PUBLIC EXPENDITURE TRACKING SURVEY

SECOND DRAFT

(September 2004)

CLAUDE TIBI

MINISTRY OF EDUCATION AND SCIENCE

PROJECT IMPLEMENTATION UNIT

TIRANA, ALBANIA

LIST OF ABBREVIATIONS

BB: Bureau of the Budget
BE School: Basic Education School
BG: Block Grant
BG per capita: Block Grant per Head of Population
BI: Boarding Institution
C School: Comprehensive School
CLSIZE: Class Size
DEO: District Education Office
EDEXCAP: Education Expenditure per Head of Population
EDEXPUP: Education Expenditure per Pupil
ERPS: Enrollment Rate, Preschool
FY: Fiscal Year
GER: Gross Enrollment Rate (Basic, Secondary & Vocational)
MC: Municipality-Commune
MOES: Ministry of Education and Science
MOF: Ministry of Finance
MOLGD: Ministry of Local Governments and Decentralization
O&M: Operation and Maintenance
OMCAP: Operation and Maintenance Expenditure per Head of Population
OMPUP: Operation and Maintenance Expenditure per Pupil
PPE: Per Pupil Expenditure
PTR: Pupil-Teacher Ratio
RED: Regional Education Directorate
S School: Secondary School
SHBGED: Share of Block Grant for Education
THPERCL: Teaching Hours per Class
TUE: Total Unit Expenditure
UENTS: Unit Expenditure, Non-Teaching Staff
UEOM: Unit Expenditure, Operation and Maintenance
UETM: Unit Expenditure, Teaching Materials
UETS: Unit Expenditure, Teaching Staff
VOC School: Vocational School

Acknowledgment

Many institutions and persons brought a very significant assistance in the implementation of the study. INSTAT, the National Institute of Statistics contributed data on population and area by municipality and commune. The Director of the Decentralization Department, MOLGD provided data on block grants by municipality and commune. MOF provided data on education expenditure by municipalities and communes funded out of the BG and local resources. The Department of Information, MOES provided the 2002/03 database on schools which was used to draw the sample of schools for the study and assess the number of schools, enrollments and classes by municipality and commune. Ms. Eneida Hoxha, Director of the Department of the Budget, MOES, which supervised the whole study, contributed to a large extent by providing very useful data on MOES budget, transfers to regions and districts, number of teachers and non-teaching staff and salaries transferred by MOES to municipalities and communes for payment.

The survey, which covered 20 municipalities and communes, and 201 schools, was carried out by the Public and Private Finance Institute, under the direction of her director, Ms. Elida Reci. We worked together on the objectives of the survey, the questionnaires and some of the data analysis.

Finally, this study could not have been done without the constant assistance and support from the PCU, especially Ms. Vosjava Progri her director at the time of the design of the study, Ms. Suzana Papadhopulli, her present acting director and Ms. Rolanda Xhari, the assistant to the director.

Introduction

The most crucial issues in the education sector are[1]:

- ***Inadequate public spending on education***. Public spending on education as a share of GDP declined by one third from 5% in 1991 to 3.4% in 2002. As a result, public spending has been limited to the bare essentials, at the expense of important needs that it is assumed can be deferred, such as maintenance of schools and the provision of equipment, materials and teacher training. Inadequate public spending resulted in rapid deterioration of the quality of education, but also increased private costs for participating in education, often resulting in declining enrollment rates for children coming from poor families, especially in rural and peri-urban areas;
- ***Lack of access to educational establishments, especially in rural areas***. At the time of transition, Albania had achieved universal basic education, but it had one of the poorest indicators in enrollment rates in secondary and tertiary education and education quality in the region. Since the beginning of the transition, however, gross enrollment rates have declined at all levels except for higher education. Almost 16% of the children between the ages of 14-17 attributed their non-attendance at school to distance. This may be the consequence of the fact that the number of secondary schools has fallen by more than 50% in the last decade, especially in rural areas. Even at the pre-school level, the number of pre-schools has fallen by one third in the last decade. There is a strong link between income poverty and low educational participation. Primary school rates are significantly lower among the poor and lowest among the extreme poor. The pattern is even more pronounced for secondary education;
- ***Poor quality and weak relevance of education***. Albania inherited low education standards compared with those of its neighbors. At the same time, the quality of the learning environment, especially in rural and peri-urban areas, has deteriorated considerably during the transition period. Several supply side factors are contributing to the decline in the quality of education: (i) some of the education infrastructure has been damaged during two episodes of widespread vandalism and destruction or has deteriorated due to a chronic lack of maintenance over many years; (ii) curriculum, textbooks and reading materials have not yet been upgraded based on the needs of the new market economy; and (iii) teachers are poorly motivated, mainly due to low salaries and lack of teacher training;
- ***Weak planning and management capacity***. At present, MOES is not structured to design, implement and sustain improvement. Despite some progress during the ERP and the PRSC, further support is needed to strengthen MOES capacity to support tasks such as policy development, long term planning and an effective monitoring and evaluation system, and to strengthen the capacity of local governments in the delivery of education services.

Based on the present study, MOES intends to get a better picture of education expenditure at school level and assess the efficiency and equity of present financing mechanisms. The study is also meant to contribute to the overall Government/World Bank assessment of public spending on education and poverty.

The study is intended to assess:

- How municipalities and communes are funding education functions from their block grants

[1] 'Poverty and Social Impact Analysis – Albania: Public Spending on Education for the Poor', Draft Concept Note, World Bank

- What share of MC allocations for education intended for schools are reaching these schools
- How those funds are used at school level and the effectiveness of MC funding for educational purposes

Chapter 1 presents the methodology of the study. Chapter 2 is devoted to an analysis of financing mechanisms and global allocation of resources to education based on existing documents, such as MOES budgets and actual expenditures (including transfers to DEOs) and education expenses funded from block grants from MOF to MCs. Chapter 3 is an in-depth analysis of the amount and determinants of MC expenditure on education (for operation and maintenance and small repairs). Chapter 4 includes a detailed analysis of school expenditure by type of school (basic, secondary, comprehensive, vocational and boarding institution) and nature of expenditure in a sample of schools. Chapter 5 looks at the determinants of the allocation of resources for O&M and small repairs between schools in a sample of MCs.

1. Study Methodology

Chapters 2 and 3 are based on existing information from various sources:

- MOES budgets and actual expenditures (including transfers to DEOs);
- Block grants from MOF to MCs;
- MC education expenditures (based on MOF data);
- Other basic MC data and characteristics (population, number of schools, enrollments and classes by type of school).

Chapters 4 and 5 are based on a survey in a sample of about 200 schools drawn from a sample of 20 MCs.

1.1 Questionnaires

School and MC actual expenditure in 2002 and 2003 have been assessed based on questionnaires which collected detailed information on staff, enrollments and expenditure at MC and school level (see questionnaires in Appendix I).

1.2 Sample

In total 20 MCs were selected in 8 regions and 9 districts (see 'PETS SAMPLE', in Appendix II). All schools were selected in the 16 smaller MCs, while only 30% of the schools were sampled in the 4 biggest MCs (Korçe; Shkoder; Elbasan; Tirana). In total the original sample included 202 schools, out of which 158 basic education schools, 19 secondary schools, 11 comprehensive schools, 8 vocational schools and 6 boarding institutions.

1.3 Main problems faced in the implementation of the survey

While it was expected to gather data on O&M expenditure both at school and MC level, it appeared that schools did not record such information since the bills were directly paid by MC. O&M school expenditure were only collected at MC level and it was not therefore possible to compare O&M expenses as observed at school with O&M expenses declared by MCs.

More generally, schools do not keep any financial record. Assessing what they receive from districts in terms of supplies (paper, chalk, school registers, certificates, etc.) and teaching

materials (textbooks, teacher guides, etc.) was assessed in units which were costed later on at the district level.

Access to MCs and their records of expenditure was also difficult and could only succeed thanks to special letters of introduction signed by the Ministry of Local Governments and Decentralization.

A number of basic education schools have multiple locations and buildings, with a center school and satellites. In various MCs it proved impossible to get O&M expenses by individual schools, since information was only available globally for the center and satellites.

2. Administration, Cost and Financing of Education in Albania

2.1 Administration and financing mechanisms

MOES is responsible for implementing educational policies defined by the Council of Ministers. It approves programs and textbooks for all preschool and school institutions; defines criteria for licensing private educational institutions; develops, approves and issues criteria for admission in educational institutions at any given cycle; defines periods of studies in each cycle, criteria for issuing certificates and diplomas and for elective subjects; develops teacher training; defines criteria for recognition of private and public school diplomas; is responsible for supervising all educational institutions, defines the structure of the academic year, the workload of the teaching staff, and the average number of students per class for all levels of public education.

The Institute of Pedagogical Research is a specialized institution in the area of educational research. It develops programs (subject content) for schools and in-service teacher training.

There are 4 Levels of education administration & management.

Education administration and management levels are:

- MOES, Institute of Pedagogical Research
- Regions: (13) with a Regional Education Directorate (RED), including Tirana city
- Districts: (37) out of which 24 have a District Education Office (DEO)
- Schools

Regional Education Directorates are dependencies of the MOES located at the regional level. Their director is appointed by the Minister. REDs are responsible for the appointment and transfer of teaching and non-teaching staff, for school supervision and inspection, and for teachers' in-service training. It is also their responsibility to provide schools with the necessary administrative materials (student registers, certificates, etc.), furniture and laboratory equipment, as well as to plan and supervise the investments made in education at the district level, including the construction of new facilities and major rehabilitation of existing ones. REDs are also responsible for the collection of information at the district level and supplying it to the MOES.

There are 4 Levels of funding/resource distribution, which are:

- MOES
- Regions
- Districts
- Municipalities (65) and Communes (309) with Municipality and Commune Councils, but no education unit

MOES budget covers salaries, contributions to the pension and health funds and investments for the overall sector (all education institutions and administration). It also includes direct allocations for some institutions (some vocational and all tertiary), which have their own budget. Resources for salaries are transferred from the center to the municipalities and communes where salaries are paid, such funds being conditional grants. Under the **Law on Local Governments, e**ducation belongs to the 'shared responsibilities' category. School operating expenses, including maintenance of buildings, water, electricity and telephone, teacher transportation and school building maintenance and small repairs must be covered from a central transfer from MOF to MCs in the form of a government block grant. This grant is not earmarked for education and MCs are expected to finance other public services from it. The block grant is based on population, area, and urbanization coefficient (see chapter 3). Although local authorities have the possibility to increase their local budgets with their own revenue collection, these local resources are generally very limited. Schools have in addition the capacity to generate their own revenues by offering services or by parental or community contributions.

MOES transfers to regions:

- Funds for the recurrent expenses of the Regional Education Directorates (salaries, contributions and operation & maintenance)
- Funds for school documents (school registers, certificates, etc.) bought by the region and distributed to schools
- Funds for teaching materials and equipment bought by the region and distributed to schools
- Funds for teachers and pupils transportation (starting from 2004)
- Funds for capital expenditure

Municipalities and Communes receive from MOES budget through RED and pay scholarships for pupils in secondary and mostly non national vocational schools transferred as conditional grant

Municipalities and Communes finance the following expenses from M&C unconditional block grant:

- School buildings maintenance and small repair;
- Pupils and teachers transportation (until 2003);
- School running expenditures.

