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## **Cost Benefit Analysis of the Uganda Post Primary Education and Training Expansion and Improvement Project**

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## 1. Introduction

Expansion of access to schooling in developing countries is critical to achieving poverty reduction and sustained economic growth. Although countries in sub-Saharan Africa (SSA) have increased access to primary schooling in the past 15 years, absorbing the primary school graduates into secondary school remains a challenge. As a result of implementing the Universal Primary Education (UPE) programs, the number of children dropping out of primary school in SSA has declined—from 45 million in 1999 to 32 million by 2007 (UNESCO 2010). However, despite the surge in primary school enrolment as a result of the UPE programs, the transition from primary to secondary school remains low. Indeed, the 2010 Education For All Global Monitoring Report shows that 38% of children in SSA supposed to be in lower secondary school drop out of school compared to 26% of children out of primary school (UNESCO 2010). Furthermore, unlike the UPE where enrolment gaps between the poorest and richest pupils have significantly declined, access to secondary education in general remains inequitable, to the detriment of the poor children. As such, a number of countries in SSA have intensified their efforts to expand access to secondary schooling through the replication of UPE type interventions.

Prior to 2007, Uganda was among the SSA countries that had failed to increase the transition of pupils to secondary school during the implementation of UPE. Between 2003-2006, only 50% of pupils who passed primary leaving examinations (PLE) joined secondary schooling. Worse still, the majority who enrolled in lower secondary schools dropped out before the age of 18 years. For instance, only 18% of children aged 13-19 years were actually in secondary schools in 2005/06 (Uganda Bureau of Statistics 2007).<sup>1</sup> Furthermore, among those in school, the poor and females were disproportionately represented. As part of the wider implementation of the Poverty Eradication Action Plan (PEAP) (2005-2010), the Government of Uganda (GoU) introduced the Universal Post Primary Education (UPPE) in 2007. Specifically, it decided to provide free tuition to secondary school pupils starting with 300,000 primary school graduates in 2007. Similar to the UPE arrangement, the government provided tuition while parents were expected to provide exercise books, uniforms, meals, and other scholastic materials. In financial terms, under the initiative, the GoU spends UGX 45,000 (about US \$ 25) per student per year and this translates to UGX 100 billion or US\$ 56.3 million per year. In addition to free tuition, the government also made efforts to increase access to secondary education by ensuring that every sub-county in Uganda has a secondary school. In 2008, there were at least 271 sub-counties that neither had a public nor a private secondary school.

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<sup>1</sup> This very low net secondary enrolment may partly be explained by both late enrolment into primary school as a consequence of delayed transition as well as high grade repetition rates in secondary school. In 2005/06, the primary gross enrolment rate was 115 and the net enrolment rate was 85 (Uganda Bureau of Statistics 2007); this is explained by delayed enrolment into primary school. On the other hand, the annual education statistical abstract shows that at least 11% of primary school pupils are repeating grades, with highest repetition rates in the first grade—at 12.4% (Ministry of Education and Sports 2008).

The introduction of UPPE in 2007 further constrained the Ugandan education budget. Prior to this, the GoU allocated at least 66% of the education budget to primary schooling; after the introduction of Universal Secondary Education (USE) in 2007, the primary schooling share reduced while the share allocated to secondary schooling increased. A major casualty of the introduction of USE was the school facility grant (SFG)—used to construct classrooms and teachers’ houses under the UPE. Between 2008 and 2010, the SFG grant was suspended as the UPPE was rolled out. Because of the limits of the education budget, the GoU had to rely on external support to push the UPPE program. For example, the African Development Bank (AfDB)—through the Uganda Post Primary Education and Training Expansion and Improvement (UPPTEI) project—provided a loan of about US\$ 85 million to expand secondary schooling over the period 2009-2014. This study examines the cost-benefit analysis of this particular project.

