Median	196	245	+25	303	302	-1
Toamasina	Mean	332	383	+15	417	382	-8
	Median	215	278	+29	226	190	-16
Mahajanga	Mean	283	338	+19	339	344	+1
	Median	224	252	+13	265	270	+2
Toliara	Mean	214	242	+13	337	360	+7
	Median	102	118	+16	185	166	-10
Antsiranana	Mean	284	303	+7	301	296	-2
	Median	247	236	-4	229	241	+5
Capital of province	Mean	647	697	+7	698	698	0
	Median	508	567	+12	567	567	0
Close to capital	Mean	223	251	+12	242	240	-1
	Median	164	189	+15	193	188	-3
Medium dist. to capital	Mean	272	315	+16	360	339	-6
	Median	220	249	+13	277	240	-13
Far dist. to capital	Mean	235	273	+16	228	238	+4
	Median	169	204	+20	162	168	+4

Sources: Post-crisis survey, ILO program, Cornell University, 2002; Budget Tracking Survey, World Bank, April/May 2003

Table 4 further shows that the change in number of students during the school year 2002/2003 (comparing enrollments with the number of students present in April/May 2003) is very small and even zero in urban areas. In the provinces of Fianarantsoa, Mahajanga and Toliara, the average number of student inscriptions even *increased* during the school year 2002/2003. On the other hand, a high decrease in the number of students was noticed in the province of Toamasina (-8%). This result might be explained by the fact that half of the visited public primary schools did not receive the planned government contribution (IPPTE funds). Moreover, half of the schools in this province indicated that they were not satisfied with the functioning of the Cisco's as will be illustrated below (Section 5).

In the Communes at medium distance from the capital of the province, there was a noticeable decrease of 6% of the student population from the beginning of the school year to the time of the survey (Table 4). On the other hand, the number of students surprisingly increased during the school year in the most remote areas. A possible explanation might be that as these schools often do not have any media or information channels, parents probably received the information on the new education policies only later during the year or the late response could be caused by a late arrival of the IPPTE funds in the more remote areas. An alternative explanation might be an increase in phantom students. With the data at hand, we could not research this issue further.

4. Number and payments of teachers

Table 5 illustrates the employment types in the education sector. Most public schools teachers are paid for directly by the government of Madagascar (see Figure 2). Besides the government, teachers are hired by the parents association FRAM, the Cisco and the Commune. The contribution of NGO's in the hiring of teachers is small. Teachers employed by the MINESEB are civil servants, whereas teachers recruited by the FRAM and the Commune are contractual workers with no social schemes. The teachers hired by the Cisco are called 'enseignants hors soldes' and they are paid from the Cisco's credit line for school equipment as mentioned earlier.

Table 5: Employment types in the education sector

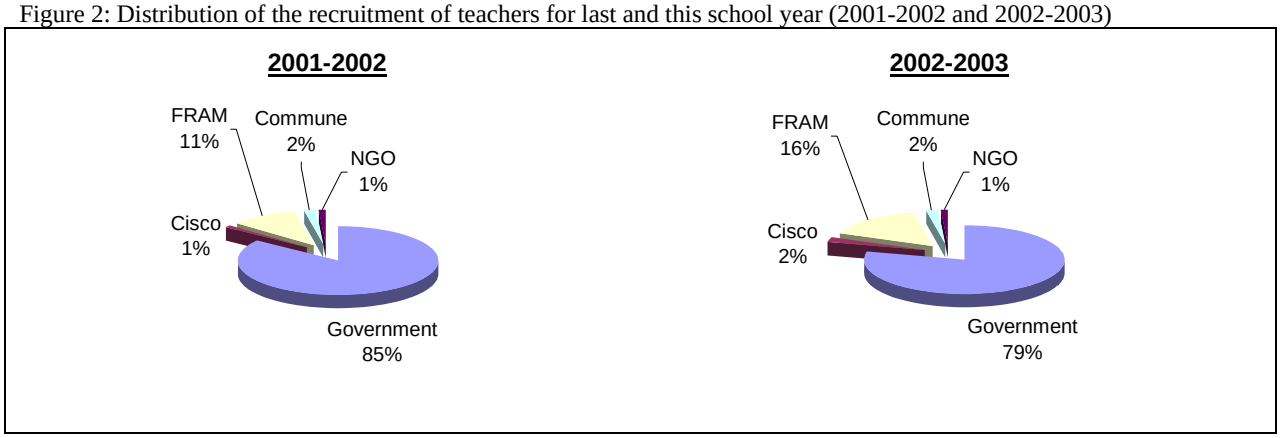
Status/Type of Employment	Responsible Unit	Budget Source	Regulatory Framework
General administration – civil service	MINESEB	MINESEB	Civil Service Code
Teacher – civil service	MINESEB/ CISCO	MINESEB/ Min. of Budget	Civil Service Code
Teacher under contract with CISCO	CISCO	CISCO	No formal regulation
Teacher under contract with FRAM	FRAM, parent-student association	FRAM, parent-student association	No regulation
Teacher under contract with Commune	Commune	Commune, partly using conditional transfers	No regulation

Source: World Bank Background Paper for the Decentralization ESW in Madagascar, 2003

a. The total number of teachers increased only slightly compared to last school year. However, there is a small but remarkable shift in employers as the number of teachers paid by the government decreased while those paid for by the FRAM and the Cisco increased.

Although the total number of teachers increased only slightly (+1%) this year compared to last school year, there is a clear shift in employers as the number of teachers recruited by the FRAM[9] and the Cisco increased whereas those paid for by the government decreased. With the information at our disposal, we do not have an obvious explanation why this shift might have occurred.

Figure 2: Distribution of the recruitment of teachers for last and this school year (2001-2002 and 2002-2003)



Source: Budget Tracking Survey, World Bank, April/Mai 2003

[9] Schools with teachers hired by the parents association (FRAM) are the most common in the provinces of Fianarantsoa (63%), Antananarivo (61%) and Antsiranana (60%).

b. Pay scales for the majority of the teachers paid by the state are fixed and depend on clear rules. However, this is not the case for the salary of the teachers paid by the FRAM. We find strong regional differences reflecting the relative wealth/poverty of the province: teachers in the province of Antsiranana earn more than three times the salary of their counterparts in the province of Toliara.

The teachers hired by the government are paid according to scales which depend on their years of service and their education level. They are estimated to earn, on average, 554,206 Fmg per month during a 12-month period. The salaries of the teachers hired by the FRAM are significantly lower than the salaries of government paid teachers: they earn on average 175,000 Fmg per month and this only during the school year (i.e. 10 months). We notice also strong regional differences (Table 6). The FRAM teachers receive the highest salary in the province of Antsiranana and the lowest in the province of Toliara. The difference is more than 300%. The teachers paid by the Commune earn on average 150,000 Fmg per month (during the school year) and the same regional salary gaps appear. These pay scales reflect the differences in wealth of the provinces. Teachers 'hors soldes', i.e. paid by the Cisco, are paid least as they earn, on average, only 135,000 Fmg per month (and this only during 10 months). Fortunately, where they have the possibility, the Commune or the FRAM try to top up the cash salary of these teachers with contributions in kind. Nevertheless, in general, the teachers recruited by other entities than the government earn less than the official minimum wage and this could be a reason for the low quality of primary education in many rural schools.

Table 6: Monthly salary of a teacher paid by the parents association (FRAM) during the school year 2002-2003

Province	Mean (Fmg)	Median (Fmg)
Antananarivo	177,773	173,000
Fianarantsoa	145,944	100,000
Toamasina	145,455	150,000
Mahajanga	202,778	200,000
Toliara	66,000	50,000
Antsiranana	238,235	250,000
Madagascar	**174,915**	**170,500**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

Table 7 shows that most of the FRAM teachers are paid in cash, 35% is paid through a combination of cash and in-kind and a low 6% is paid only in-kind. Especially in the provinces of Antananarivo and Fianarantsoa, teachers are paid with a combination of cash and in-kind. Most of the FRAM teachers are paid by the president of the association or by the school director. The teachers hired by the Commune are directly paid by the Mayor of the Commune and this mostly in cash.

Table 7: Type of payment of the salary of a teacher paid by the parents association (FRAM) during the school year 2002-2003 (in %)

Province	Only in kind	Combination of cash and kind	Only in cash
Antananarivo	0	55	45
Fianarantsoa	22	56	22
Toamasina	0	0	100
Mahajanga	0	22	78
Toliara	20	0	80
Antsiranana	0	28	72
Madagascar	**6**	**35**	**59**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

During the school year 2002/2003, the government contributed 150,000 Fmg during three months, i.e. 450,000 Fmg in total, per teacher paid by the FRAM to top up their low salary. This extra money was managed by the Cisco, which could decide on the exact distribution. While we have no quantitative data, anecdotic evidence suggests that the Cisco often choose to hire some extra teachers during a period of three months to deal with the shortage or, alternatively, they divided the money among all teachers (teachers paid by other sources than the FRAM included).

c. There are little complaints about problems with the payment of salaries. The government and the FRAM deliver their promised salary payments: more than 95% of the amount planned for the salaries of the teachers last school year was spent.

Table 8 shows the percentage that was received at the end of the school year 2001-2002 of the planned budget by the different employers for salary of the teachers at the beginning of the same year. The government and the FRAM pay quite well as respectively 97% and 96% of the amount planned for the salaries of the teachers arrived. The bad payment performance of the Cisco last school year (the year of the crisis) should be noted as, on average, only 39% of the planned amount for the salaries of the teachers arrived. If it arrived, it did so, on average, four months too late. However, caution is warranted given the low number of teachers paid for by the Cisco (this average is only based on four observations).