At district level, there is a MOF budget branch (BB) and treasury office (TO) which supervise MCs belonging to the district. BB allocates the block grant and supervises MCs budgets, while TO controls payment orders and makes the payments. TOs are the only administrative institutions which know how much is spent on salaries in MCs, since DEOs do not have the authority to check what LGs paid in terms of salaries.

Schools do not have any financial autonomy: they have neither budget, nor money to fund even minor expenses, except what might come from their own revenues. They receive resources in the following way:

- Staff needs (expansion and reduction) are assessed by the region and district (R/D) and validated by MOES. Salaries are funded out of MOES budget and transferred to the municipality/commune (M/C) as conditional grant;
- Supplies and teaching materials are funded by MOES, resources are transferred to R/D budgets (conditional grant) and inputs are distributed in kind to schools based on their demands at the beginning of and during the school year;

- Operation and maintenance expenses, as well as small repairs are directly funded by M/C out of their (unconditional) block grant and local resources, if any;
- Investments (construction, rehabilitation and equipment) are funded by MOES budget and localized in a precise way. The procurement is carried out by the district office, if the amount is lower than lek 10 million and by MOES if it is bigger.

These mechanisms are not coordinated (especially between R/D and M/C and at M/C level), do not leave any autonomy at the school level and are playing against efficiency. Most probably, they are not equitable either. While decentralization is needed, it is not yet clear toward which level(s) education should be decentralized and what it will imply in terms of education financing.

2.2 Resources allocated to education

Over the past three years, MOES budget has increased by 38% in current prices (see Table 1), essentially for two reasons:

- Salary increases; and
- Planned increase in investments.

While non-salary recurrent expenses declined from 2002 to 2003, they have been programmed at a higher level in 2004, but are still at a very low absolute level. It will be interesting to assess actual expenses at the end of 2004 and evaluate their purchasing power as compared to 2002 and 2003. Another key assessment will be to compare what is actually allocated to schools for non-salary recurrent expenses with their minimum needs.

Table 1: MOES Budget, 2002-2004 (Lek billion)

	MOES BUDGET					
	2002		2003		2004	
	Planned	Actual	Planned	Actual	Planned	Actual
Salaries & contributions	14.22	14.22	15.1	14.81	16.90	NA
Other recurrent expenses	1.99	1.99	1.70	1.59	2.46	NA
Total recurrent	16.21	16.21	16.80	16.40	19.36	NA
Capital expenses	1.70	1.70	2.16	2.60	5.35	NA
Total recurrent & capital	17.91	17.91	18.96	19.00	24.71	NA

Operation and maintenance, and small repairs funded by MCs out of their block grant and local resources amount only to 6% of total public education expenditure, but to 36% of non-salary recurrent expenditure, showing that MCs bring a limited but significant contribution to education institutions (see Table 2).

Table 2: Total Public Education Expenditure, 2003 (Lek billion)

	Total Education Expenses (2003)		
	MOES	BG & LR	Total
Salaries & contributions	14.81	-	14.81
Other recurrent expenses	1.59	1.20	2.79
Total recurrent	16.40	1.20	17.60
Capital expenses	2.60	0.04	2.64
Total recurrent & capital	19.00	1.24	20.24

3. Assessing Education Expenditure by Municipalities and Communes

3.1 Block Grant (unconditional grant) allocated to MCs by MOF

Districts, municipalities and communes receive annually an unconditional grant from the Government (through MOF) to fund expenditure for which they are responsible, including the operation, maintenance and minor repairs of all schools within their jurisdiction. Revised regulations concerning the assessment of the BG were issued in 2003 for FY 2004. In addition, since the BG is partly determined by the official population of the MC, the publication in 2002 of the first results of the 2001 population census significantly modified previous population estimates and changed the distribution of BG across MCs.

New regulations for the assessment of BG

For FY 2004, 6,277 billion lek was allocated, out of which 15% went to the districts, 83% (or 5,209 billion lek) to municipalities and communes, and 2% to a reserve fund (see Table 3). Out of the amount reserved for MCs, 94% was earmarked for MC functions, while 6% were set aside for a compensation fund. The amount earmarked for MCs was distributed in the following way:

- 4% of the total equally distributed across MCs;
- 62.5% distributed proportionally to the population of the MCs;
- 9% distributed according to the area of the MCs (only for communes);
- 18% distributed to all municipalities, excluding Tirana, in relation with their population to account for the diversity of the services provided by urban entities; and
- 6.5% allocated to Tirana.

Table 3: Criteria for the Distribution of Block Grants to Municipalities and Communes

Total Amount Transferred to Districts, Municipalities and Communes: 6,277 billion lek			
	Percentage	**Amount**	**Basis**
Districts	**15%**	**941.55**	Operation & Maintenance of urban & rural areas; administrative expenses
Municipalities & Communes	**83%**	**5209.9**	All expenses related to MC responsibilities
Reserve Fund	**2%**	**125.5**	
Total Amount allocated to MCs			
General Grant	**94%**	**4897.3**	Recurrent & local capital expenses related to MC responsibilities as defined in 2004 budget
Compensation Fund	**6%**	**312.6**	
Distribution Criteria across MCs			
Amount distributed equally among MCs	**4%**	**195.9**	
Amount allocated according to Population	**62.5%**	**3060.8**	
Amount allocated to Communes according to their Area	**9%**	**440.7**	
Amount allocated to Municipalities for urban services according to their population	**18%**	**881.5**	
Amount allocated to Tirana Municipality	**6.5%**	**318.3**	

Source: 'Manual Fiskal' Tirana, January 2003

As can be seen from Table 4, the combined impact of new regulations and revised population estimates led to significant changes in the amount received by MCs. In 2004, communes received on average an amount per capita very close to municipalities, while the latter had received 40% more in 2002. Table III.1 (Appendix III) lists all MCs receiving less than lek 1000 and more than lek 3000 per capita in 2002 and 2004 (respectively 10 and 30 US$ at the exchange rate of June 2004). A majority of communes which were in the highest category in 2002 still belong to the same category in 2004, but the total number of MCs receiving more than Lek 3000 per head has been multiplied by 5 between 2002 and 2004, while the total amount allocated as BG by MOF has declined from 7.15 to 5.17 billion Lek during the same period. The variance of the distribution of BG per capita among MCs has increased significantly between 2002 and 2004 (see Table 5).

Table 4: Block Grant per Capita in MCs (2002/04; Lek 1000)

	Municipalities	**Communes**	**Total**
BG per capita 2002	2,27	1,62	1,73
BG per capita 2003	1,97	2,13	2,10
BG per capita 2004	2,29	2,25	2,26

3.2 Education Expenditure by MCs

3.2.1 Main characteristics

While municipalities and communes received in 2004 roughly the same average amount in terms of BG per capita (see Tables 4 and 5), municipalities spent a much higher share of BG for education than communes (see Table 6): on average, MCs devoted 14.6% of the BG to education expenditure in 2003, municipalities and communes spending respectively 23.2% and 12.8%.

Although municipalities enroll proportionately more pupils per capita than communes, per pupil education expenditure funded out of BG and local resources are higher in municipalities than in communes. Higher enrollments in municipalities (see Table 7) are evidenced by higher ERPS (Enrollment Rate in Preschool), GER (Gross Enrollment Rate from Grade 1 to 12; basic, secondary general and vocational education), and ENRCAP (total enrollments per capita), which are indicators of education development in MCs based on existing information. Higher enrollments in municipalities are due to:

- More advanced development of education in urban than in rural areas; and
- Enrollment of children from communes in secondary and vocational schools located mainly in municipalities.

Per pupil and per capita education expenditure are also higher in municipalities than in communes (see Tables 8 to 10).

Table 5: Distribution of Municipalities and Communes according to Block Grant per Capita (Lek 1000)									
	< 1,0	1,0 to 1,5	1,5 to 2,0	2,0 to 2,5	2,5 to 3,0	> 3,0	Total	Min-Max	Average
Municipalities 2002	0	2	24	18	16	5	65	1,17-3,84	2,27
Communes 2002	13	146	93	34	11	12	309	0,81-5,00	1,62
Municipalities 2004	1	12	10	16	16	10	65	0,52-5,13	2,29
Communes 2004	3	69	101	53	23	59	308	0,60-7,52	2,25

Table 6: Share of Block Grant Spent for Education (2003; %)									
	< 10	**10 to < 20**	**20 to < 30**	**30 to < 40**	**40 to < 50**	**50 +**	**Missing**	**Total**	**Average**
Municipalities	21	17	9	7	1	8	2	65	23,2
Communes	113	161	25	1	0	0	9	309	12,8
Total	134	178	34	8	1	8	11	374	14,6

Table 7: Distribution of Municipalities and Communes by ERPS and GER (2003)									
	0	**0< to <0,25**	**0,25 to <0,5**	**0,5 to <0,75**	**0,75 to <1,0**	**1,0 to <1,25**	**1,25 to <1,5**	**1,5 +**	**Total**
Communes									
ERPS	38	57	103	48	24	7	1	5	283
GER	0	3	3	53	113	61	32	18	283
Municipalities									
ERPS	2	10	21	14	11	3	1	0	62
GER	0	0	1	0	25	21	11	4	62
Total									
ERPS	40	67	124	62	35	10	2	5	345
GER	0	3	4	53	138	82	43	22	345

Table 8: Distribution of Municipalities and Communes by O&M Expenditure per Pupil (2003; Lek 1000)								
	<0,5	**0,5 to <1,0**	**1,0 to <1,5**	**1,5 to <2,0**	**2,0 to <2,5**	**2,5 to <3,0**	**3,0 +**	**Total**
Municipalities	12	20	10	6	5	5	3	61
Communes	61	116	63	20	7	3	3	273
Total	73	136	73	26	12	8	6	334

Table 9: Distribution of Municipalities and Communes by Education Expenditure per Pupil from BG and LR (2003; Lek 1000)								
	<0,5	**0,5 to <1,0**	**1,0 to <1,5**	**1,5 to <2,0**	**2,0 to <2,5**	**2,5 to <3,0**	**3,0 +**	**Total**
Communes	51	114	77	25	7	4	3	281
Municipalities	7	14	10	3	11	8	9	62
Total	58	128	87	28	18	12	12	343

Table 10: Distribution of Municipalities and Communes by Education Expenditure per Capita from BG and LR (2003; Lek 1000)								
	<0,20	**0,2 to <0,4**	**0,4 to <0,6**	**0,6 to <0,8**	**0,8 to <1,0**	**1,0 to <1,2**	**1,2 +**	**Total**
Communes	122	145	30	9	2	0	1	309
Municipalities	10	20	8	13	5	5	4	65
Total	132	165	38	22	7	5	5	374

3.2.2 MCs devoting a low and high share of their block grant to education

MCs have been categorized in quintiles according to the share of BG they devote to education (see Table 11). Comparing MCs in the lowest and highest quintile shows a big difference in terms of average share of BG for education (respectively 5.0% and 31.2%) leading to the obvious question: why are MCs devoting low or high resources to education?

One first explanation is that MCs in the highest quintile are those where BG per capita stayed more or less constant between 2002 and 2004 while those in the lowest quintile had BG per capita increasing significantly during the same period. Changes in BG allocation criteria and in the population basis meant changes in resources while needs had not changed.

