Ensuring the Adequacy of Education Finance through Domestic Resource Mobilization
The Case of Sierra Leone

1. What was the problem?

Historically, education expenditure in Sierra Leone has been insufficient to provide quality education to all school-age children. Although real government expenditure on education increased on average by 11 percent per year between 2008 and 2014, this increase was barely adequate to keep up with rapidly expanding enrollment figures, with the total number of students enrolled in primary and secondary education rising from 709,875 to 1,809,563 between 2001 and 2015 (UNESCO Institute for Statistics (UIS), 2023a; UIS, 2023b). In 2012, per-student expenditure on primary education was 5.7 percent of gross domestic product (GDP) per capita, compared to an average of 11.1 percent in sub-Saharan Africa (UIS, 2023c).

The lack of education finance stemmed from a low level of prioritization of education within public spending. Public spending on education as a share of the government budget was 10.5 percent in 2017 (Figure 1). With the overall level of public expenditure low at only 17–23 percent of GDP, this left the level of expenditure on education extremely low, at an average 2.5 percent of GDP—well below the average of 3.4 percent in sub-Saharan Africa during the same period and below the average of 3.1 percent for low-income countries (UIS, 2023d).

FIGURE 1 Public spending on education in Sierra Leone and sources of changes

Source: World Bank (2023); Ministry of Finance (MoF) (2021a); MoF (2021b); MoF (2022); International Monetary Fund (IMF) (2023a).
With education’s share of GDP static (Figure 1), spending grew purely as a side-effect of economic growth and proved inadequate to meet the growing needs of Sierra Leone’s rapidly expanding education system.

**With low levels of funding, it is unsurprising that learning outcomes were poor.** Children lacked basic foundational numeracy and literacy skills. As of 2017, only 6 percent achieved minimum levels of proficiency in early-grade reading skills, compared with an average of 17 percent in sub-Saharan Africa, 15 percent in low-income countries, and much higher proportions in other regional countries (Figure 2). These poor learning outcomes are explained in part by an insufficient number of teachers and a shortage of teaching and learning materials, resulting directly from the lack of education funding (World Bank, 2021). The West Africa Ebola crisis in 2014–16 posed additional challenges as it led to the closure of schools for nine months, thus entailing one lost year of learning (Powers and Azzi-Huck, 2016).

**FIGURE 2 Learning outcomes in Sierra Leone and regional peers**

![Graph showing learning outcomes in Sierra Leone and regional peers](source: UIS (2022a); UIS (2022b).

2. **What has been done to tackle the problem?**

In an ongoing resource-constrained environment, amid growing public concern about the underfunding of education, Sierra Leone secured rapid increases in education finance by prioritizing education within public spending. As the country recovered from the Ebola crisis (2014–2016), schools reopened after a prolonged nine-month closure and school enrollment increased fractionally in 2017. In the March 2018 general elections, the Sierra Leone People’s Party—the opposition party led by Julius Maada Bio—came to power on a platform of investing for free, quality education. The new administration placed education at the heart of the National Development Plan 2019–2023: “A New Direction for Improving People’s Lives through Education, Inclusive Growth, and Building a Resilient Economy.” In August, the government launched its flagship program on Free Quality School Education (FSQE), which committed the government to abolishing school fees and providing equivalent financing to schools, with additional support to improve quality and initiatives to enhance teacher deployment, training, and monitoring. The government also committed to providing free textbooks for core subjects to further reduce the burden of costs on parents.

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1. Primary and secondary enrolment increased four percent from 1.981 million in 2016 to 2.059 in 2017 (MBSSE, 2022b).
2. The FSQE represented a second attempt to abolish school fees in Sierra Leone. A previous attempt in 2010 had been unsuccessful as a result of inadequate financing. The government abolished some formal tuition fees in 2010 but schools continued to charge other fees—including books, school management fees, and others—which were larger than the abolished fees, thus negating the benefits for households. The FSQE prohibited schools from charging such fees and provided compensatory financing to schools.
In addition to implementing free education, the government, with the support from donors, implemented a wide range of investments to boost education access and quality, including: expanding school feeding programs; providing school buses and assistive devices for children with special needs; investing in education infrastructure through the renovation and construction of additional classrooms and schools, the procurement of school furniture, the construction of science laboratories, the provision of hostels for girls, and investments in internet connectivity; delivering accelerated learning at non-formal accelerated learning centers; and establishing additional learning centers for literacy programs.