The rest of the study is organised as follows: Section 2 provides the background and context, especially with regard to education reforms in Uganda. Section 3 describes the UPPTEI project and the expected outcomes from the interventions. Section 4 describes the data, methods, and the results of the cost-benefit analysis of the project while Section 5 outlines the possible ways of evaluating the impact of the project. The conclusion and implications of the study appear in Section 6.

## **2. Background and context**

With an annual per capita Gross Domestic Product (GDP) of US\$ 480 (World Bank 2010), Uganda remains one of the poorest countries in SSA. Indeed, the 2010 Human Development Report (HDR) ranks Uganda at an unsatisfactory 143 out of 169 countries, based on the Human Development Index (UNDP 2010). Besides, due to the predominance of informal activities and weak tax administration system, the country collects only about 13.7% of its GDP in taxes (GoU 2010). As such the amount of funds available for financing education interventions as well as other social services are limited. There is competition for fund allocation from the overall public budget across and within sectors. In addition, poverty remains the most pressing challenge faced by the country despite the recent improvements in the welfare status of households.

However, notwithstanding the very low average incomes, Uganda has made tremendous progress in reducing the incidence of poverty, as captured by household expenditures. Table 1 shows the trends in income poverty; the incidence of income poverty reduced from 55% in 1992/93 to 24% by 2009/10. The most recent trends have been driven by the dramatic reduction in poverty in northern Uganda after the cessation of armed hostilities between the Lord’s Resistance Army (LRA) and the Ugandan army (Uganda Bureau of Statistics 2010). Previous changes were mainly driven by the favorable prices of major tradable commodities such as coffee (Deininger and Okidi 2003; Kappel *et al.* 2005). Furthermore, although the poverty headcount index reduced from 55% in 1992/93 to 24% by 2009/10; the number of actual poor reduced only marginally during the same period—from 9.9 million to 8.9 million—partly due to the very high population growth rates of 3.2% per annum (Uganda Bureau of Statistics 2002). Overall the incidence and distribution of poverty depicted in Table 1 has

implications in terms of a household's ability to finance schooling—even in an era of free public schooling. In particular, households in some parts of the country, due to poverty, are unable to meet the additional expenditures demanded under free public education; for example, meals and uniforms.

**Table 1: Trends in headcount poverty, 1992-2010**

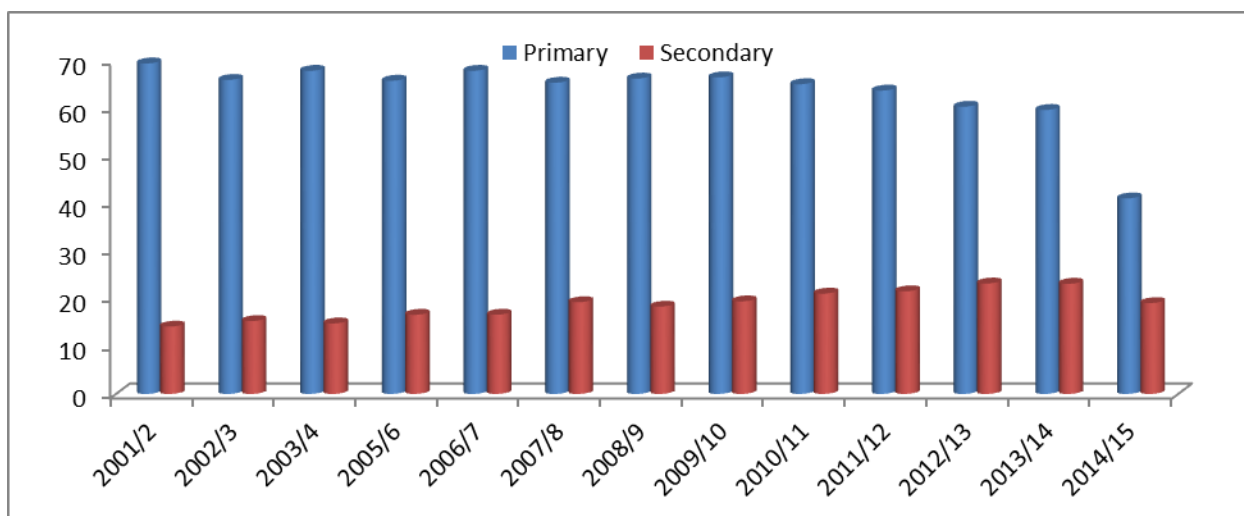
	1992/93	1999/00	2002/3	2005/6	2009/10
All Uganda	54.9	33.4	38.8	31.1	24.5
Rural	58.5	37.4	42.7	34.2	27.2
Urban	27	9.6	14.3	13.7	9.1
<i>Regions</i>					
Central	45.6	19.3	22.5	16.4	10.7
Eastern	58.8	34.2	45.9	35.9	24.3
Northern	72.2	63.4	62.9	60.7	46.2
Western	53.1	25.9	32.9	20.5	21.8