Education development is slightly lower in the lowest quintile than in the highest, but that difference does not appear very significant. This factor may however play a role in the relative 'effort' in favor of education.

Finally, there is a concentration of municipalities in the highest quintile, and Table 9 has shown that municipalities spend more per pupil than communes, for reasons which remain to be clarified.

3.2.3 MCs with low and high O&M expenditure per pupil from BG

MCs in the lowest quintile of BGEDPUP are basically those getting lower BG per capita (see Table 12) and where BG per capita has less increased between 2002 and 2004. When compared with the share of BG spent on education, this remark shows that some MCs are facing significant difficulties to fund their education expenditure and/or give a lower priority to school expenses than to other functions.

3.2.4 MCs with low and high total education expenditure from all sources

Nearly half of all municipalities are in the highest quintile of EDEXPUP, quite a significant result confirming that municipalities tend to spend much more for O&M and repairs out of their BG and local resources than communes (see Table 13). This may be interpreted either as meaning that municipalities are significantly richer than communes and therefore able to better fund schools, or that they grant a higher priority to education than communes because of social demand from relatively richer urban parents.

Table 11: Main Characteristics of MCs in the Lowest and Highest Quintile of SHBGED (Share of Block Grant Devoted to Education; 2003)

	Lowest SHBGED Quintile				Highest SHBGED Quintile			
	N	**Minimum**	**Maximum**	**Mean**	**N**	**Minimum**	**Maximum**	**Mean**
M or C	74	0	1	**58 C; 16 M**	75	0	1	**48 C; 27 M**
Share BG ED	74	0,000	0,075	0,050	75	0,178	1,990	0,312
BG percap 02	74	0,809	5,004	1,753	75	1,031	3,381	1,757
BG percap 03	51	1,166	7,158	2,400	56	0,166	3,122	1,621
BG percap 04	74	0,996	7,522	2,418	74	0,520	5,133	1,935
ER PS 03	65	0,000	1,614	0,353	72	0,000	1,064	0,432
GER	65	0,268	3,176	0,941	72	0,210	2,321	1,030
BGEDPUP	65	0,000	2,315	0,452	72	0,597	11,767	1,834
EDEXPUP	65	0,000	2,315	0,594	72	0,597	31,378	2,409
CLSIZEBE	65	1,0	63,3	23,5	72	9,4	44,0	25,3
CLSIZESE	36	8,8	48,4	26,2	56	12,0	54,7	29,7
SCHSZEPS	55	0,0	244,5	37,8	64	13,0	345,0	62,4
SCHSZEBE	65	15,8	1240,4	205,2	72	24,3	1200,0	324,6
SCHSZES	23	35,0	904,0	343,3	41	100,0	1210,0	509,1
SCHSZECS	19	21,0	730,0	372,9	22	84,0	1228,0	414,9

Table 12: Main Characteristics of MCs in the Lowest and Highest Quintile of BGEDPUP (Education Expenditure from Block Grant per Pupil; 2003)

	Lowest BGEDPUP Quintile				Highest BGEDPUP Quintile			
	N	**Minimum**	**Maximum**	**Mean**	**N**	**Minimum**	**Maximum**	**Mean**
M or C	69	0	1	**57 C; 12 M**	69	0	1	**45 C; 24 M**
BG percap 02	69	0,814	3,842	1,527	69	0,997	4,013	2,181
BG percap 03	41	1,151	3,444	1,567	50	1,036	7,158	2,882
BG percap 04	69	0,834	5,973	1,819	68	1,025	7,138	2,987
ER PS 03	69	0,000	1,856	0,388	69	0,000	2,981	0,498
GER	69	0,516	3,176	1,037	69	0,123	2,371	1,006
Share BG ED	69	0,000	0,156	0,063	69	0,049	1,990	0,268

Table 13: Main Characteristics of MCs in the Lowest and Highest Quintile of EDEXPUP (Education Expenditure from Block Grant and Local Resources per Pupil; 2003)

	Lowest EDEXPUP Quintile				Highest EDEXPUP Quintile			
	N	**Minimum**	**Maximum**	**Mean**	**N**	**Minimum**	**Maximum**	**Mean**
M or C	69	0	1	**62 C; 7 M**	69	0	1	**38 C; 31 M**
BG percap 02	69	0,949	3,801	1,482	69	0,809	4,013	2,190
BG percap 03	44	1,142	3,444	1,643	49	0,166	7,158	2,689
BG percap 04	69	1,181	5,973	1,875	68	0,520	7,138	2,810
ER PS 03	69	0,000	1,856	0,370	69	0,000	2,981	0,509
GER	69	0,562	3,176	1,072	69	0,123	2,371	1,001
Share BG ED	69	0,000	0,163	0,070	69	0,025	1,990	0,285
EDEXPUP	69	0,000	0,545	0,391	69	1,542	31,378	2,916

3.3 Determinants of education expenditure by MCs

In order to assess the determinants of education expenditure by MCs, three sets of regression analyses were developed:

- O&M expenditure per pupil, from BG resources;
- Total education expenditure from BG by MCs; and
- Share of BG devoted to education by MCs.

The potential effect of three sets of factors on O&M expenditure per pupil was tested (see Table 10):

- Funding (resources available from BG);
- Educational development in the MC; and
- Potential economies (or diseconomies) of scale arising from lower population density in rural areas and lower school and/or class size.

Total education expenditure from BG funding were assessed against three sets of factors:

- Funding;
- Educational development in the MC; and
- O&M unit costs.

Finally, the share of BG spent for education was again tested against three sets of factors:

- Funding;
- Educational development in the MC; and
- O&M unit costs.

Regression analysis was carried out separately for municipalities and communes because of their differences in terms of education development, O&M expenditure per pupil and resources devoted to education. Table 14 shows the main results of the regression analysis.

3.3.1 Determinants of O&M expenditure per pupil

Two sets of proxies were selected to capture the potential impact of economies of scale: school size and class size. Each set was used in association with the variables selected for funding (BG per capita in 2002, 2003 and 2004) and educational development (enrollments per capita in the MC).

Municipalities

School size does not lead to any significant explanation of O&M expenditure per pupil while class size does. When class size is used, 57.5% of the variance of O&M expenditure per pupil is explained by class size in secondary schools, and only 6.5% of the variance is added when all independent variables are entered into the regression. This is fully in line with what could be expected since consumption of water and electricity is more linked to the number of classes rather than to enrollments. Besides, O&M expenditure are higher in secondary than in basic education schools. Finally, the variance of O&M expenditure per pupil is probably low in basic schools. Economies of scale in secondary and comprehensive schools are definitely a significant factor explaining O&M expenditure per pupil in municipalities. Education development and available resources do not seem to impact on the amount spent per pupil for operation and maintenance.

Communes

The picture is different in communes where school size explains a higher share of the variance of O&M expenditure per pupil than class size. But what counts now is school or class size of basic education schools, since they represent a much higher share of total enrollments than in municipalities. When school size is used, 54.0% of the variance is explained by enrollments per capita and school size BE. The inclusion of all other explanatory variables only adds 7.0% to the explained share of the variance. When class size is used, BG per capita 2004, enrollments per capita and class size BE explain 36.9% of the variance and the introduction of all other variables increases only marginally the explained share of the variance. School size in basic education schools has become the relevant indicator for economies of scale since secondary education is much less developed in communes than in municipalities. Educational development and available resources are now significant explanatory variables. Deciding about priorities and allocating scarce resources is much more complex and diversified in communes than in municipalities.

3.3.2 Determinants of Block Grant Funded Total Education Expenditure by MCs (BGED)

Municipalities

There is a very strong association between BG funded education expenditure and five independent variables (Block grant 2003, total enrollments, total enrollments in boarding institutions, GER and O&M expenditure per pupil) in municipalities, which explain 97.6% of the variance of BGED. In other words, municipalities look like they are willing and able to pay for O&M expenditure of their education institutions, while the amount of the BG is still an explanatory variable, showing that their education expenses are partly determined by their resources, not only by their needs.

Communes

On the other hand, total enrollments and O&M expenditure per pupil only explain 24% of BGED variance in communes. When all independent variables are entered into the regression, the share of BGED variance explained only increases by 1%. The difference between municipalities and communes is startling. The following explanations are proposed:

- While municipalities received in 2003 a smaller BG per capita than communes, their much bigger average population gives them a comparative advantage in the allocation process: what counts is not only the amount per capita but also the total amount received because of economies of scale and tradeoff options. They may therefore be able to fund education more easily than communes. In addition many municipalities have significant local resources;
- Municipalities are more conscious than communes of the importance of education and more concerned about the need to maintain and repair schools. Urban parents are probably richer than rural ones and more likely to pay attention to the condition of the schools where their children are enrolled.

A more global assessment could only come, though from a comprehensive analysis of resource allocation by function in municipalities and communes.

3.3.3 Determinants of the Share of Block Grant Devoted to Education by MCs (Share BG for education)

Municipalities

Four variables (Block grant per capita 2003, total enrollments, total enrollments in boarding institutions and O&M expenditure per pupil) explain 75.3% of the variance of the share of BG devoted to education in municipalities. The percentage reaches 79.0% when all variables are simultaneously entered into the regression.

Communes

On the other hand, five variables (block grant per capita 2004, total enrollments, total number of education institutions, GER and O&M expenditure per pupil) explain 72.6% of the variance of the share of BG devoted to education in communes.

Those results show again that the determinants of the share of BG devoted to education are more complex in communes where lower population density linked to bigger area may lead to a high number of schools with low enrollments. They also demonstrate a high diversity of situations, especially in communes.

Table 14: Regression Analysis – O&M Expenditure per Pupil; BG Funded Education Expenses; Share of BG Allocated to Education

Dependent Variable	Independent Variables	Share of the Variance of the Dependent Variable Explained by the Regression
O&M expenditure per pupil	Proxies for available resources Block grant per capita, 2002 Block grant per capita, 2003 Block grant per capita, 2004 Proxy for education development Enrollments per capita Proxies for economics of scale First group: Average school size, basic schools Average school size, secondary & comprehensive schools Average school size, vocational schools Second group: Average class size, PS Average class size, BE Average class size, SE Average class size, CS Average class size, VOC	**Municipalities** Stepwise Procedure First group: no significant explanation Second group: Class size, SE; 57.5% Enter Procedure First group: no explanation Second group: all independent variables; 64.1% **Communes** Stepwise Procedure First group: enrollments per capita, school size BE; 54.0% Second group: class size BE, enrollments per capita, block grant per capita 2004; 36.9% Enter Procedure First group: all independent variables; 61.0% Second group: all independent variables; 38.3%
BG funded education expenses	Proxies for available resources Block grant, 2002 Block grant 2003 Block grant 2004 Proxies for education development Total enrollments, all levels and types of education Total number of education institutions, all levels and types of education Total enrollments in boarding institutions (municipalities only) ERPS GER Proxies for O&M unit costs O&M expenditure per pupil	**Municipalities** Stepwise Procedure Block grant 2003, Total enrollments, Total enrollments in boarding institutions, GER, O&M expenditure per pupil; 97.6% Enter Procedure All independent variables; 97.6% **Communes** Stepwise Procedure Block grant 2003, Total enrollments, O&M expenditure per pupil; 24.0% Enter Procedure All independent variables; 25.0%
Share of BG allocated to education	Proxies for available resources Block grant per capita, 2002 Block grant per capita, 2003 Block grant per capita, 2004 Proxies for education development Total enrollments, all levels and types of education Total number of education institutions, all levels and types of education Total enrollments in boarding institutions (municipalities only) ERPS GER Proxies for O&M unit costs O&M expenditure per pupil	**Municipalities** Stepwise Procedure Block grant per capita 2003, Total enrollments, Total enrollments in boarding institutions, O&M expenditure per pupil; 75.3% Enter Procedure All independent variables; 79.0% **Communes** Stepwise Procedure Block grant per capita 2004, Total enrollments, Total institutions, GER, O&M expenditure per pupil; 72.6% Enter Procedure All independent variables; 73.1%

4. Education expenditure in schools

4.1 Overview of per pupil expenditure in schools

The survey gives a comprehensive view of per pupil median expenditure[2] and basic determinants of per pupil expenditure on teachers (PTR, CLSIZE and THPERCL) in all types of education institutions except preschool, according to location (municipalities or communes - see Tables 15 and 16). In the sample, all comprehensive, vocational and boarding institutions are located exclusively in municipalities.