Table 8: Percentage received at the end of the school year 2001-2002 of the budget planned by the employers for the teachers

Financing source	% received at the end of the school year 2001-2002 (mean)
Government	97
Cisco*	39
FRAM	96
Commune	83
NGO	**

Source: Budget Tracking Survey, World Bank, April/Mai 2003; * teachers 'hors soldes'; only based on 4 observations; ** no data available

During the timing of our field research (April/May 2003), approximately 60% of the amount planned by the government and the FRAM for the salaries of the teachers for this school year already arrived. The Cisco improved its performance this school year as 70% of the planned budget for teachers was disbursed in April/May 2003. The better performance of the Cisco's this year might be linked to the numerous changes in representation of Cisco's that occurred last year.

More than half of the teachers (64%) that are paid by the government complained they received their salary too late during last school year (on average 9 days). The main reported reason for delay was the crisis. However, almost a quarter of them stated it was a usual delay due to logistical or unknown reasons. In any case, it is amazing that the government was able to keep salary payments going with relatively little delay, even in the remote areas, given the huge transport problems in the country last year.

d. Given that the number of teachers increased only slightly compared to last year, the student-teacher ratio increased significantly. The student load of teachers increased by around 15% in public schools. We are now back to the level of the middle of the '90s.

While a significant effort has been done to improve demand conditions, it seems that supply parameters are becoming increasingly a constraint. Given that little effort was done to increase the number of teachers post-crisis, the ratio of students over teachers increased significantly, probably leading to reduced quality in teaching. Table 9 illustrates the current situation, based on averages that were calculated at school level. It shows that the allocation of teachers is biased towards urban areas as class sizes are significantly smaller. The situation is worst in rural areas in Antsiranana with on average 75 students per teacher. The more remote the school, the higher the number of students per teacher. This pattern is consistent with the situation of previous years. It illustrates the challenge of the state to attract teachers to live in remote areas.

BOX 1: *Illustration of the shortage of teachers*

As the lack of teachers became too problematic in the district of Ambovombe, the Cisco decided to divide the 135,000 Fmg intended for one teacher 'hors soldes' for the Commune of Ambonaivo between two teachers, i.e. each teacher only earned 67,500 Fmg per month. It is clear that with this type of salary, teachers could not devote their full attention to teaching.

Table 9: Evolution of the student-teacher ratio in public primary schools

	School-year	Urban (capitals of the provinces)	Rural
Antananarivo	97/98*	43	56
	01/02**	35	46
	02/03***	46	54
Fianarantsoa	97/98	44	54
	01/02	28	43
	02/03	37	48
Toamasina	97/98	66	74
	01/02	48	51
	02/03	53	71
Mahajanga	97/98	47	55
	01/02	32	59
	02/03	48	63
Toliara	97/98	45	48
	01/02	38	36
	02/03	53	49
Antsiranana	97/98	57	77
	01/02	38	78
	02/03	45	75
Madagascar	**97/98**	**43**	**60**
	01/02	**35**	**52**
	02/03	**47**	**60**

Sources: *** Budget Tracking Survey, World Bank, April/Mai 2003; **Post-crisis survey, ILO program, Cornell University, 2002; *World Bank (2002) based on the school census of 1997-1998 of the MINESEB

e. Teachers receive little in-kind contributions. A quarter of the schools pay housing and this for about half of their teachers. 14% of the teachers receive other allowances.

A quarter of the schools provided housing for, on average, half of their teachers during this school year. This number decreased compared to last school year (34%). While the school itself is the main supplier of the housing, the parents association (FRAM) and the Community also offer sometimes a place to stay for the teachers. Fourteen percent of the teachers received other indemnities during this school year. In most of the cases, they receive extra's from the DIRESEB, i.e. for example a remoteness or travel allowance. Some teachers also get food as an extra remittance. However, this percentage is rather low.

5. Budgets and leakages

5.1. Overall school budget and leakage

a. The government (IPPTE), CRESED and the FRAM are the main providers of cash contributions to public primary schools in Madagascar. The main donors for material and in-kind contributions are the MINESEB (through the Cisco's), SEECALINE, CRESED and WWF for books and FID for construction material.

Table 10 shows the percentage of schools by source that received cash or in-kind contributions or material during the school year 2002/2003. The majority of schools received the IPPTE contribution and on top of it most schools received a contribution from CRESED and/or the parents association (FRAM). A minority of schools received also a contribution in cash from the Commune (13%) and SEECALINE (8%). The main donors in material are the Cisco (MINESEB) and SEECALINE, CRESED and WWF for books and FID for construction material. The material and in-kind contributions distributed by the Cisco will be discussed in detail in Section 6. We first turn to the detailed discussion of the cash contributions.

Table 10: Percentage of public primary schools that received money or material from different donors during the school year 2002-2003

Donor	Cash	In-kind and material
IPPTE	90	0
CRESED	67	99**
FRAM	65	0
Commune	13	0
MINESEB – Cisco	0	90*
SEECALINE	8	9
WWF	0	20**
FID	0	6
Other donors	5	33

Source: Budget Tracking Survey, World Bank, April/Mai 2003; *this number concerns the percentage of schools that received material during the budgetary years 2002 and 2003 (until April/Mai 2003); **these numbers only concern school books

b. Almost two-thirds (62%) of the funds promised in the beginning of the school year 2002/2003 by CRESED and IPPTE actually made it to the schools.

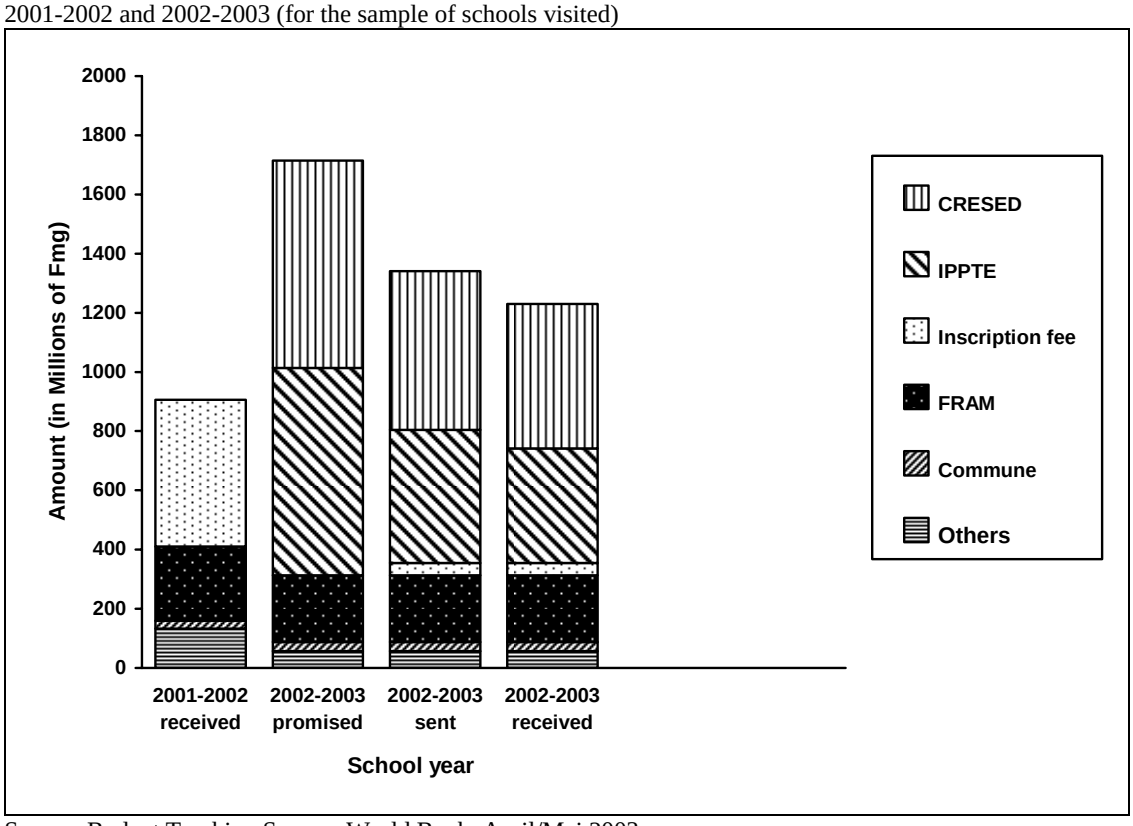
The main sources of cash contributions for the public primary schools last school year (2001/2002), were the inscription fees and the contributions of the FRAM, both paid for by the parents of the students. As the payment of the inscription fees was abolished and as the schools received contributions through IPPTE as well as CRESED funds - to mitigate the potential disastrous consequences of the political crisis of 2002 -, this changed the sources of finance of the schools dramatically. Figure 3 shows the relative importance of the different sources for last and this school year. Although the total contribution of the FRAM last school year is probably underestimated, it is evident that the schools received at least 20% more in cash contribution this school year.

The IPPTE contribution makes up 31% of the total budget of the school compared to 40% coming from CRESED funds in the current school year (2002/2003). Although more schools received funds from IPPTE, the larger importance of CRESED compared to IPPTE appears due to the fact that the majority of schools that did not receive their IPPTE contribution are

schools in the capitals of the provinces with a high number of students. The total IPPTE contribution received is therefore lower as will be illustrated below. Figure 3 further shows that the contribution of the FRAM makes up for 18% of total school finance. Inscription fees that are not paid back yet contribute for 3%.