*Source: UBOS UNHS Reports 2000, 2002, and 2006. The figures for 1992/93 are author's calculations from the HIS 1992/93.*

*Notes: The 1999/2000 figures exclude the then districts of Bundibugyo, Gulu, Kitgum, Kasese, and Pader.*

During the implementation of the UPE and USE programs, the Government of Uganda allocated substantial resources to the education sector. Between 1991 and 2004, the share of the education sector in the total budget increased from 20% to 30% (Ministry of Education and Sports 2004). For the financial year (FY) 2011/12, the government allocated about UGX 1393 billion (US\$ 535 million) to education programs (Ministry of Finance Planning and Economic Development 2011). However, this amount only represents about 15% of the national budget, due to increased focus in the budget on energy and road construction, whose shares have doubled since the financial year 2003/04. Consequently, different sub-sectors within the education sector continue to compete for the scarce resources. Figure 1 shows the shares of the primary and secondary sub-sectors in the overall education budget during the FYs 2001/2-2010/11 and the projected allocations during the FYs 2011/12-2014/15. It is indicated that the share of the education resources accruing to the primary sub-sector has gradually declined, from 69% in 2001/2 to 65% by 2010/11. On the other hand, the secondary sub-sector has, over time, gained increasing prominence within the overall education budget, increasing from 14% in 2001/2 to 21% by the FY 2010/11. Nonetheless, both the primary and secondary sub-sectors are projected to register reductions in their respective shares in 2014/15 due to a projected shift in focus on university/tertiary education in 2014/15.

**Figure 1: Share of the primary and secondary sub-sectors in the Ugandan education budget, 2001/2-2014/15 (%)**



Source: *Background to the Budget (various issues): Ministry of Finance Planning and Economic Development.*