While TUEs does not vary much between basic, secondary and comprehensive schools, they are nearly twice higher in vocational schools, essentially because of non-teaching staff and O&M expenditure. PPE on O&M especially are 5 times bigger in vocational than in secondary and comprehensive schools. On the other hand, TUEs are very high in boarding institutions essentially because of food expenditure.

Finally, PTR and CLSIZE have increased significantly in secondary schools between 2002 and 2003 showing the pressure from demand in front of limited increase of supply. This explains why unit expenditures on teachers have declined in secondary schools between 2002 and 2003 in spite of the increase of teacher salaries.

[2] Median was preferred to average since it is less sensitive to errors of measure

Table 15: Median School Unit Expenditure and Other Characteristics by Type of School (2002; Lek 1000)

	BE Schools		SEC Schools		COMP Schools	VOC Schools	BOARD Inst
	Municipalities	Communes	Municipalities	Communes	Municipalities	Municipalities	Municipalities
UETS	9,77	13,50	11,57	15,22	13,59	14,30	
UENTS	0,70	0,50	1,18	1,55	0,48	3,80	14,46
UETM	0,23	0,27	0,64	NA	0,09	0,21	8,46
UEOM	0,69	1,26	1,19	0,77	1,32	6,42	43,49
UEFOOD	0,00	0,00	0,00	0,00	0,00	0,00	31,56
TUE	13,70	NA	14,16	NA	15,71	27,71	79,98
PTR	21,1	15,0	19,68	16,42	15,98	15,9	69,78
CLSIZE	29,0	16,0	36,4	26,08	25,2	28,71	
THPERCL	28,6	26,5	34,81	41,58	29,02	35,95	
ATS	204,0	204,0	232,47	245,7	216,76	224,62	

Table 16: Median School Unit Expenditure and Other Characteristics by Type of School (2003; Lek 1000)

	BE Schools		SEC Schools		COMP Schools	VOC Schools	BOARD Inst
	Municipalities	Communes	Municipalities	Communes	Municipalities	Municipalities	Municipalities
UETS	10,40	14,80	10,88	11,75	13,72	15,18	
UENTS	0,76	0,68	1,12	NA	0,47	2,76	13,95
UETM	0,22	0,18	0,09	NA	0,13	0,07	2,26
PTR	21,0	15,1	22,45	18,98	16,72	16,34	63,27
CLSIZE	29,5	16,0	39,75	30,08	26,94	29,4	
THPERCL	28,3	26,6	33,47	45,00	28,74	39,45	
ATS	216,9	220,0	256,57	223,06	226,60	241,78	

4.2 Basic education schools

Unit expenditure on teachers and consequently total unit expenditure are much higher in commune than in municipality schools since commune BE schools have a much lower class size and pupil-teacher ratio because of population density in rural areas (see Tables 15 and 16).

Per pupil expenditure on supplies and teaching materials are not very different in municipality and commune schools, tending to show that they are treated more or less equally by regions and districts in the distribution process. This should be looked into more in depth, though, by assessing the nature of goods delivered and taking a longer time perspective.

Per pupil expenditure on operation and maintenance are nearly twice higher in commune schools as compared to municipality schools, essentially because of size effects as already found in the regression analysis of MC data.

Globally, salaries represent 90% to 92% of the total unit cost, teaching materials 2% to 3% and operation, maintenance and small repairs from 6% to 8%. While teacher costs are acceptable, it appears that very limited amounts are devoted to supplies and teaching materials. On average expenditure on operation and maintenance look acceptable, except that the amount allocated to repairs is probably much too low.

In order to get a more precise picture on the determinants of unit expenditure in BE schools, the characteristics of the schools in the lower and upper quintiles of UETS, UETM and UEOM have been computed and compared (see Tables 17 to 21). Since data on O&M are only available for 2002, five tables have been built:

- UETS 2002;
- UETS 2003;
- UETM 2002;
- UETM 2003; and
- UEOM 2002.

4.2.1 Analysis of unit expenditure on teachers

Schools with lowest unit expenditure on teachers are essentially municipality schools with high enrollments, high PTR and class size, and very few multi-grade classes (a number of schools enroll part of their pupils in single grade classes and part in multi-grade classes). This pattern is consistent in 2002 and 2003 and UETS is 3.5 times higher on average in the upper quintile as compared with the lower one (see Tables 17 and 18).

Since EFA must be achieved quickly and multi-grade teaching is one condition for it, it appears that teachers must quickly be trained for multi-grade teaching and classes equipped correspondingly in order to improve effectiveness and efficiency. Improving the quality of teachers in multi-grade classes is also a condition for promoting equity.

Table 17: Unit Expenditure on Teachers (2002; Lek 1000)						
	Lowest UETS2 Quintile			Highest UETS2 Quintile		
	Minimum	**Maximum**	**Mean**	**Minimum**	**Maximum**	**Mean**
M or C			22 M; 6 C			2 M; 26 C
TOT ENR 02	0	1768	657,0	0	479	27,9
TOT CL 02	0	52	19,6	0	16	1,4
TOT TEA 02	0	55	25,8	0	34	2,4
MG E 02	0	120	9,0	0	64	19,0
MG CL 02	0	8	0,6	0	8	2,6
MG T 02	0	5	0,4	0	5	2,3
MG schools			5 schools/28			23 schools/28
PTR2	14,3	32,1	24,4	3,0	14,1	8,3
CLSIZE2	10,8	37,0	30,2	1,3	29,9	10,0
THPERCL2	6,0	30,8	25,0	5,5	55,6	26,1
UETS2	4,94	9,14	8,00	16,95	63,82	27,25
UENTS2	0,08	1,81	0,72	0,87	192,77	64,95
UETM2	0,01	5,68	1,02	0,00	2,21	0,87
UEOM2	0,17	3,74	1,20	0,93	7,36	2,84
TUE2	8,53	14,06	11,08	20,40	20,40	20,40
ATS2	118,2	214,5	193,8	155,2	268,7	201,9

Table 18: Unit Expenditure on Teachers (2003; Lek 1000)						
	Lowest UETS3 Quintile			Highest UETS3 Quintile		
	Minimum	Maximum	Mean	Minimum	Maximum	Mean
M or C			23 M; 5 C			1 M; 27 C
TOT ENR 03	0	2462	811,1	0	95	13,9
TOT CL 03	0	521	40,9	0	8	1,1
TOT TEA 03	0	111	32,2	0	11	1,5
MG E 03	0	122	7,4	0	57	18,5
MG CL 03	0	8	0,4	0	8	2,6
MG T 03	0	5	0,3	0	6	2,3
MG schools			5 schools/28			23 schools/28
PTR3	19,0	31,9	24,9	2,0	12,0	8,2
CLSIZE3	3,4	39,7	29,8	1,3	19,0	8,9
THPERCL3	2,0	36,0	25,3	5,5	54,0	26,1
UETS3	5,40	9,53	8,47	19,41	88,23	30,52
UENTS3	0,09	2,37	0,74	0,83	39,55	20,19
UETM3	0,00	5,50	1,40	0,00	4,42	1,32
ATS3	163,5	226,3	209,4	175,9	281,2	224,7

In order to identify the main determinants of UETS, regression analyses have been carried out with UETS as dependant variable and the following independent (explanatory) variable:

- PTR
- CLSIZE
- THPERCL
- ATS
- MG schools

Municipality schools

PTR, ATS and Multi-Grade Teaching explain 93% of the variance of UETS, a very high level confirming the role of multi-grade schools in the high level of UETS.

Commune schools

PTR is the only significant explanatory variable. 82% of the variance of UETS is explained by PTR.

4.2.2 Analysis of unit expenditure on supplies and teaching materials

There are very high disparities in the distribution of supplies and teaching materials across BE schools as can be seen when comparing schools in the lower and upper quintile of UETM (see Tables 19 and 20). While schools in the lower quintile receive on average Lek 20 per pupil per year in terms of TM, schools in the upper quintile receive more than Lek 5,000, or 250 times more. The pattern is the same in 2002 and 2003. The only apparent difference between schools in the two quintiles is that those schools receiving much are mostly municipal schools, but half of the schools in the lower quintile are also municipal schools.

There is a clear need to understand why the distribution process by regions and districts is so unequal.

4.2.3 Analysis of unit expenditure on operation and maintenance

Unit expenditure on operation and maintenance are 15 times higher in the upper quintile as compared to the lower one (see table 21). Schools in the lower quintile are big, municipal schools, without any multi-grade classes, while those in the upper quintile are both municipal and communal small schools with some multi-grade classes. As shown in the MC regressions about O&M expenditure per pupil from BG, MC resources as expressed by BG per capita are a significant explanatory factor.