To evaluate to what extent the government lived up to its promises done in the beginning of the school year 2002/2003, the total amount of promised funds was calculated. This amount is presented in the second bar of Figure 3. The actual disbursement might be lower due to less allocation of resources to the education sector or due to leakages. We will study this further on. The way that the amount of the promised funds was calculated is as follows: The IPPTE as well as the CRESED amount promised is calculated as the number of students present at the beginning of this school year times 15,000 Fmg/student for Antananarivo city and times 10,000 Fmg for the rest of the country. Figure 3 contrasts the promised funds with the amounts that were sent by the Cisco's and the funds that arrived to the schools. 55% of the promised IPPTE funds and 70% of the promised CRESED funds actually arrived at the school level. Aggregating over the two sources shows *that 62% of the total contribution promised by the government at the beginning of the school year had arrived at the schools by April/May 2003.* We will now look at the contribution from each source in more detail.

Figure 3: Total amount in cash (in Millions of Fmg) planned and received during the last two school years 2001-2002 and 2002-2003 (for the sample of schools visited)



Source: Budget Tracking Survey, World Bank, April/Mai 2003

5.2. Levels and leakages in the contribution of IPPTE

For the school year 2002-2003, the government decided to contribute 15.000 Fmg per student for the public primary schools of Antananarivo City and 10.000 Fmg per student for the public primary schools of the rest of the country. One part of this amount, theoretically not

higher than 7,500 Fmg, would be used towards the payment of the general costs and inscription costs. The rest of this amount would be used towards the school budget ("Caisse Ecole"), managed by the FAF (Fiarahana ombon'antoka ho Fampandrosoana ny Sekolo), a newly created entity made up by parents of current students, former students, the director of the school, and other people of the region. The money was transferred from the district facility (Cisco) to school level only if two conditions were fulfilled: (1) the FAF had to present a work plan ("contrat programme") in which they explained how they would use the funds; in case the parents of the students already paid a tuition fee, the FAF had to reimburse the parents; (2) the school and Cisco were supposed to post in a public place the amount of money received in an effort to improve transparency and accountability.

a. There is a significant lack of transparency in budget allocation and basic accounting rules are not in place in Cisco's as well as schools. This might be on purpose or due to lack of training. However, it is clear that the badly functioning accounting system increases the incentives for leakage.

In almost half of the visited Cisco's and over a quarter of the public primary schools in the sample the accounting was not clear or complete. 17% of the Cisco's could not show any evidence on the material that was distributed to the public primary schools in their district. This lack of transparency could be due to different factors, i.e. it might be a consequence of a lack of training of the personnel of the Cisco or it might be an indication of leakage. However, it is difficult to establish the exact cause based on our data. In any case, as it is impossible to objectively verify whether there is leakage or not, this implies that the current budgeting and accounting verification system is badly organized and should be changed to improve budget efficiency.

b. Policy implementation and budget execution is slow, often due to ineffective organization and management. This leads to implementation problems as schools run into liquidity problems. A good example is the abolishment of tuition fees. However, while there was a significant delay to get the promised IPPTE funds to pay for the tuition fee to the schools, 90% of the schools eventually received the funds.

The number of schools that asked for a tuition fee decreased dramatically this year: while almost all public schools asked for tuition fees in the school year 2001-2002, this number declined to around 49% of the schools in the current school year (Table 11).[10] The application of the new tuition policy shows strong regional differences. It was most diligently applied in the province of Antsiranana as only 20% of the public schools asked for fees during the current school year. It was least well implemented in the provinces of Antananarivo, Fianarantsoa and Mahajanga as still at least 50% of the public schools asked for a contribution at the beginning of the school year. The schools that continued their tuition fee policy did mostly so to deal with the delay of the arrival of funds and the subsequent liquidity problem.

The hesitation of the schools to implement the new tuition policy is understood when one looks at the timing of the arrival of the IPPTE funds. Most of the public schools did not receive the promised tuition funds at the beginning of the new school year. In November 2002, i.e. two month after the start of the new school year and at the moment of the first survey, only 41% of public primary schools had received all or part of the promised funds

[10] The fee asked ranges from 500 Fmg per student to 25,000 Fmg per student.

(see Table 12). On the other hand, during the survey in April/May 2003, *90% of the public primary schools had received all or at least part of the promised funds*. For those schools that received the IPPTE funds, the average allocation per student was 8,233 Fmg (median 9,588 Fmg)[11], i.e. slightly less than the promised amount.

Table 11: Percentage of the public schools that asked for a tuition fee

Province	School year 2001-2002 (whole sample)	School year 2001-2002 (panel schools)	School year 2002-2003 (panel schools)
Antananarivo	98	97	72
Fianarantsoa	98	97	67
Toamasina	98	97	37
Mahajanga	100	100	50
Toliara	98	100	47
Antsiranana	100	100	20
Madagascar	**99**	**98**	**49**

Sources: Post-crisis survey, ILO Program, Cornell University, November 2002; Budget Tracking Survey, World Bank, April/Mai 2003

Although almost all Cisco's (92%) received the IPPTE funds during the last trimester of 2002, only half of the Cisco's had distributed the total amount of funds to the schools by April/May 2003. The remaining half only distributed a part of the funds. The main causes for the delay mentioned are due to problems at the Cisco as well as the school level: (1) Cisco's complained about the lack of time of its personnel to follow up on the budgets; (2) a significant number of schools were informed late on the new rules which consequently delayed the set up of the FAF and the work plan, a necessary condition before funds could be released. Nevertheless, this last cause could also indicate that the Cisco's did not properly explain the rules to the parents-school partnership association (FAF) and then retained the funds on the grounds of non-application of rules by the FAF which would indicate a serious problem on the institutional and implementation side. Or it could also be possible that the capacity of the FAF to provide the work plan is in some cases too low, which would indicate a need of training at school level. In our opinion it is a combination of all these factors that caused the delay.

We see again some significant differences in the timing of arrival of the funds between provinces. The province of Antananarivo seems to have been first served. 80% of the public schools had received the contribution of the government by the middle of November. The situation was worst in the province of Fianarantsoa where half of the schools received the funds only in February 2003. On the other hand, all schools received the IPPTE contribution in the provinces of Fianarantsoa and Toliara (Table 12). To our surprise, the students in Antananarivo City received the lowest contribution as the average allocation per student was only 3,800 Fmg although they were supposed to receive the highest contribution as they were supposed to receive 15,000 Fmg per student. The students in the province of Mahajanga on the other hand received on average even more than the promised 10,000 Fmg per student. It might be that some of the schools overstated their student enrollment numbers in order to receive more money. This is difficult to verify with the data at our disposal.

[11] Moreover, the number of inscriptions has increased after this information was gathered by the Ministry, which caused some problems in the allocation of funds.

Table 12: Contribution from the IPPTE this school year (percentage of public schools; mean and median allocation per student)

Province	by mid-November 2002 (whole sample)	by mid-November 2002 (panel schools)	by April/Mai 2003 (panel schools)	Allocation per student* – Mean (Fmg)	Allocation per student* – Median (Fmg)
Antananarivo C.	83	83	83	3,800	2,947
Antananarivo R.	79	79	90	8,589	9,639
Fianarantsoa	20	20	100	8,649	9,621
Toamasina	36	45	87	7,952	9,681
Mahajanga	31	41	77	10,194	10,000
Toliara	45	31	100	6,723	7,657
Antsiranana	28	32	77	9,645	10,000
Madagascar	**41**	**43**	**90**	**8,233**	**9,588**

Sources: Post-crisis survey, ILO Program, Cornell University, November 2002; Budget Tracking Survey, World Bank, April/Mai 2003; Antananarivo C. = Antananarivo City; Antananarivo R. = Antananarivo Rural; *calculations based on the number of students at the beginning of the school year 2002-2003

Ten percent of the schools had not received any IPPTE funds at the time of the survey (in April/May 2003). Most of these schools were located in the capitals of the provinces. The main reported reason was that the total amount of the IPPTE fund received by the Cisco was not enough for all the schools of the district. The Cisco's asked the MINESEB for extra funds but given that these funds were slow to arrive, the funds that were available were not distributed at all in the meanwhile.

c. Schools use the funds received as they think is proper. However, schools often have difficulties in getting to an agreement on the exact use of the funds.

Table 13 shows that in 90% of the cases the tuition money was given back to the parents once the government funds arrived (44% of the 49% of the schools that asked for a tuition fee this year). Five schools even paid the parents of the students in order to send their children to school. The rest of the funds were mainly used to buy new furniture - furniture for the offices as well as school furniture for the children - and pedagogical equipment, and to maintain the school buildings (see Table 13). 91%, on average, (median 87%) of the IPPTE fund was already spent by the schools in April/May 2003. However, the agreement on the use of the IPPTE funds was not without its problems. An important cause of delay in the arrival and the spending of IPPTE funds was the disagreement between the members of the FAF on the one hand and the teachers or parents on the other hand. As there were no guidelines concerning the utilization of the money, some schools suggested it would be better to receive better instructions on potential uses in the future in order to avoid conflicts.

Table 13: Percentage of schools that used the IPPTE funds for the following purposes

	2002-2003
Paying back the parents of the students who already paid	44*
Paying the parents of the students	3
Furniture for the offices of the personnel of the school	29
Books	2
Pedagogical equipment	24
School furniture for the children	18
Food and other expenses for the children	1
Maintenance of the school building	26
Others (school sport events etc.)	19

Source: Budget Tracking Survey, World Bank, April/Mai 2003; * This percentage is as low because only 49% of the schools asked the parents to pay the tuition fee this school year.

d. The communication of new education policies is done badly. This creates confusion and misplaced expectations.

There is lack of communication and if there is, information that arrives at school level is often not correct. A good example is the new policy on tuition fees. In the survey of April/May 2003 schools were asked if the parents thought they would receive money by sending their children to school. In 45% of the cases the schools answered positively. However, the new policy states clearly that the extra money is allocated to the schools and not to the parents. Especially the remote schools were informed quite late on the new policy and the information they received was often incomplete. Overall, communication problems were reported between the Cisco and some of the public primary schools under their responsibility in 38% of the Cisco's visited during the survey.

e. There is a lack of inspections and monitoring at the school and the Cisco level. Moreover, sanctions are rare in the case that there are problems during inspections.