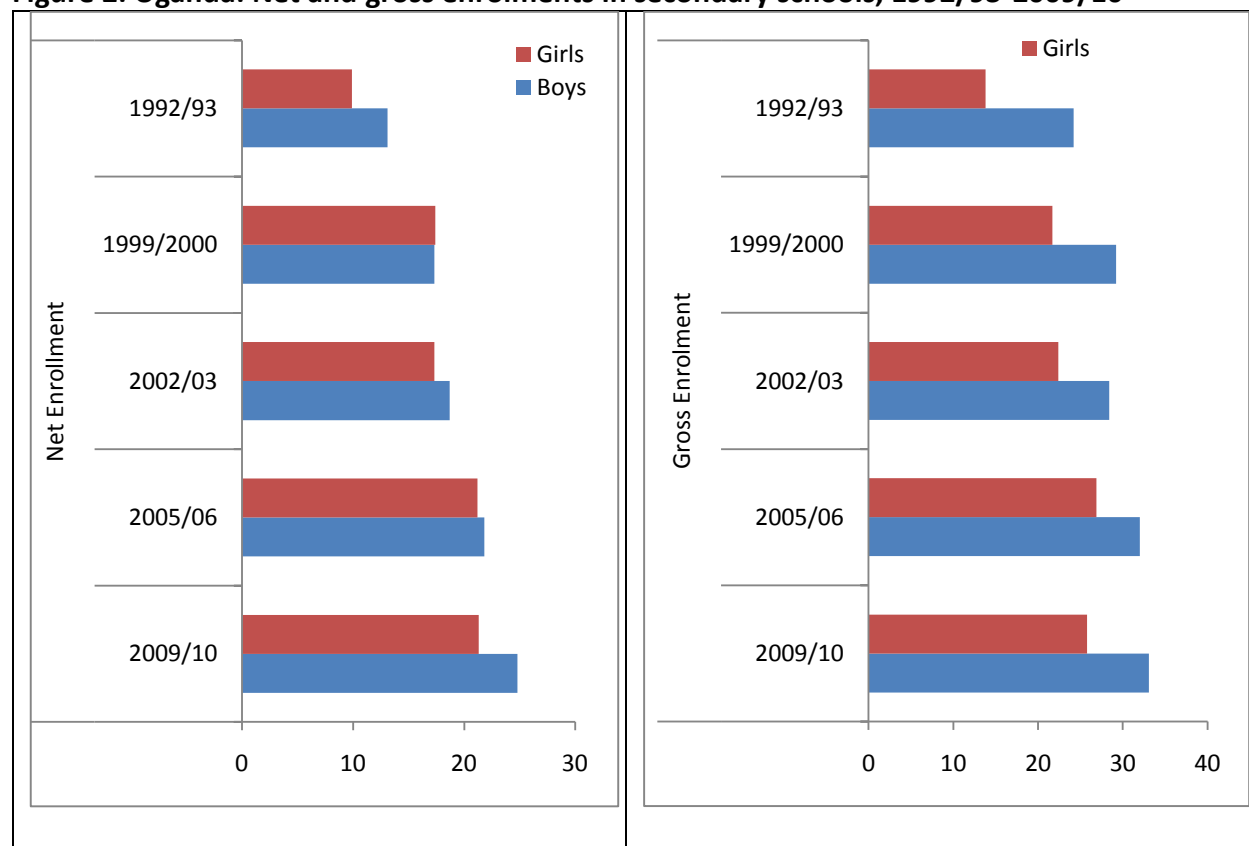
Although post primary education has received increased funding in the recent past, the program is nonetheless beset by a number of challenges. First, unlike in the case of primary schools, the government does not own most of the secondary schools where the UPE graduates are supposed to enroll. The government only owns 31% of the available secondary schools compared to 74% of the primary schools (Ministry of Education and Sports 2008). Secondly, the transition of girls to secondary schools remains a problem; only 33% of girls who enroll into primary school remain in school up to the age of 18 years compared to 50% boys (GoU 2010). Third, just as in the case of primary schools, secondary schools are congested places, with a student to classroom ratio of 1:60, compared to the desired ratio of 1:35 (GoU 2010). Finally, unlike UPE, where all public primary schools are free and all pupils are eligible for admission at the nearest public school, a different system operates for secondary education. Specifically, enrolling into a secondary school is based on a student's performance at the primary leaving examination (PLE), and most elite public secondary schools charge fee, just like private secondary schools.<sup>2</sup>

Even after the introduction of the UPPE program in 2007 and the concomitant increase in the number of students in secondary school by 25%, the structure of the secondary school population has not changed that much. Figure 2 shows both the net and gross secondary school enrolment rates for children aged 13-18 years based on the nationally representative household surveys. It is indicated that the net enrolment rate for boys increased by only 3 percentage points (from 22% in 2005/06 to 25% by 2009/10) while that of girls remained the same. A similar situation is observed in the gross enrolment rates, i.e., there are minimal changes after the introduction of UPPE. Figure 2 also highlights a widening gender gap in secondary school enrolments. Overall, the figure shows that secondary school enrolments remain very low. Furthermore, policymakers are of the view that increments in secondary school enrolment will be much slower than what was observed under UPE. The current

<sup>2</sup> The government allowed this two-tier system so that the quality of public secondary schooling does not reduce, as was the case when UPE was introduced in primary schools.