Table 19: Unit Expenditure on Supplies and Teaching Materials (2002; Lek 1000)								
	Lowest UETM2 Quintile				Highest UETM2 Quintile			
	Minimum	Maximum	Sum	Mean	Minimum	Maximum	Sum	Mean
M or C				8 M; 9 C				16 M; 2 C
TOT ENR 02	0	842	4647	273,4	0	1464	6613	367,4
TOT CL 02	0	24	153	9,0	0	42	227	12,6
TOT TEA 02	0	32	212	12,5	0	54	305	16,9
MG E 02	0	101	270	15,9	0	86	212	11,8
MG CL 02	0	6	17	1,0	0	4	12	0,7
MG T 02	0	6	18	1,1	0	5	13	0,7
MG schools				6 schools				6 schools
PTR2	8,7	26,3	321,5	18,9	3,0	27,1	336,0	18,7
CLSIZE2	8,7	35,1	404,4	23,8	3,0	34,9	424,6	23,6
THPERCL2	22,7	34,3	485,1	28,5	20,0	31,2	495,9	27,5
UETS2	7,87	25,16	167,57	11,97	7,55	63,82	243,44	13,52
UENTS2	0,59	2,24	6,69	0,96	0,32	1,12	7,72	0,70
UETM2	0,00	0,04	0,34	0,02	2,21	7,12	91,97	5,11
UEOM2	0,57	3,36	11,75	1,96	0,13	1,79	7,19	0,60
TUE2	10,79	13,48	24,27	12,14	12,38	23,28	184,76	16,80
ATS2	175,9	270,2	2968,7	212,1	146,5	232,8	3593,8	199,7

Table 20: Unit Expenditure on Supplies and Teaching Materials (2003; Lek 1000)								
	Lowest UETM3 Quintile				Highest UETM3 Quintile			
	Minimum	Maximum	Sum	Mean	Minimum	Maximum	Sum	Mean
M or C				11 M; 9 C				15 M; 5 C
TOT ENR 03	0	1266	7091	354,6	0	1493	6742	3
TOT CL 03	0	37	234	11,7	0	43	241	
TOT TEA 03	0	53	348	17,4	0	55	332	
MG E 03	0	124	266	13,3	0	74	242	
MG CL 03	0	6	16	0,8	0	7	23	
MG T 03	0	6	17	0,9	0	5	19	
MG schools				5 schools				6 schools
PTR3	8,0	24,9	361,8	18,1	6,0	27,1	342,9	
CLSIZE3	8,0	301,0	752,9	37,6	3,0	34,7	440,2	
THPERCL3	22,3	290,0	773,0	42,9	14,3	42,5	558,9	
UETS3	8,38	29,98	233,39	12,97	8,10	29,78	282,26	1
UENTS3	0,35	2,37	10,03	1,11	0,34	39,55	48,92	
UETM3	0,00	0,03	0,36	0,02	3,37	12,26	109,73	
ATS3	205,2	239,9	4015,1	223,1	174,9	250,3	4274,2	2

Table 21: Unit Expenditure on Operation and Maintenance (2002; Lek 1000)						
	Lowest UEOM2 Quintile			Highest UEOM2 Quintile		
	Minimum	Maximum	Mean	Minimum	Maximum	Mean
M or C			15 M; 1 C			7 M; 9 C
TOT ENR 02	274	2299	912,3	0	842	193,1
TOT CL 02	10	80	30,8	0	24	7,1
TOT TEA 02	13	116	44,1	0	32	10,1
TOT ENR 03	257	2462	934,9	0	859	191,8
TOT CL 03	10	521	60,4	0	24	7,2
TOT TEA 03	13	111	42,3	0	32	10,1
MG E 02	0	0	0,0	0	47	11,3
MG CL 02	0	0	0,0	0	8	1,5
MG T 02			0 school			5 schools
PTR2	15,8	32,1	20,6	7,3	26,3	15,1
CLSIZE2	24,0	34,0	28,5	3,7	35,1	18,8
THPERCL2	17,5	52,0	29,8	12,8	41,3	26,4
UETS2	4,94	14,25	9,98	7,87	28,79	15,35
UENTS2	0,08	1,19	0,68	0,32	192,77	39,13
UETM2	0,05	6,26	3,23	0,01	0,89	0,22
UEOM2	0,13	0,34	0,25	1,94	13,27	3,73
TUE2	8,53	18,28	14,62	10,79	13,48	12,56
ATS2	158,8	240,0	199,1	118,2	268,7	203,7

5. The internal allocation process of O&M expenditure within MCs

Tables III.7 to III.21 in Appendix III give a detailed picture of O&M per pupil expenditure by type of school in each sampled MC. The following conclusions may be drawn from the analysis of those tables:

- A few big municipalities, such as Tirana, Elbasan, Korçe and Shkoder have UEOM increasing regularly from BE to vocational schools and BI institutions and seem to be funding them according to their needs and without significant financial constraints. On the other hand, small communes do not present such a typical and rational allocation of resources for BE and secondary schools;
- Significant amounts are devoted to small repairs and choices are different across MCs. While some concentrate their expenses for repairs on BE schools, others are directing them to secondary, vocational schools or even boarding institutions and others are unable to devote any resources to repairs. There is clearly a serious financial constraint on MCs regarding repairs and most of them do not seem to have the resources to do what should be done.

Conclusion

The most crucial problem in the financing mechanism of schools in Albania is probably the fact that schools do not have any say on the resources they receive and how they are distributed by input. School heads are unable to make any decision in this regard.

A second key problem is that decisions regarding staff allocation to schools are made by MOES, supplies and teaching materials by regions and districts, while expenses for operation and maintenance and small repairs are funded by MCs. There are three different and non coordinated allocation processes and none of the decision-makers in each process is informed on the criteria used for distribution and the amount allocated per school.

While funds for salaries are always there in the budget, credits for supplies and teaching materials are among the first to be cut when there is a need to reduce MOES budget. Supplies and teaching materials are therefore systematically under-funded. In addition the distribution process at the level of districts would certainly gain to be more transparent and should take into account effectiveness and equity criteria.

MCs are very unequal in their funding capacity, big municipalities benefiting from significant resources and a clear potential for economies of scale while small communes have much less resources and are unable to ripe economies of scale given their low population density and often declining population due to internal and external migrations. There is therefore a serious equity problem in the funding mechanism of O&M and small repairs expenditure. While decentralization is certainly needed, it should be accompanied by funding mechanisms promoting equity and efficiency.

In the medium range, Albania might envisage evolving towards a funding formula through which schools would have a budget and receive resources based on their number of pupils, type of school (basic education, secondary, comprehensive, vocational, boarding institution) and eventually a limited number of additional criteria such as poverty level in the MC and school present assets. School heads would be entitled to make decisions on how to spend their budget, and would be able to make tradeoffs between various inputs depending on the particulars of their institution. Ex post facto control would be exercised by regions and districts, depending on the

type of school (districts for BE schools, for example, and regions for secondary, vocational and boarding institutions).

In the decentralization process, serious attention should be given to such target funding mechanism since it would impact on the future role of regions, districts and MCs. One possible option would be to decentralize overall school funding, including salaries, supplies and TM, O&M and small repairs to the region/district level, depending on the type of school. This could first be done based on a budget process supervised by MOES, with limits on the number of staff for example, and then evolve towards a formula mechanism.

Most probably, regions and districts will play a significant role, but the role of M/C is open to question, since M/C are not a meaningful level in terms of education decision-making (many communes have a small population and receive a very small block grant). On the other hand, block grants are allocated to M/C, and it looks difficult to bypass them financially without creating problems and being vetoed by MOF. One option might be to regroup small communes into bigger territorial entities.

Improving the efficiency and equity of the financing mechanisms also implies quick progress in the EMIS at MOES, regional, district, MC and school level. Regions and districts should have access to the list of education personnel paid by MCs and the salaries received, as well as O&M expenses funded by MCs out of the BG and local resources. They should in turn report to MOES in order for the Ministry to be able to assess the financing mechanisms and get a full picture of education expenditure.

APPENDIX I: SURVEY QUESTIONNAIRES

Municipality/Commune Questionnaire

I. General Information on the Municipality/Commune

I.1 Region:			I_I_I
I.2 District:			I_I_I_I
I.3 Name of Municipality/Commune:			
I.4 Municipality/Commune code number:			I_I_I_I
I.5 M or C:	M	C	I_I
I.6 Population:			I_I_I_I_I_I_I
I.7 Area:			I_I_I_I_I_I

II. Education Institutions in the Municipality/Commune

Institution	Number	Enrollments	Classes	Teaching Staff (TS)	Non-Teaching Staff (NTS)	Total TS Salaries	Total NTS Salaries
Preschool							
2002/03							
2003/04							
Basic education schools							
2002/03							
2003/04							
Secondary schools							
2002/03							
2003/04							
Complete schools							
2002/03							
2003/04							
Vocational schools							
2002/03							
2003/04							
Boarding institutions							
2002/03							
2003/04							

III. Total Resources of the Municipality/Commune

	Block Grant		Local Resources		Total	
	Planned	Actual	Planned	Actual	Total Actual	Share of LR
2002						
2003						
2004						

IV. MC Expenditure by Nature and Funding Source

Fiscal Year 2002	**600 & 601**	**602**	**231**	**Total**
MOF Block Grant				
Education		X	X	X
Total		X	X	X
Local Resources				
Education		X	X	X
Total		X	X	X
Central Government Conditional Grant				
Education	X			
Total	X			
All Funding Sources				
Education	X	X	X	X
Total	X	X	X	X

X indicates the cells which must be filled in

Fiscal Year 2003	**600 & 601**	**602**	**231**	**Total**
MOF Block Grant				
Education				
Total				
Local Resources				
Education				
Total				
Central Government Conditional Grant				
Education				
Total				
All Funding Sources				
Education				
Total				

V. Municipality/Commune Arrears

	Total Arrears incurred in 2003	Total cumulated Arrears
Water		
Electricity		
Phone		
Etc.		
Total		

VI. Municipality/Commune Education Expenditure by Education Institution and Nature (funded from the Block Grant and Local Resources)

2002	Water	Electricity	Telephone	Supplies	Food	Other	Total 602	Total 231	Total 602 & 231
Preschool: PS1 PS2 PS3									
Basic education schools: BE1 BE2 BE3									
Secondary schools: SS1 SS2									
Complete schools: CS1 CS2									
Vocational schools: VS1 VS2									
Boarding institutions: BI1 BI2									
TOTAL									

2003	Water	Electricity	Telephone	Supplies	Food	Other	Total 602	Total 231	Total 602 & 231
Preschool: PS1 PS2 PS3									
Basic education schools: BE1 BE2 BE3									
Secondary schools: SS1 SS2									
Complete schools: CS1 CS2									
Vocational schools: VS1 VS2									
Boarding institutions: BI1 BI2									
TOTAL									

VII. List of MOES Staff Paid by the Municipality/Commune

Teachers (2003)

School	Name	Degree	Monthly salary (excluding contribution)
School 1			
Total school 1			
School 2			
Total school 2			
School 3			
Total school 3			
Total all schools			

Non-Teaching Staff (2003)

School	Name	Position	Monthly salary (excluding contribution)
School 1			
Total school 1	Number of non-teaching staff		Salaries
School 2			
Total school 2	Number of non-teaching staff		Salaries
School 3			
Total school 3	Number of non-teaching staff		Salaries
Total all schools	Number of non-teaching staff		Salaries

VIII. Municipality/Commune Budgeting and Resource Allocation Process

VIII.1 when are you informed of the amount of the block grant for the next fiscal year?

VIII.2 how do you assess next fiscal year local resources?

VIII.3 how frequently do you monitor your actual expenditure?

- Each month
- Each 3 months
- Each 6 months
- Each year

VIII.4 How early are you informed of your actual expenditure after the end of the period?

VIII.5 what are your 3 most important priorities?

-
-
-

VIII.6 what are the 3 specific activities for which you would spend more money if you had additional resources?

-
-
-

VIII.7 on what items would you spend more money for education institutions if you had additional resources?

