SENEGAL FACTSHEET

May 2022

Financing the future: delivering SDG 4 in Senegal

Progress on meeting SDG 4

Are all girls and boys completing free, equitable and quality primary and secondary education in Senegal?

- Senegal made solid progress in achieving universal basic education since the turn of the century, including:
  - Improving primary access rates from 58% in 2000 to 75% in 2020;
  - Improving the number of students enrolled in pre-primary school from 25,392 in 2000 to 256,367 in 2020;
  - Increasing the number of students enrolling in lower secondary schools from 186,138 in 2000 to 826,277 in 2020.[1]
- However, Senegal is still far from achieving its goal of universal basic education, and progress has slowed in recent years and is now going backwards on a number of areas:
  - Enrolment at primary school has stagnated at around 75% since 2011;[2] so too has lower secondary at around 39%.[3]
  - The rate of out-of-school children is stagnant at around 38% of all children.[4] A similar rate (39%) are out-of-school at lower secondary level, and half of all children are out-of-school at the upper secondary school level.[5]
  - Only around half of all young people make it to the end of primary school:[6] completion rates for lower secondary are very low, at around a quarter, shifting little in recent years.[7]
  - Senegal has moderately improved access to pre-primary education in the last decade, but progress is slow and gross enrolment is only 16%.[8]

Stark inequalities still exist, especially for those from poor rural families:

- Gender equality has substantially improved, with higher ratios of girls enrolling at both primary and secondary levels.[9]
- Significant regional disparities exist: 5 out of Senegal's 14 regions (Diourbel, Kaffrine, Louga, Matam and Tambacounda) account for 56% of total out-of-school children.[10]
- Wealth is an important determinant in Senegal:
  - Only 26% of children from the poorest quintile complete primary education, versus 75% of the wealthiest;
  - Only 7% of the poorest children complete lower secondary, versus 54% of the wealthiest;
  - Only 1.6% of children from the poorest quintile complete upper secondary, compared to a 24% the richest.[11]
- Children with a disability are likely to be the most excluded group. It is difficult to get an accurate picture of the exclusion levels facing children with a disability as there are no official statistics[12] - one estimate suggests 66% of children with disabilities do not attend school.[13]

1. UNESCO Institute of Statistics (UiS)
2. This has been a similar level since 2011 at 75% (even though the absolute numbers are increasing the ratio is not). This is based on UNESCO Institute of Statistics (UiS) data.
3. Enrolment has been around 39% for nearly a decade (i.e. 2004 was 38% and 2020 is 39%). UiS data
4. From 2011-2020. UNESCO Institute of Statistics (UiS) data.
5. 2019, latest year. This is based on UNESCO Institute of Statistics (UiS) data.
6. Data from 2020 (latest available year). This is based on UNESCO Institute of Statistics (UiS) data. This has moved from only 32% in 2000 to 59% in 2020.
7. Data from 2020 (latest available year) has this as 25%. This is based on UNESCO Institute of Statistics (UiS) data.
8. Data from 2019 (latest available year) shows this to be 16% - this has only improved by a few percentage points in the last 5 years. This is based on UNESCO Institute of Statistics (UiS) data..
9. UNESCO Institute of Statistics (UiS) data.
10. 2016, the OOS rate in these regions for all public and private primary, lower secondary and secondary schools was above 50% (except for in Louga at 46%): 68.2% in Diourbel, 64.4% in Kaffrine, 52% in Tamacounda, and 51.9% in Matam. USAID "Etude nationale sur les enfants et les jeunes" June 2017, p. 30-40
11. UiS data (2019 latest year)..
12. GPE (2019) Summative Evaluation of GPE's Country-level Support to Education.
13. Taken from: https://www.hi-us.org/senegal
14. Taken from: https://sdg4education2030.org/the-goal
15. UNESCO and Global Education Monitoring Report (2015) Reaching education targets in low and lower middle income countries: Costs and finance gaps to 2030 for pre-primary, primary, lower- and upper secondary schooling.

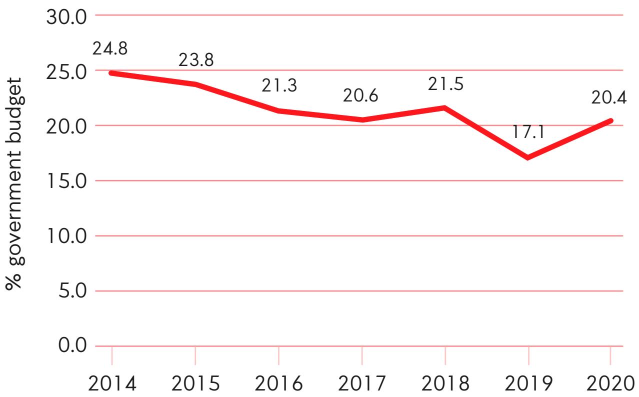
This SDG target 4.c commits to substantially increasing the supply of qualified teacher, because *"teachers are a fundamental condition for guaranteeing quality education".*[14] The UN recommends a maximum pupil-teacher ratio of only 40:1 at primary school level, and 30:1 at secondary level.[15]