National Development Plan projects that net secondary school enrolments will only increase by 10 percentage points to 35% between 2010/11-2014/15 (GoU 2010). The modest projections are partly driven by the lack of public secondary schools to absorb all the UPE graduates and as such any surge in secondary school population can only be accommodated by the fee charging private schools.

**Figure 2: Uganda: Net and gross enrolments in secondary schools, 1992/93-2009/10**



Source: Author's calculations from the 1992/93 HIS; 1999/2000 UNHS; 2002/3 UNHS and 2009/10 UNHS.

### 3. Uganda Post Primary Education and Training Expansion and Improvement (PPETEI) Project

As part of the multilateral donors supporting the education sector in Uganda, the African Development Bank (AfDB) in 2008 offered a US\$ 85 million loan to the GoU (African Development Bank 2008). The loan was to support the Universal Secondary Education (USE) as well as the Universal Post Primary Education and Training interventions. The bank, through the Post Primary Education and Training Expansion and Improvement (PPETEI) project, sought to increase the number of available secondary school places by 100,000 between 2008 and 2013. The projects intended to provide infrastructure, equipment, textbooks and also to support teachers training. In particular, the target was to construct and equip 71 secondary schools as well as train 2,500 teachers. The overall project objectives were: to increase the transition rate from primary to secondary education from 68% to 80%; increase the proportion of girls in



secondary school from 46% to 50%; increase the net enrolment rate from 21% to 30%; reduce the number of sub-counties with no secondary schools from 271 to less than 100.<sup>3</sup> It is anticipated that through the construction of new secondary schools and provision of basic infrastructure, at least 20,000 new secondary school places will be created for the normal shift and there will be 40,000 new places under the double-shift program. It is also envisioned that the ratio of text books per student will improve from 1:4 to 1:3.

One of the major justifications for the support by AfDB was the fact there were large welfare and gender gaps in secondary school enrolment in Uganda. Table 2 shows the trends in the net and gross secondary school enrolments for children aged 13-16 years by welfare status and gender, in the years 2005/06 and 2009/10. First, it is indicated that there are wide gaps in both net and gross enrolment in this regard. Specifically, the net enrolment rates of children from the richest quintile are more than five times the rates for the poorest quintile. It is also worth noting that although the net enrolment rates appear to favor girls over boys among the top two quintiles, the gross enrolment rates only favor boys. The latter result suggests that boys are likely to stay in secondary school longer than girls. Second, if one can use the two survey periods to gauge the short-term impacts of the UPPET program, Table 2 shows that the initiative has so far been most beneficial to male children, increasing their GER for both richest and poorest quintiles. For other income and demographic groups, the enrolment profiles have remained more or less unchanged.<sup>4</sup> In the next section, we examine the cost-benefit analysis of the overall PPETEI project in relation to the anticipated costs.

**Table 2: Trends in net and gross secondary school enrolment rates by gender and welfare status, 2005/6-2009/10 (%)**

	2005/06			2009/10		
	All	Girls	Boys	All	Girls	Boys
Net Enrolment Rates (NERs)						
Quintiles						
Q1	3.8	5.3	2.2	5.5	3.5	7.4
Q2	6.9	8.4	5.5	10.1	11.6	8.8
Q3	12.3	16.3	8.6	15.5	14.9	16.1
Q4	16.6	19.5	13.3	19.6	21.8	17.4
Q5	37.9	37.4	38.7	37.9	40.3	34.8
All children 13-16 years	15.5	17.5	13.5	18.7	19.8	17.8
Gross Enrolment Rates (GER)						

<sup>3</sup> In 2008, the GoU owned 911 secondary schools, and at least 237 sub-counties did not have a public secondary school. At least 83% of the sub-counties without a public secondary school had a private secondary school. The UPPET program intends to establish new schools in the 38 sub-counties without a public or private secondary school.

<sup>4</sup> The NER and GER quoted in Table 2 differ from earlier stated rates due to differences in the age of children considered. This table considers only children aged 13-16 years.