School Questionnaire

Basic Education School

1. Region:		I_I_I
2. District:		I_I_I
3. Name of Municipality/Commune:		
4. Municipality/Commune code number:		I_I_I_I
5. M or C:	M C	I_I
6. Urban or rural school:	U R	I_I
7. School name:		
8. School type:	PS, BE, S, CS, V, BI	I_I
9. If BE, G1/4 or G1/8:	G1/4 G1/8	I_I
10. Single or multi-grade teaching:	S M	I_I
11. Single or double shift:	S D	I_I
12. Year established:	I_I_I_I_I	I_I_I
13. Number of classrooms:		I_I_I
14. Condition of the building:		I_I

Good; Fair; Poor; Very poor

15. Rehabilitation need:

Type of rehabilitation	Number of rooms	Urgency
Minor repair		
Medium rehabilitation		
Major rehabilitation		

Urgency: Not urgent; Urgent; Very urgent

Minor repair	I_I_I_I_I
Medium rehabilitation	I_I_I_I_I
Major rehabilitation	I_I_I_I_I

Enrollments, Classes & Teachers (for single grade teaching schools)

2002/03	G1	G2	G3	G4	G5	G6	G7	G8	Total
Enrollments									
Classes									
Teachers									

Only indicate the total number of teachers

2003/04	G1	G2	G3	G4	G5	G6	G7	G8	Total
Enrollments									
Classes									
Teachers									

Only indicate the total number of teachers

Enrollments, Classes & Teachers (for multi-grade/combined teaching schools)

	Enrollments	Classes	Teachers
2002/03			
2003/04			

List of Teachers (2002/03)

Full Name	University Degree (Yes/No)	Years as teacher	Years in this school	Monthly Salary (excl contrib.)	Teach. Hours Per week	Position in school

List of Non-Teaching Staff (2002/03)

Full Name	Degree	Years as NTS	Years in this school	Month. Salary (excl contrib.)	Position

List of Teachers (2003/04)

Full Name	University Degree (Yes/No)	Years as teacher	Years in this school	Monthly Salary (excl contrib.)	Teach. Hours Per week	Position in school

List of Non-Teaching Staff (2003/04)

Full Name	Degree	Years as NTS	Years in this school	Month. Salary (excl contrib.)	Position

Inputs received from the Regional Education Directorate

	2002			2003		
	Number/Quantity	Unit Cost	Total Cost	Number/Quantity	Unit Cost	Total Cost
1. School Registers						
2. Supplies (specify):						
Chalk						
Paper						
Etc.						
3. Textbooks						
4. Teachers guides						
5. Other teaching materials (specify)						
6. Books						
7. Others (specify)						
Total						

Unit cost: Lek
Total cost: Lek

School Questionnaire

General Secondary Education School

1. Region:		I_I_I
2. District:		I_I_I_I
3. Name of Municipality/Commune:		
4. Municipality/Commune code number:		I_I_I_I
5. M or C:	M C	I_I
6. Urban or rural school:	U R	I_I
7. School name:		
8. School type	PS, BE, S, CS, V, BI	I_I
9. Single or double shift:	S D	I_I
10. Year established:	I_I_I_I_I	I_I_I
11. Number of classrooms:		I_I_I
12. Condition of the building:		I_I

Good; Fair; Poor; Very poor

13. Rehabilitation need:

Type of rehabilitation	Number of rooms	Urgency
Minor repair		
Medium rehabilitation		
Major rehabilitation		

Urgency: Not urgent; Urgent; Very urgent

Minor repair	I_I_I_I
Medium rehabilitation	I_I_I_I
Major rehabilitation	I_I_I_I

Enrollments, Classes & Teachers

2002/03	G9	G10	G11	G12
Enrollments				
Classes				
Teachers				

Only indicate the total number of teachers

2003/04	G9	G10	G11	G12
Enrollments				
Classes				
Teachers				

Only indicate the total number of teachers

List of Teachers (2002/03)

Full Name	University Degree (Yes/No)	Years as teacher	Years in this school	Monthly Salary (excl contrib.)	Teach. Hours Per week	Position in school

List of Non-Teaching Staff (2002/03)

Full Name	Degree	Years as NTS	Years in this school	Month. Salary (excl contrib.)	Position

List of Teachers (2003/04)

Full Name	University Degree (Yes/No)	Years as teacher	Years in this school	Monthly Salary (excl contrib.)	Teach. Hours Per week	Position in school

List of Non-Teaching Staff (2003/04)

Full Name	Degree	Years as NTS	Years in this school	Month. Salary (excl contrib.)	Position

Inputs received from the Regional Education Directorate

	2002			2003		
	Number/Quantity	Unit Cost	Total Cost	Number/Quantity	Unit Cost	Total Cost
1. School Registers						
2. Supplies (specify):						
Chalk						
Paper						
Etc.						
3. Textbooks						
4. Teachers guides						
5. Other teaching materials (specify)						
6. Books						
7. Others (specify)						
Total						

Unit cost: Lek
Total cost: Lek

School Questionnaire

Complete School

1. Region:		I_I_I
2. District:		I_I_I_I
3. Name of Municipality/Commune:		
4. Municipality/Commune code number:		I_I_I_I
5. M or C:	M C	I_I
6. Urban or rural school:	U R	I_I
7. School name:		
8. School type	PS, BE, S, CS, V, BI	I_I
9. Single or double shift:	S D	I_I
10. Year established:	I_I_I_I_I	I_I_I
11. Number of classrooms:		I_I_I
12. Condition of the building:		I_I

Good; Fair; Poor; Very poor

13. Rehabilitation needs:

Type of rehabilitation	Number of rooms	Urgency
Minor repair		
Medium rehabilitation		
Major rehabilitation		

Urgency: Not urgent; Urgent; Very urgent

Minor repair	I_I_I_I
Medium rehabilitation	I_I_I_I
Major rehabilitation	I_I_I_I

Enrollments, Classes & Teachers

2002/03	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	Total
Enrollments													
Classes													
Teachers													

Only indicate the total number of teachers

2003/04	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	Total
Enrollments													
Classes													
Teachers													

Only indicate the total number of teachers

List of Teachers (2002/03)

Full Name	University Degree (Yes/No)	Years as teacher	Years in this school	Monthly Salary (excl contrib.)	Teach. Hours Per week	Position in school

List of Non-Teaching Staff (2002/03)

Full Name	Degree	Years as NTS	Years in this school	Month. Salary (excl contrib.)	Position

List of Teachers (2003/04)

Full Name	University Degree (Yes/No)	Years as teacher	Years in this school	Monthly Salary (excl contrib.)	Teach. Hours Per week	Position in school

List of Non-Teaching Staff (2003/04)

Full Name	Degree	Years as NTS	Years in this school	Month. Salary (excl contrib.)	Position

Inputs received from the Regional Education Directorate

	2002			2003		
	Number/Quantity	Unit Cost	Total Cost	Number/Quantity	Unit Cost	Total Cost
1. School Registers						
2. Supplies (specify):						
Chalk						
Paper						
Etc.						
3. Textbooks						
4. Teachers guides						
5. Other teaching materials (specify)						
6. Books						
7. Others (specify)						
Total						

Unit cost: Lek
Total cost: Lek

School Questionnaire

Vocational School

1. Region:		I_I_I
2. District:		I_I_I_I
3. Name of Municipality/Commune:		
4. Municipality/Commune code number:		I_I_I_I
5. M or C:	M C	I_I
6. Urban or rural school:	U R	I_I
7. School name:		
8. School type	PS, BE, S, CS, V, BI	I_I
9. Single or double shift:	S D	I_I
10. Year established:	I_I_I_I_I	I_I_I
11. Number of classrooms:		I_I_I
12. Condition of the building:		I_I

Good; Fair; Poor; Very poor

13. Rehabilitation need:

Type of rehabilitation	Number of rooms	Urgency
Minor repair		
Medium rehabilitation		
Major rehabilitation		

Urgency: Not urgent; Urgent; Very urgent

Minor repair	I_I_I_I
Medium rehabilitation	I_I_I_I
Major rehabilitation	I_I_I_I

Enrollments, Classes & Teachers

2002/03	G9	G10	G11	G12	G13	Total
Enrollments						
Classes						
Teachers						

Only indicate the total number of teachers

2003/04	G9	G10	G11	G12	G13	Total
Enrollments						
Classes						
Teachers						

Only indicate the total number of teachers

List of Teachers (2002/03)

Full Name	University Degree (Yes/No)	Years as teacher	Years in this school	Monthly Salary (excl contrib.)	Teach. Hours Per week	Position in school

List of Non-Teaching Staff (2002/03)

Full Name	Degree	Years as NTS	Years in this school	Month. Salary (excl contrib.)	Position

List of Teachers (2003/04)

Full Name	University Degree (Yes/No)	Years as teacher	Years in this school	Monthly Salary (excl contrib.)	Teach. Hours Per week	Position in school

List of Non-Teaching Staff (2003/04)

Full Name	Degree	Years as NTS	Years in this school	Month. Salary (excl contrib.)	Position

Inputs received from the Regional Education Directorate

	2002			2003		
	Number/Quantity	Unit Cost	Total Cost	Number/Quantity	Unit Cost	Total Cost
1. School Registers						
2. Supplies (specify):						
Chalk						
Paper						
Etc.						
3. Textbooks						
4. Teachers guides						
5. Other teaching materials (specify)						
6. Books						
7. Others (specify)						
Total						

Unit cost: Lek
Total cost: Lek

School Questionnaire

Boarding Institution

1. Region:		I_I_I
2. District:		I_I_I_I
3. Name of Municipality/Commune:		
4. Municipality/Commune code number:		I_I_I_I
5. M or C:	M C	I_I
6. Urban or rural boarding institution:	U R	I_I
7. Boarding institution name:		
8. School type:	PS, BE, S, CS, V, BI	I_I
9. Year established:	I_I_I_I_I	I_I_I
10. Number of rooms:		I_I_I
11. Condition of the building:		I_I

Good; Fair; Poor; Very poor

12. Rehabilitation need:

Type of rehabilitation	Number of rooms	Urgency
Minor repair		
Medium rehabilitation		
Major rehabilitation		

Urgency: Not urgent; Urgent; Very urgent

Minor repair	I_I_I_I
Medium rehabilitation	I_I_I_I
Major rehabilitation	I_I_I_I

Number of Boarders

	Secondary Education Boarders		Vocational Education Boarders		Total Boarders	
	With scholarship	Without scholarship	With scholarship	Without scholarship	With scholarship	Without scholarship
2002/03						
2003/04						

List of Staff (2002/03)

Name	Age	Degree	Years as NTS	Years in this boarding institute	Month. Salary (excl contrib.)	Position	Other assignment (specify)

List of Staff (2003/04)

Name	Age	Degree	Years as NTS	Years in this boarding institute	Month. Salary (excl contrib.)	Position	Other assignment (specify)

Inputs received from the Regional Education Directorate

	2002			2003		
	Number/Quantity	Unit Cost	Total Cost	Number/Quantity	Unit Cost	Total Cost
1. School Registers						
2. Supplies (specify):						

3. Others (specify)						
Total						

Unit cost: Lek
Total cost: Lek

APPENDIX II: SURVEY SAMPLE

See EXCEL FILE: ‘PETS SAMPLE’

APPENDIX III: MC AND SCHOOL TABLES AND REGRESSION ANALYSIS

Table III.1: Communes and Municipalities Receiving Lowest and Highest Block Grant per Capita (Lek 1000 - 2002 & 2004)