In general, there is little inspection and monitoring on the way that funds are being used. During this and last school year more than half of the visited public primary schools did not receive any inspection of any kind (see Table 14). Admittedly, these were two exceptional years (the crisis year and the new government). The number of inspections is reported to be higher for a regular school year. However, still 31% of the schools report they do not get any form of control in a regular school year.

Table 14: Percentage of the public primary schools that received inspection

Number of inspections	School year 2001-2002	School year 2002-2003	Regular school year
0	54	68	31
1	15	16	24
2	13	11	17
3	14	2	19
4 or more	4	3	9

Source: Budget Tracking Survey, World Bank, April/Mai 2003

The inspections show strong regional differences: 70% of the public primary schools in Fianarantsoa report not to get any inspection during a regular school year compared to only 6% of the public primary schools in Antsiranana (see Table 15).

Table 15: Percentage of the public primary schools that do not receive any inspection during a regular school year

Province	Regular school year
Antananarivo	17
Fianarantsoa	70
Toamasina	43
Mahajanga	40
Toliara	13
Antsiranana	6

Source: Budget Tracking Survey, World Bank, April/Mai 2003

Moreover, Table 16 illustrates that the sanctions taken in the case that problems are reported during inspections, are not severe. More than half of the schools that got any type of inspection during the last two school years only had to give an explanation in case of problems.

Table 16: Sanctions taken in case of problems during an inspection of the school

	Percentage
Ask for an explanation	57
Fire the responsible persons	2
The school receives less credit the following school year	1
The school receives less material the following school year	2
No consequences	4
Other sanctions	34
Total	**100**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

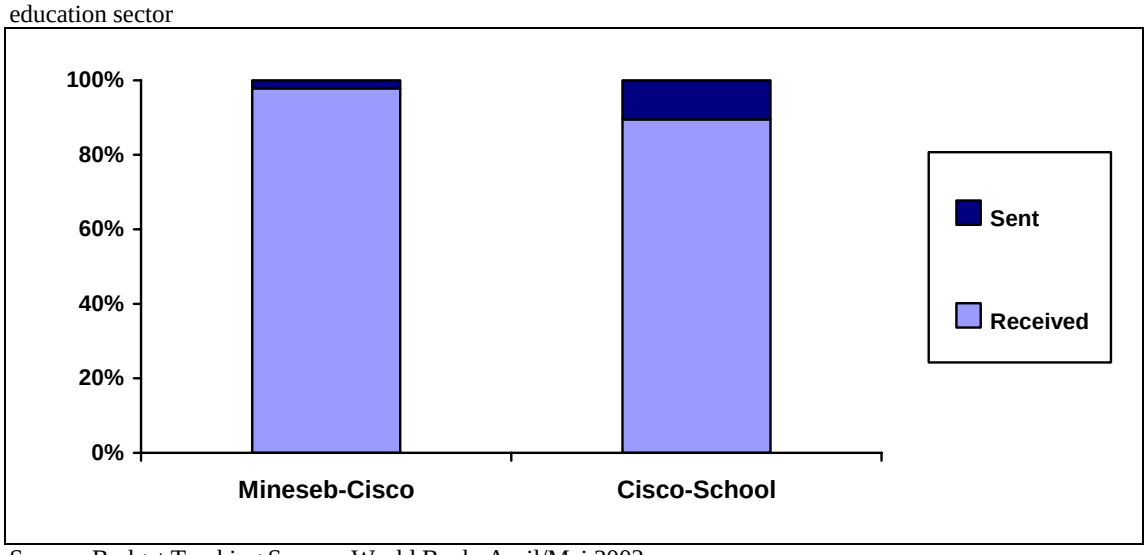
BOX 2*: The effect of inspection*

In Mahajanga city, the Cisco only started distributing the IPPTE funds after our visit. The chief of the Cisco was waiting for the rest of the money to arrive as he reported that the received IPPTE funds were not enough to pay for all the schools in the district. After our enumerators stopped by and asked about the use of the different types of funds, he visited some schools personally in order to transfer the money. By the time the enumerators arrived at the schools in his districts, they had all received the promised IPPTE funds.

f. Direct leakage of IPPTE funds, i.e. different amounts declared by the giving (Cisco) and the receiving (school) end, is found in almost one-fifth of the schools. 90% of the total IPPTE fund planned by the Cisco to be disbursed actually arrived at the school level. Direct leakage, i.e. different amounts declared by the giving (MINESEB) and the receiving (Cisco) end, is found in one quarter of the Cisco's. However, the differences are small: 98% of the total IPPTE fund planned by the MINESEB actually arrived at the Cisco level.

Figure 4 shows the estimated extent of direct leakage, i.e. different amounts declared by the giving and the receiving end, between (1) MINESEB and Cisco and (2) Cisco and schools. It is estimated that 98% of the funds sent by the MINESEB actually arrived at the Cisco. This compares to 90% of the funds that were declared to have been sent by the Cisco and reported to have been received by the schools (see also Figure 3). The levels of pass-through are discussed consecutively at the school, Cisco and MINESEB level.

Figure 4: Percentage of the IPPTE budget reported to be sent and received at the different levels in the education sector



Source: Budget Tracking Survey, World Bank, April/Mai 2003

a. The school level: In 21% of the schools the amount received did not correspond with the amount declared to have been sent by the Cisco. Two percent of the schools declared not to have received any money from the government, though the Cisco stated it was sent. There are significant regional differences in performances: the worst performers are the provinces in the south: half of the schools in the province of Toliara and 30% of the schools in the province of Fianarantsoa show a gap (Table 17). In the case of leakage, the mean and median difference of the IPPTE fund reported as sent and received is 39% and 32% of the total fund respectively. The biggest differences can be found in de provinces of Antsiranana and Toamasina in the case leakage is found. Moreover - although additional analysis should be called for to confirm this – it seems that remoteness plays a role as a high 56% of the schools in the Communes at far distance to the capital of the province show leakages in comparison with only 21% of the schools in the Communes close to the capital.

Table 17: Leakage of the IPPTE funds

Province	% of schools with leakage	Difference - Mean	Difference – Median
Antananarivo	6	8	8
Fianarantsoa	30	20	26
Toamasina	13	59	68
Mahajanga	17	48	41
Toliara	50	38	34
Antsiranana	10	83	91
Close to capital	21	46	52
Medium dist. to cap.	15	39	34
Far distance to cap.	56	32	28
Madagascar	**21**	**39**	**32**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

b. The Cisco level: In 58% of the visited Cisco's, there was a gap between the amount declared as received by one of the visited schools and the amount declared as sent to those schools by the Cisco. Table 18 shows the number of schools with a gap for the different districts. Of the sampled districts, Ambovombe, Farafangana and Toliara II show high direct leakages between the Cisco and the public primary schools: at least three quarter of the schools visited in the districts declared to have received a different amount than the one that was stated to have been sent by the Cisco. The common feature of these districts is that they are on average more remote and might therefore be less prone to inspection and monitoring than other districts.

Table 18: List of districts with a gap, for at least one school in the district, between the IPPTE fund declared to be sent by the district facility level and the amount declared to be received by the public primary school

District Code	Name of the District	Nr. of visited schools with a gap	% of visited schools with a gap	% of schools in the district with a gap
113	Soavinandriana	1	13	0.8
115	Andramasina	1	13	1.1
205	Ambalavao	3	38	1.4
213	Farafangana	6	75	2.4
301	Toamasina I	1	17	4.2
305	Fenoarivo Est	3	38	1.5
401	Mahajanga I	1	17	7.7
423	Mampikony	4	50	4.8
501	Toliara II	6	75	3.5
502	Manja	2	25	3.1
516	Ambovombe	7	88	5.6
711	Sambava	1	13	0.5
713	Antsiranana II	1	13	0.9
719	Ambanja	1	13	0.6

Source: Budget Tracking Survey, World Bank, April/Mai 2003

c. The MINESEB level: In a quarter of the visited districts the amount the Cisco declared to have received is smaller than the amount the MINESEB declared to have sent[12]. The more remote districts Brickaville and Anosibe An'Ala show the biggest gap in the funds declared to have been received at Cisco-level and those that have been sent at MINESEB-level (Table 19). This gap could indicate leakage or could also indicate bad accounting practices at MINESEB or Cisco level. It turned out to be very difficult to evaluate these divergences. The fact that it is difficult to obtain consistent numbers is an indication of the imperfections in the accounting system. Even when the estimated leakage is an upper bound and might in practice be lower, the leakage is shown to be small as the differences do not exceed 15% of the amount that was planned (Table 19) and as 98% of the total amount planned by the MINESEB actually arrived at the Cisco level (Figure 4).

Table 19: List of districts with a gap between the IPPTE funds declared as sent by the MINESEB and as received by the district facility level

District Code	Name of the District	Difference (as % of the amount foreseen by the MINESEB)
205	Ambalavao	6%
306	Brickaville	15%
317	Anosibe An'Ala	11%
423	Mampikony	2%
502	Manja	1%
715	Antsiranana I	1%

Source: Budget Tracking Survey, World Bank, April/Mai 2003

5.3. Levels and leakages in the contribution of CRESED (World Bank)

The CRESED project financed by the World Bank (project description in Annex 2) disbursed significantly more during the school year 2002-2003 than during the previous years. For the school year 2002-2003, the policy of the CRESED project was to contribute 15.000 Fmg per student for all private and public primary schools of Antananarivo City and 10.000 Fmg per student for the rest of the country, if the same two conditions were fulfilled as for the IPPTE contribution. Moreover, the CRESED project also provided in-kind and material contributions.

a. Lack of communication leads to uncertainty. A significant number of schools are confused on the new education policies. While one of the conditions for disbursements, only 26% of the schools posted the received fund and its utilization in a public place.