Quintiles						
Q1	11	11.5	11	16.5	9.4	23.1
Q2	27.4	23.6	31.1	27	23.4	30.4
Q3	40.6	39.6	41.6	40.6	36.8	44.1
Q4	51.2	51.7	50.7	56.5	51.8	61.1
Q5	100.2	85.9	118.2	93.5	84.3	105.5
All children 13-16 years	46.2	42.7	50.7	49.2	44.1	55.7

*Source: Author's calculations from the 2005/6 and 2009/10 UNHS*

#### **4. Economic analysis of the PPETEI project**

In this section, we provide the economic analysis of this project, based on the project costs and some of the anticipated benefits. In particular, we undertake a cost-benefit analysis relating to increased enrolment and completion of secondary school. We also conduct a sensitivity analysis of the assumptions we make. Similar economic analyses have been conducted for other developing countries, e.g., Costa Rica (World Bank, 2005), for the equity and efficiency of education projects. The project costs for the PPETEI are distributed over five years based on the disbursement schedule outlined in the AfDB's project appraisal report.

As mentioned earlier there are various anticipated benefits of the PPETEI projects, ranging from increased secondary school enrolment, by 100,000 students, to attaining gender parity in secondary schooling, to the elimination of sub-counties without secondary schools. However, in the economic analysis, due to data limitations, we focus only on one benefit: increase in secondary school enrolment. In particular, we quantify the increased earnings of the students who join secondary school—as a result of the availability of additional 60,000 seats in school—over students who do not enroll in secondary school. Based on estimates by Ssewanyana and Kasirye (2010), secondary school graduates in Uganda earn, on an average, US\$ 630 more (annually) compared to primary school graduates. We use the Net Present Value (NPV) and the Internal Rate of Return (IRR) as the basis for CBA estimates. The other benefits of the project not considered in the analysis are presented in Table 3.

**Table 3: Project beneficiaries and targets**

**Direct target population:** 40,000 students from 71 institutions selected by the project. At least 1,000 needy students receive partial scholarships. At least 2,500 teachers and 600 other school staff trained in school management.

Benefit	Baseline	Expected change
Increase in transition rate from primary to secondary	68%	Plus 12% points in 5 years
Increase in the proportion of girls in secondary school	46%	Plus 4% points in 5 years
Increase in GERs in secondary school	25%	Plus 10% points in 5 years
Increase in NERs in secondary school	21.30%	Plus 9% points in 5 years
Increase in number of places in 71 institutions	60,000	20,000 new places created under normal system and 40,000 new places under the double shift system
Increase ratio of textbooks per student	1:4	1:3

Source: African Development Bank (2008)

The overall project benefits can be outlined as follows: First, in the absence of the project, a total of 100,000 students would miss out on secondary education. The estimated annual future (post-secondary) earnings lost from this group are US\$ 30 million. Second, given that at least 500,000 pupils sat for PLE in 2008 and an estimated 340,000 managed to enroll into secondary school, it is expected that by 2014, at least 400,000 (80% of 600,000 pupils sitting for PLE) will join secondary school. Third, the population of girls enrolling in secondary school, it is expected, will increase from 156,000 in 2008 to 240,000 (50% of the enrolling numbers) by 2014. Finally, it is anticipated that the net enrolment ratio will increase from 21.3% in 2008 to 30% by 2014. Specifically, the population of children aged 13-16 years who are actually in secondary school is expected to increase from 703,000 to 1,120,000 by 2014.<sup>5</sup>

We also assume that students who enroll in secondary school will stay and complete the full 6 year cycle. As such, we do assume that there will be no dropouts nor grade repetition. To some extent, this appears to be a very strong assumption given the context of the very high dropout rates seen in the school system of Uganda. Indeed, the data from the education abstracts reveal that about half of the students drop out after the fourth grade of secondary schooling—the Ordinary level (MoES 2008). In view of the fact that the main reason why students drop out after O-level is inadequate finances, we retain this particular assumption since one of the objectives of the intervention is to reduce the financial burden faced by students.