The government also carried out wider reforms, including: improving teacher licensure; redeploying qualified teachers to remote areas; updating and improving policy frameworks for education; updating curricula; and reversing a ban on young mothers re-enrolling in school.

Adequately financing the FQSE and these investments in quality required a rapid increase in education spending. To do so, the government first expanded the share of overall public expenditure as a share of GDP, from 23.4 percent in 2017 to 28.3 percent in 2021. This expansion was driven by expenditures relating to the COVID-19 pandemic and financed in part by rapid increases in the national public debt (IMF, 2023b). Second, the government quickly increased the share of public expenditure earmarked for education (World Bank, 2021), from an average of 11.3 percent in 2016–17 to 12.2 percent in 2019 and 12.8 percent in 2022 (World Bank, 2023). In order to achieve such a rapid increase, the government had to divert funding from other sectors—to “pinch money from every other ministry,” as President Bio described it (The Economist, 2022). Between 2017 and 2019, funding appears to have been diverted from Defence, Social Protection, and Public Order and Safety in particular, as well as from General Public Services (which includes debt service).³

Development partners have also played an important role in supporting the government’s commitment to education, contributing 45 percent of primary and secondary education expenditure in 2021 (World Bank, 2021).

3. What has been the outcome on the adequacy of spending for education?

The result of the government’s prioritization of education was a rapid increase in real education spending. Real education spending increased by more than 50 percent in four years, from US$93 million in 2017 to US$141 million budgeted in 2021, and per capita spending rose from US$12.5 in 2017 to US$17.4 in 2021 (Figure 3). The average annual growth of real public spending in education in Sierra Leone was 7 percent between 2018 and 2023, compared to a global average of 4 percent between 1999 and 2015 (Al-Samarrai et al., 2019) (the decomposition analysis confirms that the increased level of public expenditure and the greater share of public expenditure

³ When classified following the international standard Classification for the Functions of Government (COFOG), according to World Bank (2023), the General Public Services sector fell from a 63.4% share of the budget in 2017 to 60.9% in 2019, Defence from 4.9% to 3.2%, Social Protection from 5.7% to 3.9%, Economic Affairs from 4.7% to 4.5%, and Public Order and Safety from 1.9% to 1.1%. In addition to debt servicing, General Public Services includes general services, executive and legislative bodies, financial and fiscal affairs, external affairs, and overseas aid.
for education were the primary contributors to this increase, compared to GDP growth; see Appendix 1).

This additional funding has enabled a rapid expansion of the school system. Thanks to the increased funding, between 2018 and 2021, through the FQSE reforms, the government was able to lower costs for households by abolishing fees, which led to higher demand for schooling. At the same time, it strengthened supply by hiring additional teachers and expanding the number of schools. The number of schools increased from 10,747 in 2028 to 12,168 in 2021 (13 percent); the number of approved schools receiving government funding rose from 4,872 to 8,676 (78 percent); and the number of schools receiving financial and material support from the government grew from 4,387 to 6,829. During the 2018–21 period, enrollment numbers grew by 58 percent, from 2 million to 3.1 million pupils (Figure 4). Higher public education expenditure has also been accompanied by improvements in student retention: the primary completion rate has improved from 78 percent in 2018 to 95 percent in 2021 (Ministry of Basic and Senior Secondary Education (MBSSE), 2022b).

However, this expansion has not yet consistently been accompanied by the hoped-for increases in per-student inputs. Although total per capita education spending has increased (Figure 3), surging enrollment means that, despite greater funding, spending on basic education per pupil has continued to decline (Figure 5).

The provision of teachers—which typically accounts for the majority of basic education spending in low-income countries—provides an illustrative example. The number of teachers has failed to keep pace with growth in enrollment. In fact, after a rapid increase of almost 25 percent between 2017 and 2018, the number of teachers fell by 8 percent between 2018 and 2021 (Figure 4) due to a policy intervention that resulted in the removal of “ghost” teachers from the payroll (MBSSE, 2022). The result is that the national pupil-teacher ratio at primary level rose from 27 students per teacher in 2017 to 45 in 2021. However, the number of qualified teachers in schools increased by 11 percent between 2018 and 2021, suggesting that the government prioritized improving the quality of the teacher workforce over sheer numbers (MBSSE, 2022).
Despite the large increase in education spending, it remains inadequate to fully finance the government’s goal of universalizing basic education. The government’s 2022–2026 Education Sector Plan (ESP), “Transforming Learning for All,” lays out its medium-term plan to achieve universal basic education and raise the quality of teaching and learning; nearly one-third still remains unfunded (Table 1).