The public primary schools are overall rather uninformed about the decisions taken higher up in the education sector system. They are therefore rather uncertain about their potential resources and possibilities. For example, only 35% of the schools indicated that they had a clear idea at the beginning of the school year of what they were going to receive from the Cisco during that year. This clearly complicates planning.

Lack of effective communication also leads to confusion. A significant number of schools visited - especially the more remote ones – indicated that they were not aware of the fact that they would receive twice the amount of 10.000 Fmg per student for this school year (10.000

[12] In general, the amount mentioned as sent and received is equal to the sum of the amounts foreseen under the articles 603 'Indemnités et avantages liés à la fonction' and 656 'Transferts aux privés', but sometimes the amount mentioned at Cisco level only covered article 656. Nevertheless we took this problem into account in our calculations.

Fmg paid by the government and 10.000 Fmg donated by the CRESED project). They indicated that they knew of the new policy that the students of the public primary schools were not supposed to pay their inscription fee because the President had clearly stated this on the Malagasy radio and television. However, no information was conveyed on the date of arrival of these funds or on other aspects related to the practical implementation of this policy.

Although the posting of the amount of money received - as well as its use - from the CRESED project as well as the government (IPPTE) was a necessary condition to receive funds, only respectively 26% and 29% of the schools did so. A minority said to have it posted but they only had it within the school walls and/or during the days of the meeting of the FAF. The majority of visited schools did not post the budget reported for reasons linked to insecurity (Box 3) and the high level of analphabetism[13].

BOX 3: *One of the unexpected consequences of the public posting of budgets*

The reluctance to post the amount received from the CRESED project at the school wall was explained by a fear of increased insecurity. In one Commune of the province of Mahajanga where the budget was posted, the house of the accountant was attacked and all the cash was reported to be stolen. This news spread fast throughout the province of Mahajanga and, as a consequence, none of the schools was willing anymore to post the budget in a public place.

More examples abound on the lack of communication and the widespread confusion. Even at the Cisco level, the chief and the accountant did not always grasp what was meant by the CRESED project and more than half of the Cisco's only had a vague – or no – idea of what they were supposed to receive for this school year. Sometimes, we noticed confusion between different sources of finance. Moreover, in some cases, the accountant in the Cisco's was not able to explain simple accounting rules. This clearly illustrates communication problems as well as a lack of training of the personnel of the Cisco. Even among Cisco personnel, there is no culture of information sharing. Most of the Chef-Cisco's as well as other personnel were replaced by new people since the new government came to power. A complaint that was often heard was the lack of pass-through of information between the old and new Cisco personnel. This clearly hindered a good start of the school year 2002-2003.

b. As in the case of the IPPTE funds, disbursement of CRESED funds is slow due to a multitude of reasons.

The school level: At the moment of the survey of April/May 2003, 67% of the schools received some CRESED funding and the average allocation per student was 10,067 Fmg (median 10,000 Fmg). The majority of the schools that received the CRESED funds received it during the first trimester of 2003. As in the case of IPPTE funds, the main causes of delay that were mentioned were a disagreement concerning the work plan (which was a necessary condition for receiving the money), the lack of time of the personnel of the Cisco and the late information on the procedures to follow, which consequently delayed the set up of the FAF.

Only 28% of the public schools received CRESED funds by January 2003. The province of Antananarivo was first served (Table 20). The situation was worst in the province of Toliara were 57% of the schools that received a contribution, got it only in April 2003. In the provinces of Antananarivo and Fianarantsoa all the schools that were visited during our

[13] It is clear that this is a lame excuse. This probably indicates that schools and Cisco's do not like interference from outsiders.

survey received a contribution from CRESED. This compares to 23% and 47% in the provinces of Toliara and Antsiranana respectively. There are also significant regional differences in the mean and median allocation per student as shown in Table 20. Schools in the provinces of Toamasina and Toliara received the lowest allocation per student.

Table 20: Percentage of the public schools that received a contribution from CRESED for this school year and the mean and median allocation per student

Province	Received by April/Mai 2003 (panel schools)	Allocation per student* – Mean (Fmg)	Allocation per student* – Median (Fmg)
Antananarivo City	100	12,334	12,429
Antananarivo Rural	100	9,988	10,000
Fianarantsoa	100	10,311	9,968
Toamasina	50	7,486	8,581
Mahajanga	73	10,022	10,000
Toliara	23	9,556	8,592
Antsiranana	47	11,103	10,000
Madagascar	**67**	**10,067**	**10,000**

Source: Budget Tracking Survey, World Bank, April/Mai 2003; *calculations based on the number of students at the beginning of the school year 2002-2003

The Cisco level: Of the Cisco's that received CRESED funds, more than half (64%) received it during the first trimester of 2003 (the others received it earlier). In May 2003, 67% of the Cisco's disbursed at least a part of the funds to the public primary schools in their district. Reasons for the reported delay were the same as mentioned in the case of the IPPTE funds. During our visit, only the Cisco's of Manja and Sambava had not received any CRESED fund yet[14]. On average, 65% of the CRESED contribution (median 71%) was already spent by the schools. The money was mainly used towards maintenance of the school buildings and to buy pedagogical equipment (Table 21).

Table 21: Percentage of schools that used the CRESED funds for the following purposes

	2002-2003
Furniture for the offices of the personnel of the school	17
Books	1
Pedagogical equipment	26
School furniture for the children	6
Food and other expenses for the children	3
Maintenance of the school building	27
Others (school sport events etc.)	16

Source: Budget Tracking Survey, World Bank, April/Mai 2003

c. Almost all schools received, on average, around one book per student from the CRESED project during the school year 2002/2003.

All the Cisco's and almost all the schools (96%) of our sample reported to have received books from the CRESED project during the school year 2002/2003 (Table 22). Half of the schools received one book ('Serie Vola' or other) per student or more. The remaining half received less: however, at least one book per two students was made available. This number increased dramatically compared to last school year as only 45% of the schools reported to have received books from CRESED. There are no significant regional differences. However, the province of Toliara performs worst as 13% of the schools did not receive any books yet (Table 22).

[14] The Cisco of Manja mentioned as reason their inaccessibility as the road towards Morondava was still closed by the time of the interview.

Table 22: Percentage of the public schools that received books from the CRESED project and the mean number of books per student

Province	Received 2001-2002	Books/student Mean	Received 2002-2003	Books/student Mean
Antananarivo	22	0.1	97	1.1
Fianarantsoa	53	0.3	97	1.3
Toamasina	26	0.1	100	0.8
Mahajanga	76	0.6	97	0.9
Toliara	42	0.3	87	1.1
Antsiranana	47	0.3	97	1.0
Madagascar	**45**	**0.3**	**96**	**1.1**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

d. Delay in the distribution or direct leakage (given the slowliness of the budget execution, it is difficult to make a sure distinction) of CRESED funds is found in almost one-third of the schools. The level of delays and/or leakages is estimated to be as low as 8% of the total CRESED budget that was supposed to be distributed by the Cisco to the schools. The provinces of Toamasina and Toliara show the worst performance.

It is estimated that *92% of the total CRESED budget that was reported to be distributed by the Cisco to the schools actually made it to that level at the time of survey (April/May 2003).* It is difficult to say if the 8% that did not make is, indicate leakage or just a delay in the distribution of funds.

The school level: In 29% of the schools that received a CRESED contribution, the amount received did not correspond with the amount declared to have been sent by the Cisco. Moreover, nine percent of the schools did not receive any CRESED funds at all, though the Cisco declared they already sent it. The mean (median) difference in amount declared to have been sent and received is 57% (56%) of the total CRESED fund. Table 23 shows that the provinces of Toliara and Toamasina perform the worst as respectively 69% and 68% of the schools visited show a delay and as the gaps recorded are the highest of all provinces. As expected, more remote areas show a higher percentage of schools with delays.

Most of these discrepancies might be due to a delay in the distribution of funds. The distribution of the CRESED funds started later during the school year than the IPPTE funds and therefore, the majority of Cisco's stated that they still needed more time to distribute the whole of CRESED contributions. However, it could also be an indication of direct leakage. Unfortunately, with the data at hand, we are not able to give more conclusive evidence.

Table 23: Delay in the distribution (or potential direct leakage) of the CRESED funds

Province	% of schools with delay/leakage	Difference - Mean	Difference - Median
Antananarivo	8	10	1
Fianarantsoa	33	24	26
Toamasina	68	70	69
Mahajanga	0	-	-
Toliara	69	83	100
Antsiranana	7	23	23
Close to capital	29	76	100
Medium dist. to cap.	31	37	38
Far distance to cap.	40	57	39
Madagascar	**29**	**57**	**56**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

The Cisco level: Delay in the distribution (or potential direct leakage) was reported in 46% of the visited Cisco's, i.e. there was a gap between the amount declared to have been received by at least one of the visited schools in the district and the amount declared to have been sent to that school by the Cisco. Table 24 shows the number of schools with a gap for the different districts. Especially the districts of Fenoarivo Est, Anosibe An'Ala and Toliara II show delays in distribution (or leakages) between the Cisco and the schools: almost all of the schools visited in the districts declared having received a different amount than stated to have been sent by the Cisco.