On the other hand, the benefits of the project start accruing after 6 years although the project support is for 5 years. In addition, therefore, we assume a time horizon of 12 years to take account of at least 6 years of post-secondary school earnings. Finally, we assume that all the students who benefit from the project find wage employment, and that their earnings are constant in dollar terms over the next 6 years. The costs of the project and the basis for calculating the benefits are provided in Table 4.

**Table 4: Unit costs and cost of interventions**

<sup>5</sup> This figure assumes that the annual population growth rate remains 3.2% per annum (Uganda Bureau of Statistics 2002).

Cost of Project	<b>US\$ 93.6 million</b> (African Development Bank: US\$ 84; Government of Uganda: US\$ 9.6 million during the project life. Constituent costs (i) Improvement and expansion of school facilities: US\$ 86 million. (ii) Improvement in school management and teaching quality: US\$ 5.6 million. (iii) Project management: US\$2.2 million)
Unit cost of a student in secondary school	US\$ 240
Average incremental earnings of primary school graduates over non-graduates	US\$ 630 (Estimates by Ssewanyana and Kasirye, 2010)
Unitary cost of education demand subsidies in secondary education	School fees; US\$ 186 per student/year Transportation: US\$ 11 Uniforms and sports kits: US\$ 11.3 Books and scholastic materials: US\$ 23.6 Other school expenditures: US\$ 23 (Estimated by Ssewanyana and Kasirye, 2010)
<b>Other parameters</b>	
Discount rate	10%
Projections of enrolled students	60,000
Time horizon	12 years

Source: African Development Bank (2008)

Other assumptions made relate to the costs of getting children through school and the associated maintenance of established facilities. We assume that maintenance costs are incurred from the second year of the project, and for the first 5 years, these costs are 8% of the accrued investment costs. After 5 years, the maintenance costs increase due to wear and tear, and we assume a higher maintenance ratio of 15%. Furthermore, it is assumed that the GoU will be fully responsible for the maintenance costs and that these will be met from an increasing allocation to the education sector recurrent budget over the lifetime of the project.

Table 5 provides the summary of the cost-benefit analysis undertaken. Based on the discount rate of 10%, it is estimated that the project's benefit cost ratio is 3:2. The project would yield a net present value after investment of US\$ 120 million over the 12 year period and produce an internal rate of return of 25%. The relatively high benefit cost ratio may be partly explained by the currently very wide gap between the earnings of secondary school graduates and those who drop out after the completion of primary school. It is expected that as the population of the secondary school graduates increases and that of primary school graduates who drop out decreases, the gap in earnings will decline.<sup>6</sup>

<sup>6</sup> Due to data limitations, we do incorporate this possibility in our estimations.

**Table 5: Summary of cost-benefit analysis (US\$ millions)**

Year	Total Investment and operation costs	Present value	
		Total Benefits	NPV
2009	2.81	0	-2.55
2010	21.75	0	-17.98
2011	35.64	0	-26.78
2012	31.79	0	-21.71
2013	15.24	0	-9.46
2014	7.488	0	0.00
2015	14.04	30	8.19
2016	14.04	60	21.44
2017	14.04	90	32.21
2018	14.04	120	40.85
2019	14.04	150	47.65
2020	14.04	180	52.88
Total	199	630	124.75
		BC	3.2
		IRR	25%
		NPV	\$120.52

*Source: Author's own calculation of cost benefit estimates.*

As earlier mentioned we assess—through a sensitivity analysis exercise—the extent to which some changes in the stated assumptions affect the anticipated benefits of the projects. In particular, we focus on: (i) whether the expected benefits of the projects are reduced e.g. due to changes in the economic conditions; and (ii) delays in the project implementation, e.g. because the Ministry of Education and Sports takes considerably longer to acquire the land to construct the new secondary schools. In the first case, we consider the alternatives of 10% reduction in benefits, 20% reduction in benefits, and 30% reduction in benefits. In the second case, we consider the following alternatives: a 1-year delay in the project implementation; a 2-year delay in its implementation; and a 3-year delay in the implementation. The summary results for the above two scenarios are presented in Table 6. In all the scenarios considered, it is assumed that the project would remain sustainable.