### TABLE 1 Total cost of implementing the plan and financing gap

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>Total</th>
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<td>ESP projected costs (Le, millions)</td>
<td>1,551,846</td>
<td>2,198,303</td>
<td>2,144,689</td>
<td>2,310,624</td>
<td>2,450,381</td>
<td>10,655,843</td>
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<td>Projected resources for education (Le, millions)</td>
<td>1,402,203</td>
<td>1,497,232</td>
<td>1,605,562</td>
<td>1,724,194</td>
<td>1,838,424</td>
<td>8,067,615</td>
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<tr>
<td><strong>TOTAL PROJECTED DONOR FINANCING (LE, MILLIONS)</strong></td>
<td></td>
<td></td>
<td></td>
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<td>Total expected available resources (Le, millions)</td>
<td>1,402,203</td>
<td>1,497,232</td>
<td>1,605,562</td>
<td>1,724,194</td>
<td>1,838,424</td>
<td>8,067,615</td>
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<td>Financing gap (Le, millions)</td>
<td>149,643</td>
<td>701,071</td>
<td>539,127</td>
<td>586,430</td>
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<td>Financing gap (percent)</td>
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<td>47</td>
<td>34</td>
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</tr>
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Source: MBSSE (2022a).

5. What are the lessons learned for other countries?

The case of Sierra Leone shows how large increases in spending on education are possible even in a resource-constrained context. The country’s experience suggests the following lessons for other countries:

**Rapid increases in education’s share of public spending require strong political will.** The government that came to power in 2018 saw education and human capital development as central to national development and had a clear political mandate to invest in education, having made such investment a pillar of its campaign. As soon as it came to office, the government moved quickly to implement the policies it had been campaigning for, harnessing the momentum created by its victory. The donor community also played an important role in supporting increased spending on education, with a number of programs aligned with government priorities.

**Rapid increases in education spending may require sacrifices in the funding of other sectors.** Unless there is rapid economic growth or a major shift in the tax base, the education share of spending needs to rise. In this connection, the case of Sierra Leone is striking since the increase arose in response to a shift in government priorities, reallocating government resources toward education and away from other sectors. Other countries which have experienced large increases in terms of education expenditures appear to have been able to do so thanks to economic growth (Senegal, for example).

**Until universal basic education is achieved, rapid increases in spending may not directly lead to increases in quality.** Increased spending on education has contributed to a surge in enrollment and supported students remaining longer in school, but there is still a financing gap and per-student expenditure has declined. Sustained improvements in education expenditure are likely to be required to ensure that improvements in per-student spending and quality can be achieved.

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References


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In order to understand the sources of the increase in public spending in education, we decompose it into its main fiscal components using a simple formula to disaggregate changes in public education spending into three component parts: 

\[ T = YGE \] (1)

where \( T \) is total public spending on education, \( Y \) is GDP, \( G \) is total government spending as a percentage of GDP, and \( E \) is total public spending on education as a percentage of total government spending (Al-Samarrai et al., 2019). Sierra Leone has experienced economic growth since 2002, with the exception of a sharp GDP drop in 2014–15 (Figure A1). This contraction was due to two external shocks happening at the same time: the Ebola epidemic and the collapse of iron ore prices. As a consequence, private and public consumption dropped, as did industry and exports. Since then, the economy has recovered due chiefly to an expansion of the agriculture sector and normalization of the service sector and industry.

Government spending as a percentage of GDP has oscillated in the last two decades and does not show any significant, sustained increase that can explain the increase in education spending in absolute terms. However, education spending as a percentage of government spending has increased very significantly since 2018 and, accordingly, this is the likely source of the increase in absolute terms.

To more precisely estimate the sources of increased public spending, we further calculate the contribution of each source using the equation from Al-Samarrai et al. (2019). To assess the differences in recent years vis-à-vis changes in previous years, we also calculate the contributions to public increases in education between 2014 and 2017.
The decomposition shows that the changes in the overall level of government expenditure has been the main driver of increased education spending in recent years, followed by the higher priority the government has given to education. On the other hand, the decomposition shows how the share of education in the public budget was not positively contributing to increased education spending between 2014 and 2017, meaning that there was a clear policy shift regarding the education budget between 2017 and 2019.

Source: Authors’ calculations based on formula from Al-Samarrai et al. (2019) and data from World Bank (2023) and IMF (2023).