Table 24: List of districts with a gap, for at least one school in the district, between the CRESED fund declared to have been sent by the Cisco and reported to have been received by the school

District Code	Name of the Districts	Nr. of visited schools with a gap	% of visited schools with a gap	% of schools in the district with a gap
103	Ambohidratrimo	1	13	0.6
113	Soavinandriana	1	13	0.8
115	Andramasina	1	13	1.1
202	Ambatofinandrahana	1	13	0.7
205	Ambalavao	3	38	1.4
213	Farafangana	6	75	2.4
305	Fenoarivo Est	8	100	3.9
317	Anosibe An'Ala	7	88	4.8
501	Toliara II	8	100	4.7
516	Ambovombe	3	38	2.4
719	Ambanja	1	13	0.6

Source: Budget Tracking Survey, World Bank, April/Mai 2003

BOX 4: *An example of the autonomy of Cisco's*

During the survey some of the Cisco's told us they decided to buy material with the CRESED money instead of giving it directly to the schools. While they insisted on their commitment to distribute the material to the schools, it could also be interpreted as potential indirect leakage as the Chef-Cisco is not supposed to decide on the allocation of the CRESED money of the school. It is also an indication of how the Cisco is not enough demand driven.

Some anecdotes show that while there is sometimes no leakage but only a reallocation of funds, the reallocation of funds enhances incentives for leakage, especially given that the rules concerning the reallocations are not transparent at all. In Antananarivo city as well as in the Commune of Antseranambe (province of Fianarantsoa), the Cisco reallocated the CRESED contributions between schools. Some schools received more money than planned and others less. In another case, i.e. the Commune of Antseranambe (province of Fianarantsoa), the total CRESED fund was reallocated only to one school, i.e. the school in the center of the Commune. Two schools, respectively in the communes of Ambalavao and Ambonaivo, received more IPPTE funding from the Cisco than planned. Afterwards, they received less from CRESED. However, the total sum (IPPTE+CRESED) was lower than it should have been.

e. Combining IPPTE and CRESED funds, one-third of the schools report direct leakage.

Considering the total amount of combined IPPTE and CRESED funding, one third of the schools reported to have received a different amount than the one sent by the Cisco. The provinces of Toamasina and Toliara are worst off (Table 25). For more than half of the sampled schools there was a gap between the IPPTE funds and/or the CRESED funds stated

as sent by the Cisco and received by the school[15]. In general, remoteness seems to play an important role as 64% of the schools at far distance from the capital of the province show a discrepancy (although additional analysis is needed to confirm this as mentioned earlier).

Table 25: Percentage of the public primary schools with a gap in overall funds (CRESED and IPPTE) received

Province	% of schools with a gap	Difference – Mean	Difference – Median
Antananarivo	17	14	11
Fianarantsoa	43	19	16
Toamasina	53	44	47
Mahajanga	17	39	41
Toliara	57	44	50
Antsiranana	17	57	52
Close to capital	29	47	51
Medium dist. to capital	27	31	36
Far distance to capital	64	34	34
Madagascar	**34**	**36**	**36**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

Table 26 shows the high correlation between leakages in IPPTE funds and delays or leakages in CRESED funds. In total, 66% of the schools received both the IPPTE and CRESED contribution as planned. 16% of the schools received less than planned from both sources.

Table 26: Percentage of schools with leakages in IPPTE funds and/or delays/leakages in CRESED funds

	CRESED	
IPPTE	Delay/leakage	No delay/leakage
Leakage	16	5
No leakage	13	66

Source: Budget Tracking Survey, World Bank, April/Mai 2003

5.4. Other contributions

a. As a spillover effect of the new schooling policy, i.e. the abolishment of the tuition fee, the number of schools that required a contribution to the FRAM declined. For those that still had to pay to the FRAM, the required contribution was reduced.

The number of schools that required a contribution to the FRAM declined from 66% last year to 58% this year (Table 27). The average amount demanded also decreased from 5,925 Fmg to 5,283 Fmg. Table 27 shows that the biggest decrease in contribution is found in the province of Toliara.

Table 27: Contribution to the FRAM (Percentage of schools that required a contribution and the amount required on average)

	School year 2001-2002 (panel schools)		School year 2002-2003 (panel schools)	
Province	% of schools who required a contribution	Average amount required (Fmg)	% of schools who required a contribution	Average amount required (Fmg)
Antananarivo	92	8,774	83	6,305
Fianarantsoa	37	3,075	50	3,295
Toamasina	93	2,548	52	2,529
Mahajanga	37	8,117	40	6,606
Toliara	58	926	42	489
Antsiranana	75	9,383	71	9,012
Madagascar	**66**	**5,925**	**58**	**5,283**

Sources: Post-crisis survey, ILO Program, CU, November 2002; Budget Tracking Survey, WB, April/Mai 2003

[15] We exclude the public primary schools of Antananarivo City and Antseranambe because of earlier mentioned reasons.

b. The contribution of the Communes to education in primary schools is small. More remote Communes contribute relatively more to primary education.

Eleven percent and thirteen percent of the visited schools received a contribution of the Commune during the school year 2001-2002 and 2002-2003 respectively. The Commune contributed on average 676 Fmg per student for this school year. Toliara is the province with the highest number of schools (20%) that received a contribution of the Commune during this or last school year (see Table 28). Especially the more remote Communes contribute to the primary education of their inhabitants. However, it seems that the new policy on the abolishment of the tuition fees changed this trend slightly. Fewer remote Communes contributed during this school year. On the contrary, more Communes at medium distance decided to give money for the primary education of their youth.

Table 28: Percentage of the schools that received a contribution of the Commune during this or last school year

Province/Area	School year 2001-2002	School year 2002-2003
Antananarivo	14	19
Fianarantsoa	17	10
Toamasina	3	3
Mahajanga	3	7
Toliara	20	20
Antsiranana	10	17
Close to capital	6	6
Medium distance to capital	17	21
Far distance to capital	17	8
Madagascar	**11**	**13**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

c. FID financing is relatively less important in the total budget of the school.

As expected, the FID (project description in Annex 2) only turns out to be a small contributor to the functioning of public primary schools. During the school year 2001-2002 FID offered pedagogical equipment, construction material and assistance to build new classrooms to 3% of the schools in our sample; during the school year 2002-2003, this increased to 6%. The province where FID was most active is the province of Antsiranana. One problem mentioned during the survey was that in the majority of the schools where FID constructed new classrooms, these extra classrooms were not accompanied with new teachers.

d. 65% of the public primary schools got a contribution (as money or material) from another source as those mentioned above during the school year 2002/2003. WWF and SEECALINE are the biggest donors for alternative sources of funding for schools.

During the school year 2001-2002, 62% of the visited schools received a contribution (cash or in-kind) from another source. This number increased to 65% for the school year 2002-2003. In general, these other organizations prefer to offer material: only 9% of the visited schools received a contribution in cash from another source during last school year and although this number increased to 16% in 2002-2003, it is still very low compared to the 63% of the schools that received material. WWF is the biggest donor of material (see Table 29) i.e. of books concerning the environment[16]. Among the other sources of funding, SEECALINE was the second biggest donor of material and the biggest contributor in cash as

[16] Books of the Serie 'Ny Voaary'.

8% of the schools received a funding from this project. SEECALINE offered an amount of 520,000 Fmg per school on average.

Table 29: Percentage of schools that received money or material from another source

	Donor	School year 2001-2002	School year 2002-2003
Cash	SEECALINE	1	8
	PADEP	0	3
	Others	8	5
Material	WWF	30	20*
	SEECALINE	19	9
	Aide et Action	8	6
	Others	11	33

Source: Budget Tracking Survey, World Bank, April/Mai 2003; *this number only concerns school books

6. Levels and leakages in the contributions in-kind

a. The Cisco's are the main providers of material to schools. However, the Cisco's do not take enough into account the needs of their clients. They are also slow in delivering materials. More than half of the schools declare that the functioning of Cisco's can be improved.

At school level: Schools were asked to evaluate the performance of the Cisco (Table 30). Half of the public primary schools are not satisfied ("not satisfied" or "can be improved") with the functioning of the Cisco of their district. In demand-driven service delivery, the distribution of material to schools should happen according to the needs formulated by the beneficiaries. However, 41% of the schools reported not to have made any list of material needed anymore as these lists were perceived to be useless. Schools perceive Cisco's to basically send what they want[17]. Especially the schools in the provinces of Antsiranana and Toamasina are not satisfied with the performance of the Cisco. This holds to a lesser extent in the other provinces. More than half of the schools in the provinces of Antananarivo and Fianarantsoa think the functioning could be improved.

Table 30: Satisfaction of the school with the functioning of the district facility level (April/Mai 2003)

	The functioning could be improved (% answers)	Not satisfied (% answers)
Antananarivo	67	6
Fianarantsoa	63	10
Toamasina	40	13
Mahajanga	23	0
Toliara	17	10
Antsiranana	37	17
Madagascar	**42**	**9**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

In a follow-up question, schools were then asked about their perceived priority for improvement for the Cisco's. The most important reported priority was the need to have more demand-driven Cisco's. Schools would like Cisco's to think more about the needs of the students and the schools (Table 31). The second reported priority is to have the Cisco personnel work faster and more punctual. Thirdly, the Cisco should be more *neutral* in its distribution of funds and material.

[17] It should be noted that the new government decided to reintroduce the demand of the schools towards the Cisco's for next school year.

Table 31: Priorities of improvement of the district facility level according to the schools (April/Mai 2003; in percentage)

	P1	P2	P3
The Cisco has to think more in terms of the needs of the students and the schools	53	9	8
The personnel of the Cisco doesn't work enough	7	11	20
The personnel of the Cisco is not neutral concerning the distribution of funds and material	8	21	20
The personnel of the Cisco works too slow – not punctual	6	30	20
The personnel of the Cisco only thinks in terms of his own best	4	9	18
Other priorities	12	17	12
Nothing to improve – the functioning is satisfactory	10	3	2
Total	**100**	**100**	**100**

Source: Budget Tracking Survey, World Bank, April/Mai 2003; P1= Priority 1; P2 = Priority 2; P3 = Priority 3

BOX 5: *On the need to have more demand-driven Cisco's*

In a significant number of the schools that were visited, there was a discrepancy in the material that was asked for and the material that was actually received. Notorious examples include schools that asked for notebooks, but that received bags of cement.