**Table 6: Summary of sensitivity analysis**

	Scenario of reduction in benefits			
	Base	10%	20%	30%
Total Benefit (US\$ millions)	630	567	504	441
Benefit-Cost ratio	3.2	2.8	2.5	2.2

Internal Rate of Return	25%	23	21	18
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	Scenario of delays in implementation of the project			
	Base	1 year	2 years	3years
Total Benefit (US\$ millions)	630	450	300	180
Benefit-Cost ratio	3.2	2.4	1.8	1.1
Internal Rate of Return	25%	21%	14%	4%

However, the above results should be interpreted in the Ugandan context characterized by demand side challenges—notably high dropout rates and low attendance in schools. For instance, out of the 179,000 students who enrolled in secondary school in 2003, only 40% managed to reach the last grade of secondary school by 2008 (MoES 2008). The biggest dropout is registered after four years of attending secondary school, when more than 50% of students do not proceed to senior five after sitting for the Uganda Certificate of Education exams. Consequently, the results of our sensitivity analysis should be interpreted in the context of significant potential dropout after four years of secondary school—either due to inadequate funds for school fees or because of poor performance in the national exams.

## 5. Potential project evaluation methods

A number of methods can be employed to evaluate whether the project has attained its intended objectives. First, with regard to the increase in transition from primary to secondary school, the Ministry of Education and Sports undertake an annual headcount and the results be published in the Education Statistical Abstract. Analysis of this information after 5 years of project implementation could provide evidence of any increases in the proportion of enrolment in secondary school. Secondly, as a complement to the official education statistics, we would propose an impact evaluation survey in the communities benefiting from the project. In particular, we would undertake sample surveys in at least 50 communities (25 communities that have schools that benefited from the project and another 25 communities as controls). Within the selected communities we would undertake a detailed household sample survey, whose major objective would be to collect information on schooling of children. In addition to the household survey, we would undertake unannounced visits to the schools to capture information on school enrolment and attendance. Standard econometric techniques would be used to gauge: (1) whether the project has improved overall transitions from primary to secondary; (2) whether the proportion of girl students has improved as result of the project; and (3) whether the schools that benefited from the project have, on an average, higher scholastic materials such as textbooks, compared to schools that did not benefit from the project.

## **6. Conclusions and implications**

This study examines the cost-effectiveness and benefit-cost analysis of the Uganda Post Primary Education and Training Expansion and Improvement (PPETEI) project supported by the African Development Bank for the period 2008-2014. The project seeks to change the secondary school enrolment profile in Uganda by expanding the capacity of public secondary schools as well as by introducing a double-shift system in some secondary schools to expand access to secondary schooling. We face a major limitation in the analysis as we do not have any yardstick to measure the outcome. Nonetheless, we hypothesize that the benefits of the project can be represented by the expected improvement in earnings. Hence, based on the anticipated post-secondary-school earnings—which is our only considered benefit—the project is very sustainable. Our sensitivity analysis also reveals that the project remains sustainable even if the expected benefits are reduced by up to 30% or even if the project implementation is delayed by up to 3 years. Furthermore, the intervention has equity implications—favoring poor girls based on the net enrolment rate indicators whereas in the long term boys benefit more due to staying in secondary school longer.

Secondly, based on the gaps in secondary school attainment, the project is going to make only a small change in Uganda's secondary school enrolment profile. Majority of UPE graduates join fee-paying private schools. The fact that the government does not have enough secondary schools to absorb the UPE graduates points to serious omissions in planning for the education sector. It is possible that the GoU may require to spend an additional US\$ 90 million annually in order to change the secondary school profile of the country. It should use internal resources to expand the secondary school space as required. As demonstrated—when in 2007 the GoU intensified its efforts to expand the country's infrastructure—substantial internal resources can be raised to address the current shortcomings in Uganda's secondary school system.

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