2002	District	< 1,0	2002	District	> 3,0
M			M	Gramsh	Tunje
C	Fier	Levan		Kolonje	B. Leskovic
	Korçë	Drenove		Peqine	B. Peqin
	Permet	Frasher		Permet	B. Kelcyre
	Sarande	Lukove		Puke	B. Puke
		Dhiver	C	Berat	Cukalat
		Livadhja		Dibër	Lure
		Xarre		Gjirokastër	Antigone
		Ksamil		Gjirokastër	Zagorie
		Aliko		Has	Gjinaj
	Skrapar	Gjerbes		Kolonjë	Barmash
	Shkoder	Bushat		Kolonjë	Pis-Novos
	Tirane Rrethe	Paskuqan		Korçë	Lekas
	Vlore	Qender		Kukës	Kolsh
				Kukës	Kalis
				Librazhdë	Stebleve
				Përmet	Petran

2004	District		2004	District	
M	Durres	B. Durres	M	Gjirokaster	B. Libohove
C	Kavaje	Golem		Kolonje	B. Leskovic
	Tirane Rrethe	Vaqar		Malesi e Madhe	B. Koplik
		Fark		Peqine	B. Peqin
				Puke	B. Puke
					B. F. Arrez
				Skrapar	B. Corovode
				Tepelene	B. Tepelene
					B. Memaliaj
				Tropoje	B. Curri
			C	Bulqize	Klenje
				Bulqize	Martanesh
				Delvine	Finiq
				Delvine	Mesopotam
				Dibër	Lure
				Dibër	Z.Dardhe
				Dibër	Zall reç
				Gramsh	Poroçan
				Gramsh	Lenie
				Gramsh	Sult
				Gramsh	Kushove
				Gjirokastër	Qender
				Gjirokastër	Odrie
				Gjirokastër	Antigone
				Gjirokastër	Picar
				Gjirokastër	Pogon
				Gjirokastër	Zagorie
				Has	Golaj

Table III.1 (continued): Communes and Municipalities Receiving Lowest and Highest Block Grant per Capita (Lek 1000 - 2002 & 2004)

Kolonjë	Çlirim
Kolonjë	Barmash
Kolonjë	Pis-Novos
Kolonjë	Leskovik
Korçë	Lekas
Korçë	Moglice
Kukës	Bushtrice
Kukës	Surroj
Kukës	Arren
Kukës	Kolsh
Kukës	Kalis
Librazhdë	Stebleve
Mallakastër	Ngraçan
Mat	Ulez
Mat	Derjan
Mirditë	Selite
Përmet	Çarshove
Përmet	Dishnice
Pukë	Qelez
Pukë	Fierze
Pukë	Iballe
Pukë	Blerim
Pukë	Rrape
Skrapar	Potom
Skrapar	Leshnje
Skrapar	Çepan
Skrapar	Vendresh
Skrapar	Bogove
Skrapar	Zhepe
Skrapar	Gjerbes
Shkodër	Pult
Shkodër	Shosh
Shkodër	Shllak
Shkodër	Temal
Tepelenë	Buz
Tepelenë	Kurvelesh
Tepelenë	Lopez
Tropojë	Bytyç
Tropojë	Lekbibaj
Tropojë	Fierze
Tropojë	Llugaj

Table III.2: MUNICIPALITIES (BG and Expenditure in Lek 1000)

		BG per capita 2002	BG per capita 2003	BG per capita 2004	BG for Education 2003	Share BG For ED 2003 (%)	BGED Per capita 2003	BGED Per pupil 2003	ER PS 2003	GER (BE, SEC, VOC) 2003	ENR per POP 2003	ED EXP capita
N	Valid	65	48	65	65	65	65	62	62	62	62	
	Missing	0	17	0	0	0	0	3	3	3	3	
Mean		2,27	1,97	2,29	9689,9	0,23	0,42	1,34	0,52	1,12	0,30	
Median		2,16	1,77	2,31	3167,0	0,15	0,28	0,97	0,48	1,04	0,29	
Minimum		1,17	0,17	0,52	0,0	0,00	0,00	0,00	0,00	0,35	0,11	
Maximum		3,84	3,90	5,13	205996,0	1,19	3,49	5,27	1,35	2,84	0,67	
Sum		147,3	94,5	149,1	629843,0	15,08	26,99	83,13	32,5	69,2	18,8	
Percentiles	20	1,77	1,43	1,50	1085,0	0,07	0,14	0,48	0,25	0,89	0,23	
	40	2,00	1,71	2,11	2126,2	0,13	0,24	0,86	0,41	0,98	0,27	
	60	2,34	1,86	2,50	4638,8	0,20	0,38	1,19	0,55	1,11	0,30	
	80	2,78	2,49	2,87	9444,8	0,34	0,62	2,29	0,83	1,28	0,36	

Table III.3: COMMUNES (BD and Expenditure in Lek 1000)

		BG per capita 2002	BG per capita 2003	BG per capita 2004	BG for Education 2003	Share BG For ED 2003 (%)	BGED Per capita 2003	BGED Per pupil 2003	ER PS 2003	GER (BE, SEC, VOC) 2003	ENR per POP 2003	ED EXP capita
N	Valid	309	237	308	309	309	309	283	283	283	283	
	Missing	0	72	1	0	0	0	26	26	26	26	
Mean		1,62	2,13	2,25	1108,7	0,13	0,25	0,98	0,42	1,01	0,28	
Median		1,47	1,74	1,87	994,0	0,11	0,21	0,85	0,35	0,94	0,26	
Minimum		0,81	0,97	0,60	33,0	0,01	0,02	0,03	0,00	0,12	0,03	
Maximum		5,00	7,16	7,52	16933,0	1,99	2,97	11,77	3,12	3,29	0,74	
Sum		501,0	503,7	694,3	342583,0	39,64	77,58	277,64	118,7	284,7	77,9	
Percentiles	20	1,19	1,30	1,46	481,0	0,08	0,13	0,49	0,15	0,75	0,21	
	40	1,37	1,53	1,66	765,0	0,10	0,18	0,70	0,29	0,87	0,24	
	60	1,59	2,00	2,05	1116,0	0,13	0,24	0,95	0,42	1,00	0,27	
	80	1,95	2,84	2,91	1525,0	0,17	0,34	1,24	0,64	1,22	0,34	

Table III.4: Basic Education Schools – Distribution by Quintile of Main Characteristics

MUNICIPALITIES

		UETS2	UENTS2	UETM2	UEOM2	TUE2	PTR2	CLSIZE2	THPERCL2	ATS2	UETS3	UENTS3
N	Valid	67	55	45	57	27	67	67	67	67	67	56
	Missing	2,00	14,00	24,00	12,00	42,00	2,00	2,00	2,00	2	2	13
Mean		10,27	0,78	2,03	1,03	14,39	20,92	28,41	28,92	205,29	11,0	0,8
Median		9,77	0,70	0,23	0,69	13,70	21,08	28,96	28,62	204,00	10,4	0,8
Minimum		4,9	0,1	0,01	0,13	8,5	8,6	10,8	12,8	118,2	5,4	0,1
Maximum		23,3	2,2	7,12	4,51	23,3	32,1	37,0	55,6	270,2	25,1	2,7
Sum		688,2	42,8	91,3	58,7	388,5	1401,4	1903,6	1937,4	13754,6	734,0	47,3
Percentiles	20	8,20	0,52	0,05	0,31	11,11	17,25	24,49	26,38	196,91	8,79	0,52
	40	9,40	0,67	0,14	0,59	13,42	19,91	28,11	27,93	202,06	10,01	0,69
	60	10,11	0,75	0,66	1,01	15,38	21,98	30,75	29,33	206,95	10,69	0,84
	80	11,63	0,93	5,66	1,70	17,02	24,97	34,26	30,94	216,09	12,14	1,05

COMMUNES

		UETS2	UENTS2	UETM2	UEOM2	TUE2	PTR2	CLSIZE2	THPERCL2	ATS2	UETS3	UENTS3
N	Valid	77	6	44	26	0	84	84	83	78	75	5
	Missing	8,00	79,00	41,00	59,00	85,00	1,00	1,00	2,00	7	10	80
Mean		17,2	32,6	0,61	2,18		14,7	16,2	25,4	201,1	19,1	8,4
Median		13,5	0,5	0,27	1,26		15,0	16,0	26,5	204,0	14,8	0,7
Minimum		6,9	0,3	0,00	0,21		3,0	1,3	5,5	150,0	7,4	0,4
Maximum		63,8	192,8	4,18	13,27		28,6	32,3	54,0	268,7	88,2	39,5
Sum		1320,8	195,4	26,7	56,7		1232,4	1364,0	2108,9	15686,8	1433,5	41,9
Percentiles	20	9,96	0,35	0,04	0,78		9,00	9,00	21,40	183,99	11,28	0,44
	40	12,47	0,41	0,16	1,13		13,75	14,50	24,17	198,17	12,53	0,54
	60	15,11	0,71	0,54	1,74		16,00	18,00	28,61	207,51	17,14	0,77
	80	23,45	116,01	1,08	2,53		20,00	23,50	30,13	216,17	27,06	31,80

Table III.4: Basic Education Schools – Distribution by Quintile of Main Characteristics (continued)

MUNICIPALITIES AND COMMUNES

		UETS2	UENTS2	UETM2	UEOM2	TUE2	PTR2	CLSIZE2	THPERCL2	ATS2	UETS3	UENTS3
N	Valid	144	61	89	83	27	151	151	150	145	142	61
	Missing	34,00	117,00	89,00	95,00	151,00	27,00	27,00	28,00	33	36	117
Mean		14,0	3,9	1,33	1,39	14,4	17,4	21,6	27,0	203,0	15,3	1,5
Median		10,9	0,7	0,26	1,01	13,7	18,0	22,3	28,0	204,0	11,6	0,7
Minimum		4,9	0,1	0,00	0,13	8,5	3,0	1,3	5,5	118,2	5,4	0,1
Maximum		63,8	192,8	7,12	13,27	23,3	32,1	37,0	55,6	270,2	88,2	39,5
Sum		2009,0	238,2	118,0	115,5	388,5	2633,9	3267,6	4046,3	29441,3	2167,5	89,2
Percentiles	20	9,18	0,50	0,05	0,35	11,11	12,81	13,13	23,03	191,66	9,61	0,50
	40	10,15	0,67	0,15	0,69	13,42	16,00	20,18	26,64	201,08	11,02	0,68
	60	12,45	0,74	0,54	1,17	15,38	19,60	24,88	29,27	206,94	12,55	0,83
	80	16,47	0,93	2,21	1,93	17,02	22,36	30,28	30,29	215,90	19,23	1,05

Table III.5: MAIN CHARACTERISTICS OF MUNICIPALITY SCHOOLS (2002)

	BE SCHOOLS		SEC SCHOOLS		COMPR SCHOOLS		VOC SCHOOLS		BOARDING INST	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
UETS	10,3	9,8	12,2	11,57	15,82	13,59	20,75	14,3		
UENTS	0,8	0,7	1,34	1,18	0,55	0,48	4,5	3,8	15,59	14,46
UETM	2,03	0,23	2,13	0,64	0,4	0,09	0,37	0,21	6,89	8,46
UEOM	1,03	0,69	2,42	1,19	1,59	1,32	8,81	6,42	45,73	43,49
UEFOOD	0	0	0	0	0	0	0	0	28,69	31,56
TUE	14,4	13,7	17,16	14,16	19,03	15,71	29,37	27,71	79,98	79,98
PTR	20,9	21,1	20,53	19,68	16,04	15,98	13,29	15,9	65	69,78
CLSIZE	28,4	29,0	35,52	36,4	24,14	25,2	29,06	28,71		
THPERCL	28,9	28,6	35,29	34,81	29,54	29,02	50,89	35,95		
ATS	205,3	204,0	236,28	232,47	219,4	216,76	230,16	224,62		