The distribution of material from the Cisco's to public primary schools is very slow. A significant number of schools reported that the material bought by the Cisco in the fiscal year 2002, only arrived at school level at the beginning of the new school year 2002-2003 (so in November/December 2002 or even later). 10% of the schools did not receive any material at all during the last two school years.

BOX 6*: Implication of being slow*

One school stated that it asked the Cisco for glue. By the time the glue arrived at school level, it exceeded the expiration date and was unusable. It is unclear if the glue became bad during storage at the Cisco or if the Cisco procured bad glue (and might have gotten a lower price from the supplier).

At Cisco level: A question was asked at the Cisco level on their priorities in the distribution of material to schools. They stated that they use as criteria for distribution: (1) the size of the school, (2) the physical possibility of distribution, and (3) the demand of the school (Table 32). 38% of the Cisco's stated they received guidelines from the MINESEB concerning the priorities for distribution for this school year. However, it is unclear to what extent they took them into account.

Table 32: Priorities of distribution of material according to the Cisco's (April/Mai 2003; % answers)

	P1	P2	P3
According to the demand of the school	29	9	43
The primary schools get priority	8	5	7
The urban schools get priority	0	4	0
According to the possibility of distribution - infrastructure	13	50	14
According to the size of the schools	42	18	29
Other priorities	8	14	7
Total	**100**	**100**	**100**

Source: Budget Tracking Survey, World Bank, April/Mai 2003; P1= Priority 1; P2 = Priority 2; P3 = Priority 3

b. Leakage is higher for the contribution in material than for the contribution in cash. More than half of the schools show a leakage in the distribution of materials, i.e. there is a discrepancy in the number and type of material stated to have arrived at the school level compared to what is stated to have been distributed by the Cisco. In 28% of the schools there is a difference in the number of material reported to have been sent and received. For the rest, the type of material is different.

In 55% of the schools, the material stated as received by the public primary school did not correspond with the material that left the Cisco. In more than a quarter of the schools, we have *direct leakage* as the Cisco stated to have sent more material than the schools claimed to have received. In the other cases, there was a discrepancy on the type of material. For example, at the Cisco level they might report to have sent notebooks of 200 pages, but at school level they only received notebooks of 100 pages. Other examples include sending white instead of colored chalk (colored chalk is more expensive). Unfortunately, it turned out to be very difficult to value these gaps in monetary terms.

Toliara is the province with the highest percentage of schools which experienced a *direct leakage* (see Table 33) as more than half of the schools received less material than they should have. The discrepancy in accounting between Cisco and schools was the highest for the province of Fianarantsoa as half of the visited Cisco's did not have any evidence on what left to the schools in their district. Surprisingly, all the Cisco's that were visited in the province of Toamasina had a very clear and transparent accounting and no evidence on leakage was found.

Table 33: Leakage of material between Cisco and schools

	Cisco stated to have sent more than schools declared (% schools)	Discrepancy in accounting between Cisco and schools (% schools)
Antananarivo	41	59
Fianarantsoa	43	87
Toamasina	0	0
Mahajanga	10	53
Toliara	53	77
Antsiranana	29	54
Madagascar	**28**	**55**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

c. Indirect leakage in material and in-kind contribution is prevalent through a lack of transparency and through a practice of reporting higher invoice prices than those found on the market.

Some district facility levels hardly had any accounting on the material that left the Cisco: it was impossible to objectively verify what should have been distributed and what actually was distributed. 17% of the Cisco's that were visited did not have any accounting on the material distributed at all. It is clear that this lack of accountability creates incentives for leakage.

BOX 7: *Lack of personnel at the Cisco and its implications*

The schools in the district of Sambava did not receive any material during the school year 2002/2003. The explanation of the Cisco was that there is currently no personnel available that could be made responsible for the distribution of material. As a consequence, the material stayed stored in the Cisco.

We also observe indirect leakage through elevated invoice prices. A price survey was done of the most prevalent school material in the district that was surveyed. Table 34 shows the mean invoice price reported by the Cisco and the mean retail price for some standard school supplies in the district: the differences range from 12% to 82%. While we were unable to completely control for quality differences, anecdotic evidence seemed to suggest that the Cisco *reported or ordered* material of a higher quality than necessary, possibly because of rent-seeking.

Table 34: Mean invoice and retail prices at district facility level

Material	Mean invoice price at Cisco level	Mean retail price at district level	Invoice price difference
Pen	1,414 Fmg	1,177 Fmg	+ 20%
Slate	3,171 Fmg	2,822 Fmg	+ 12%
Notebook 50 pages	2,088 Fmg	1,525 Fmg	+ 37%
Glue	5,816 Fmg	3,203 Fmg	+ 82%

Source: Budget Tracking Survey, World Bank, April/Mai 2003

7. Conclusions and Recommendations

Governance issues are at the forefront of the program of the new government in Madagascar, as indicated in the Poverty Reduction Strategy Paper (PRSP). This study looks at those issues in the education sector. More in particular, we present the results of a budget tracking survey that was done at the lower echelon of the public education system. 20 district level facilities (Cisco's) and almost 200 public primary schools were surveyed. The Cisco's and schools were chosen in such a way as to be representative of the situation for the country.

The results of our study show that leakages of cash funds at the lower echelon of the education sector of Madagascar are unexpectedly low: respectively 90% and 92% of the total IPPTE and CRESED contribution - the main cash sources of public primary schools – which left the district facility (Cisco) actually arrived at the school level. However, leakage in material is more common: 28% of the schools reported to have received less material than stated by the Cisco. Moreover, there is also a common practice of overstating quality and prices for material in the accounting at the Cisco level.

It is surprising that only such relative low leakages were found given the environment in which service delivery actually happens in Madagascar. The problems that were noticed during the survey were multiple and relate mainly to the following issues: (1) there is lack of communication and transparency; (2) basic accounting rules are often not in place in Cisco's as well as schools; (3) the majority of Cisco's are slow in budget execution; and (4) Cisco's are not client-driven enough.

To improve service delivery in the public education system in Madagascar, we recommend the following actions:

- *Improve and simplify the accounting system*. In order to obtain transparency and accountability in the education system, the existing accounting system should be simplified and the rules made clear to everybody.

- *Improve communication and information pass-through*. Lack of communication and the dissemination of information is a general problem between the different levels in the education sector and in particular between the Cisco's and the schools. While the new education policies required posting in public of the use of funds, the number of schools and Cisco's that actually did this was still limited. Policies should continue to insist on this public accountability. Moreover, other options such as the use of local radio stations to broadcast information on the budget might be explored.

- *Provide additional training for personnel of Cisco's and schools*. Problems often occur as a consequence of lack of training of the personnel of the Cisco's and the schools. An increase of the capacity of human capital in the education sector and an

improvement of the Education Management Information System (EMIS) should be encouraged to ameliorate the functioning of the whole education system.

- *Increase inspections and monitoring at all levels in the education system.* We believe that one of the major causes of the finding of relatively low leakage was the dramatic change of representation at the Cisco's. As inspections at the school and the Cisco level during the last two school years were quite rare, it seems that the change in government and the recent appointments were an incentive for the personnel in the education sector to perform well. However, it seems that a higher level of inspections and monitoring is essential to ensure a good functioning of the sector in the long-run.

- *Speed up budget execution at the Cisco level.* Budget execution at Cisco level was found to be very slow. Faster budget execution could be obtained by improving work conditions for the personnel of the Cisco's as well as the Chef-ZAP's. It seems that the current investments in roads might help as this would decrease the travel time necessary for the distribution of funds and material to schools.

- *Require Cisco's to become more client-driven.* Cisco's should be encouraged to take the needs of the schools more into account. On the other hand, schools should be encouraged to clearly formulate their needs to the Cisco. A proper incentive scheme should be set up to make this a workable system.

- *Hire more teachers and create incentives for teachers to live in more remote areas.* As the number of students -and thereby the student-teacher ratio- increased as a consequence of the new education policies, the challenge of the new government is to recruit more teachers, especially in the more remote areas as these show the highest student-teacher load. Creating the right incentives, through f.ex. remoteness premiums, might attract the teachers to live and work in these disadvantaged areas.

- *Continue the system of free education.* One of the major goals of the new education policy was to help the poor improve their access to primary education. The results of our study indicate that the reduction of the schooling costs was an effective pro-poor policy as mainly the more remote (and poorer) areas were positively affected.

This report presents a first descriptive analysis of the data that were collected during the budget tracking survey at Cisco's and public primary schools. It is planned that more analytical work will be done based on this dataset. More in particular, we plan to look at the determinants of leakage and explore links with remoteness, size of schools, access to infrastructure and the like (for examples of this type of study, see Ablo and Reinikka (1998), Reinikka and Svenson (2001)).

Annex 1: Some additional information out of the school survey

a. More than half of the schools do not have access to water; 38% of the schools do not have any toilets.

Toliara is clearly the province with the worst conditions concerning access to toilets and water within the surroundings of the school (see Table A.1.). As expected, Antananarivo is the province with the best conditions.

Table A.1.: Percentage of schools without toilets and/or access to water

	No toilets	No access to water
Antananarivo	14	28
Fianarantsoa	37	47
Toamasina	37	63
Mahajanga	33	60
Toliara	63	63
Antsiranana	47	53
Madagascar	**38**	**52**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

b. Most of the teachers obtained a degree of lower or higher secondary school.