Table III.5: MAIN CHARACTERISTICS OF COMMUNE SCHOOLS (2002)

	BE SCHOOLS		SEC SCHOOLS		COMPR SCHOOLS		VOC SCHOOLS		BOARDING INST	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
UETS	17,2	13,5	15,22	15,22						
UENTS		0,5	1,55	1,55						
UETM	0,61	0,27								
UEOM	2,18	1,26	0,77	0,77						
UEFOOD	0	0	0	0						
TUE										
PTR	14,7	15,0	16,42	16,42						
CLSIZE	16,2	16,0	26,08	26,08						
THPERCL	25,4	26,5	41,58	41,58						
ATS	201,1	204,0	245,7	245,7						

Table III.5: MAIN CHARACTERISTICS OF MC SCHOOLS (2002)

	BE SCHOOLS		SEC SCHOOLS		COMPR SCHOOLS		VOC SCHOOLS		BOARDING INST	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
UETS	14,0	10,9	12,6	11,57	15,82	13,59	20,75	14,3		
UENTS	3,9	0,7	1,35	1,2	0,55	0,48	4,5	3,8	15,59	14,46
UETM	1,33	0,26	2,13	0,64	0,4	0,09	0,37	0,21	6,89	8,46
UEOM	1,39	1,01	2,18	1,19	1,59	1,32	8,81	6,42	45,73	43,49
UEFOOD	0	0	0	0	0	0	0	0	28,69	31,56
TUE	14,4	13,7	17,16	14,16	19,03	15,71	29,37	27,71	79,98	79,98
PTR	17,4	18	19,98	19,41	16,04	15,98	13,29	15,9	65	69,78
CLSIZE	21,6	22,3	34,26	36,21	24,14	25,2	29,06	28,71		
THPERCL	27,0	28,0	36,13	34,9	29,54	29,02	50,89	35,95		
ATS	203,0	204,0	237,53	232,47	219,4	216,76	230,16	224,62		

Table III.6: MAIN CHARACTERISTICS OF MUNICIPALITY SCHOOLS (2003)

	BE SCHOOLS		SEC SCHOOLS		COMPR SCHOOLS		VOC SCHOOLS		BOARDING INST	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
UETS	11,0	10,4	11,07	10,88	14,88	13,72	24,32	15,18		
UENTS	0,84	0,76	1,13	1,12	0,52	0,47	4,76	2,76	15,01	13,95
UETM	1,90	0,22	1,79	0,09	1,00	0,13	0,23	0,07	3,35	2,26
PTR	21,0	21,0	23,34	22,45	16,85	16,72	13,16	16,34	60,75	63,27
CLSIZE	32,0	29,5	39,04	39,75	24,33	26,94	28,45	29,4		
THPERCL	32,0	28,3	33,24	33,47	28,31	28,74	49,87	39,45		
ATS	217,6	216,9	253,67	256,57	226,31	226,60	246,66	241,78		

Table III.6: MAIN CHARACTERISTICS OF COMMUNE SCHOOLS (2003)

	BE SCHOOLS		SEC SCHOOLS		COMPR SCHOOLS		VOC SCHOOLS		BOARDING INST	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
UETS	19,1	14,8	11,75	11,75						
UENTS		0,68								
UETM	1,00	0,18								
PTR	14,5	15,1	18,98	18,98						
CLSIZE	16,1	16,0	30,08	30,08						
THPERCL	25,5	26,6	45,00	45,00						
ATS	218,7	220,0	223,06	223,06						

Table III.6: MAIN CHARACTERISTICS OF MC SCHOOLS (2003)

	BE SCHOOLS		SEC SCHOOLS		COMPR SCHOOLS		VOC SCHOOLS		BOARDING INST	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
UETS	15,3	11,6	11,16	11,65	14,88	13,72	24,32	15,18		
UENTS	1,46	0,74	1,13	1,12	0,52	0,47	4,76	2,76	15,01	13,95
UETM	1,46	0,22	1,79	0,09	1,00	0,13	0,23	0,07	3,35	2,26
PTR	17,4	18,0	22,76	21,65	16,85	16,72	13,16	16,34	60,75	63,27
CLSIZE	23,2	21,5	37,85	37,05	24,33	26,94	28,45	29,4		
THPERCL	28,5	27,8	34,08	33,54	28,31	28,74	49,87	39,45		
ATS	218,2	217,5	249,58	247,47	226,31	226,60	246,66	241,78		

Table III.7: O&M Unit Expenditure, Tirana (Lek 1000)				
	BE	**SEC**	**VOC**	**BI**
UEWAT2	0,427	0,428	1,073	3,478
UEELEC2	0,423	0,485	0,880	9,872
UEPH2	0,009	0,026	1,483	0,212
UEEQUIP2	0,055	0,049	2,676	13,927
UEFOOD2	0,000	0,000	0,000	31,816
UEOT2	0,000	0,426	7,430	5,641
UEREP2	0,377	0,000	0,000	0,000
UEOM2	1,291	1,413	13,287	64,947

Table III.8: O&M Unit Expenditure, Elbasan (Lek 1000)				
	BE	**SEC**	**VOC**	**BI**
UEWAT2	0,258	0,180	0,396	0,469
UEELEC2	0,074	0,141	0,372	1,620
UEPH2	0,029	0,023	0,039	0,100
UEEQUIP2	0,106	1,449	2,056	3,144
UEFOOD2	0,000	0,000	0,000	3,079
UEOT2	0,000	0,000	0,000	0,000
UEREP2	0,000	0,000	0,000	2,625
UEOM2	0,466	1,792	2,864	11,036

Table III.9: O&M Unit Expenditure, Korce (Lek 1000)				
	BE	**SEC**	**VOC**	**BI**
UEWAT2	0,135	0,257	0,240	5,871
UEELEC2	0,064	0,073	0,231	3,534
UEPH2	0,051	0,069	0,148	0,491
UEEQUIP2	0,154	0,250	0,936	1,759
UEFOOD2	0,000	0,000	0,000	47,112
UEOT2	0,000	0,565	7,770	4,629
UEREP2	0,423	0,000	0,000	0,000
UEOM2	1,109	1,213	9,325	63,397

Table III.10: O&M Unit Expenditure, Kruje (Lek 1000)		
	BE	**SEC**
UEWAT2	0,117	0,165
UEELEC2	0,075	0,135
UEPH2	0,030	0,058
UEEQUIP2	0,192	0,479
UEFOOD2	0,000	0,000
UEOT2	0,113	0,292
UEREP2	0,000	14,340
UEOM2	0,596	15,469

Table III.11: O&M Unit Expenditure, Shkoder (Lek 1000)				
	BE	**SEC**	**VOC**	**BI**
UEWAT2	0,200	0,122	0,557	0,469
UEELEC2	0,076	0,026	0,466	0,907
UEPH2	0,032	0,086	0,112	0,000
UEEQUIP2	0,000	0,000	3,432	0,000
UEFOOD2	0,000	0,000	0,000	29,170
UEOT2	0,000	0,029	0,000	4,492
UEREP2	0,093	0,000	0,000	0,000
UEOM2	0,401	0,265	4,568	35,037

Table III.12: O&M Unit Expenditure, Vore (Lek 1000)		
	BE	**SEC**
UEWAT2	0,037	0,026
UEELEC2	0,131	0,066
UEPH2	0,004	0,063
UEEQUIP2	0,000	0,000
UEFOOD2	0,000	0,000
UEOT2	0,000	1,347
UEREP2	2,122	0,000
UEOM2	2,294	1,503

Table III.13: O&M Unit Expenditure, Kamez (Lek 1000)		
	BE	**SEC**
UEWAT2	0,030	0,000
UEELEC2	0,000	0,178
UEPH2	0,269	0,000
UEEQUIP2	0,000	0,303
UEFOOD2	0,000	0,000
UEOT2	0,000	0,002
UEREP2	0,002	0,000
UEOM2	0,297	0,482

Table III.14; O&M Unit Expenditure, Grekan (Lek 1000)		
	BE	**CS**
UEWAT2	7,484	NA
UEELEC2	4,851	NA
UEPH2	0,072	NA
UEEQUIP2	0,867	NA
UEFOOD2	0,000	NA
UEOT2	0,000	NA
UEREP2	0,000	NA
UEOM2	13,275	NA

Table III.15: O&M Unit Expenditure, Mollas (Lek 1000)		
	BE	**CS**
UEWAT2		0,000
UEELEC2		0,033
UEPH2		0,000
UEEQUIP2		1,447
UEFOOD2		0,000
UEOT2		1,602
UEREP2		0,000
UEOM2		3,081

Table III.16: O&M Unit Expenditure, Pojan (Lek 1000)		
	BE	**CS**
UEWAT2	0,000	0,000
UEELEC2	0,023	0,015
UEPH2	0,000	0,000
UEEQUIP2	0,846	0,659
UEFOOD2	0,000	0,000
UEOT2	0,000	0,574
UEREP2	0,618	0,034
UEOM2	1,522	1,281

Table III.17: O&M Unit Expenditure, Postribe (Lek 1000)		
	BE	**SEC**
UEWAT2	NA	0,065
UEELEC2	NA	0,022
UEPH2	NA	0,000
UEEQUIP2	NA	0,000
UEFOOD2	NA	0,000
UEOT2	NA	0,000
UEREP2	NA	0,000
UEOM2	NA	0,087

Table III.18: O&M Unit Expenditure, Ana e Malit (Lek 1000)		
	BE	**SEC**
UEWAT2	0,171	0,114
UEELEC2	0,312	0,200
UEPH2	0,164	0,057
UEEQUIP2	0,000	0,000
UEFOOD2	0,000	0,000
UEOT2	0,000	0,086
UEREP2	0,280	0,000
UEOM2	4,962	1,457

Table III.19: O&M Unit Expenditure, Preze (Lek 1000)		
	BE	**CS**
UEWAT2	0,000	0,000
UEELEC2	0,000	0,012
UEPH2	0,000	0,000
UEEQUIP2	0,492	0,416
UEFOOD2	0,000	0,000
UEOT2	0,000	0,422
UEREP2	0,112	0,000
UEOM2	0,607	0,851

Table III.20: O&M Unit Expenditure, Kashar (Lek 1000)		
	BE	**CS**
UEWAT2	0,040	0,080
UEELEC2	0,419	0,377
UEPH2	0,010	0,062
UEEQUIP2	0,000	0,000
UEFOOD2	0,000	0,000
UEOT2	0,000	0,798
UEREP2	0,917	0,000
UEOM2	1,393	1,316

Table III.21: O&M Unit Expenditure, Farke (Lek 1000)		
	BE	**CS**
UEWAT2	0,203	0,145
UEELEC2	0,799	0,404
UEPH2	0,000	0,000
UEEQUIP2	0,000	0,000
UEFOOD2	0,000	0,000
UEOT2	0,000	0,323
UEREP2	0,352	1,131
UEOM2	1,354	2,003