Table A.2. shows that more than half of the teachers in the public primary schools obtained a degree of lower secondary education. About 40% obtained a degree of higher secondary education. Primary school teachers with no education, (unfinished) primary education or a university degree are rare.

Table A.2.: Education level of the teachers (in %)

Education level	School year 2001-2002	School year 2002-2003
No education – only informal education	1	0
Primary education unachieved	1	0
Primary education	0	1
Lower secondary education	54	54
Higher secondary education	40	41
Higher education (no university level)	3	3
University	1	1
Total	**100**	**100**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

c. Maintenance of the school buildings should be a priority for funding according to more than half of the Cisco's.

More than half of the Cisco's stated that the maintenance of the school buildings should be a priority for funding. 46% and 42% answered that furniture for the offices of the personnel of the schools and the Cisco's and school furniture for the children respectively should get more funding (see Table A.3.).

Table A.3.: Percentage of the Cisco's that think the following items should get more funding (April/Mai 2003)

	% Cisco's
Teachers	25
Furniture for the offices of the personnel of the schools and district facility levels	46
Books	0
Pedagogical equipment	29
School furniture for the children	42
Food and other expenses for the children	0
Maintenance of the school buildings	58
Indemnities for the missionaries – transport costs	38
Others (School sport events etc.)	38

Source: Budget Tracking Survey, World Bank, April/Mai 2003

d. There was a net overall reduction in the number of schools during the last two school years. The main reasons for the closing of schools are (1) the inability of the FRAM to pay the salaries of the teachers; (2) a lack of teachers paid by the state.

We noticed a net reduction of schools during the last two school years (Table A.4.). Especially in the provinces of Mahajanga and Toliara more schools closed down than new schools opened. More than half of the Cisco's mentioned as main reason for the closing of the school the FRAM that was no longer able to pay the teachers and as second reason the government who did not assign any teachers to the new school (every new school should receive a teacher assigned by the government to become legal).

Table A.4: Percentage of public primary schools closed and newly opened during the school year

Province	Closed 2001-2002	Newly opened 2001-2002	Closed 2002-2003	Newly opened 2002-2003
Antananarivo	1.4	0.6	7.4	2.4
Fianarantsoa	7.8	0.6	5.6	9.3
Toamasina	0.1	2.1	0.6	5.2
Mahajanga	12.6	6.0	9.2	3.1
Toliara	9.9	2.3	6.8	4.4
Antsiranana	0.9	3.8	3.1	4.2
Madagascar	**4.3**	**2.0**	**5.6**	**4.6**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

e. Community schools are the most common in the provinces of Antsiranana and Toamasina. Although those schools are an indication of a high demand for education, more than half of those schools did not receive any help from the district facility levels.

Community schools ('écoles Daba') are present in 54% of the districts. They are the most common in the provinces of Antsiranana and Toamasina (see Table A.5.). The schools are set up by the parents of the students and the teachers are mostly paid in kind[18]. Although those schools are often an indication of a high demand for education and highly motivated parents to get their children educated, more than half of the community schools (63%) didn't get any help from the Cisco. Especially in the provinces of Fianarantsoa and Antsiranana, the community schools did not receive any contribution (see Table A.6.). The schools that received help, received mostly the IPPTE contribution and/or the CRESED fund and/or in some cases material.

[18] The schools are called 'écoles Daba' as 'Daba' is a Malagasy measure of rice and most of the teachers are paid in kind with rice.

Table A.5: Community schools as a % of the public primary schools present (school year 2002-2003)

Province	Community schools as a % of the public primary schools present
Antananarivo	5.7
Fianarantsoa	2.0
Toamasina	20.9
Mahajanga	15.4
Toliara	5.5
Antsiranana	37.2
Madagascar	**14.6**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

Table A.6: Percentage of the community schools that received help from the Cisco (school year 2002-2003)

Province	% of the community schools that received help from the district facility level
Antananarivo	14
Fianarantsoa	0
Toamasina	79
Mahajanga	73
Toliara	100
Antsiranana	1
Madagascar	**37**

Source: Budget Tracking Survey, World Bank, April/Mai 2003

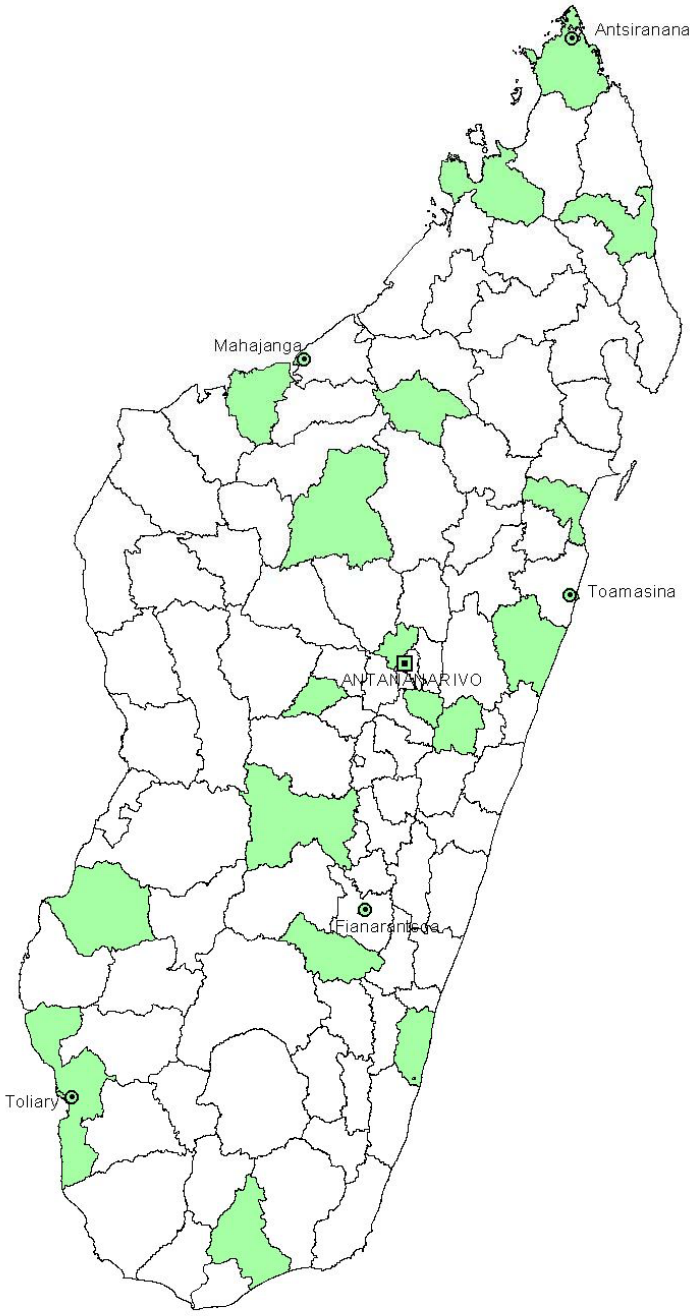
Annex 2: Project description

The objective of the CRESED project, sponsored by the World Bank, is to assist Madagascar in its efforts to achieve universal access to primary education, support a gradual expansion and improvement of general and technical secondary education, and contribute to the development of a strategy to modernize and diversify the higher education sub-sector. Concerning the primary education in Madagascar, CRESED consists of the following parts:

1. Provision of technical advisory services, and material and equipment, to support the countries strategy in a process of recruitment and redeployment of teachers.
2. Provision of technical advisory services, and material and equipment, to support the execution of school-based subprojects designed to improve access and learning outcomes in primary schools, including:
    (a.) preparation, implementation, monitoring and evaluation of school contracts;
    (b.) provision of quality inputs to improve school management, teaching processes and staff development for teachers and school heads;
    (c.) construction or rehabilitation of classrooms, and provision of adequate infrastructure, furniture and equipment for such classrooms;
    (d.) provision of nutritional supplements for the benefit of the three lowest primary school grades; and
    (e.) provision of School Pedagogic Grants to channel additional funds to primary schools to facilitate and improve learning and teaching.

The objective of the FID project, also sponsored by the World Bank, is to contribute to the improved use of, and satisfaction with, social and economics services provided there under amongst participating rural communities. The project consists of four parts: transfers of funds to community associations, capacity building activities, transfer of funds to Communes and project administration and supervision. The FID project is expected to be completed by December 31, 2006.

Annex 3: Map of the visited districts



Annex 4: List of acronyms and abbreviations

CEG	Collège d'Enseignement Général
CISCO	Circonscription Scolaire
CRESED	Projet de Renforcement du Secteur Education
DIRESEB	Direction Inter-Régionale de l'Enseignement Secondaire et de l'Education de Base
EPP	Ecole Primaire Public
FAF	Fiarahana ombon'antoka ho Fampandrosoana ny Sekolo (Parents-school Partnership Association)
FID	Fonds d'Intervention pour le Développement
Fivondronana	District
Fmg	Franc Malgache
FOFIFA	Centre National de la Recherche Appliquée au Développement Rural
FRAM	Fikambanan'ny Ray aman-drenin'ny Mpianatra (Association of Parents of Students)
HIPC	Heavily Indebted Poor Countries
INSTAT	Institut National de la Statistique
IPPTE	Initiative Pays Pauvres et Très Endettés
MINESEB	Ministère de l'Enseignement Secondaire et de l'Education de Base
NGO	Non-Governmental Organisation
PADEP	Programme d'Action pour le Développement Rural
PRSP	Poverty Reduction Strategy Paper
SEECALINE	Projet de Sécurité Alimentaire et de Nutrition Elargi
WWF	World Wildlife Fund
ZAP	Zone d'Administration Pédagogique

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