- In Senegal, there is a with a pupil-trained teacher ratio of 45:1 at primary school.[16] It is estimated an additional 35,000 primary teachers will be required by 2030.[17]
- At lower secondary school, there is a pupil-trained teacher ratio of 52:1.[18]
- The government has made it central to their education plans to improve the teacher workforce – both numbers and training - with a significant improvement in recent years.[19]

Financing SDG 4 requires allocating a SHARE of 20% of the budget and 6% of GDP

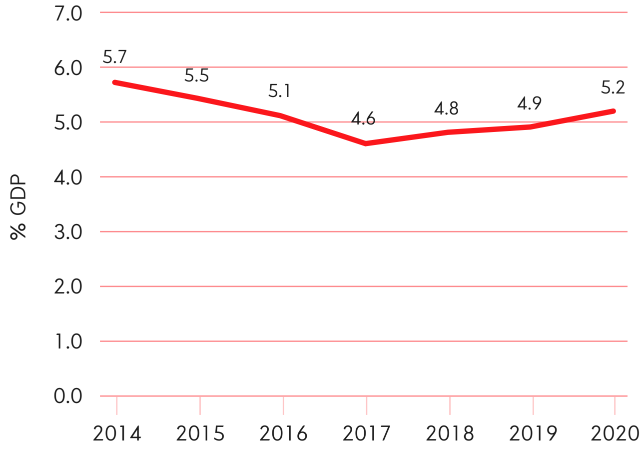
Senegal prioritises education expenditure in its budget: in 2020, this stood at **20% of budget share and 5% of GDP.** However, Figures 1 and 2 show the education share of the budget has been decreasing, which is a regression that needs adequate justification.[20]

Figure 1: Senegal share of the budget on education 2014-2020



Source: Mixed sources were used for this graph 2015-2018, UNESCO Institute of Statistic 2019-2020, Government Spending Watch

Figure 2: Senegal share of GDP to education, 2014-2020



Source: Mixed sources were used for this graph 2015-2018, UNESCO Institute of Statistic 2019-2020, Government Spending Watch

Spending must be SENSITIVE to achieve SDG 4 targets on quality and equity

Is the spending fair or equitable?

- In spite of a strong government commitment to ensuring better equity and quality through strong public investment in education, a number of concerns still exist about the equity of spending on education.
- Tuition fees and other indirect household costs remain important barriers for improving access to basic education - households contributed an estimated CFA 17 billion for school expenditures in 2018, representing 2.8% of total education expenditures.[21]
- Student enrolment in private schools corresponds to 17% in primary education and 24% in secondary school in 2020.[22] The increasing enrolment in private schools (from 10.6% enrolled in private primary schools in 2000, to 14% in 2010, 17% in 2020) is entrenching social inequalities.
- Inequitable spending patterns in education in Senegal are reflected in broader geographically unequal patterns of public spending. For instance,

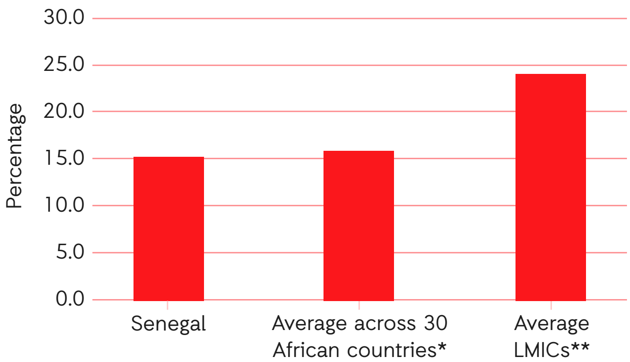
16. This is based on UNESCO Institute of Statistics (UiS) data (2020, Headcount basis).
17. Taken from: https://teachertaskforce.org/knowledge-hub/closing-gap-ensuring-there-are-enough-qualified-and-supported-teachers-sub-saharan
18. This is based on UNESCO Institute of Statistics (UiS) data (2020, Headcount basis).
19. GPE (2019) Summative Evaluation of GPE's Country-level Support to Education. This has led to solid improvements in the teacher workforce, which is helping improve quality, even for vulnerable children. For instance, Senegal comes second in terms of the level of teachers' education available to lower household income groups across Francophonie African countries. The 2014 Programme for the Analysis of Education Systems (PASEC). Senegal also comes second in educating its poorest girls GPE (2019) Summative Evaluation of GPE's Country-level Support to Education.
20. As a signatory to the ICESCRs Senegal committed to progressively realise the right to education, among other economic and social rights, to 'the maximum of available resources'. Any retrogressions or backward steps must be temporary, proportionated and adequately monitored, and must ensure that the core obligations of non-discrimination, accountability, transparency and participation are respected. Article 2(1) of ICESCR
21. USAID (2017) Etude nationale sur les enfants et les jeunes. Do note, however, a survey conducted found that half of parents selected religious reasons for why their children did go to school, head of lack of money at 20% and long distance to schools (17%).
22. UNESCO Institute for Statistics Other sources report 19% in primary education, 15% in junior secondary and 25% in senior secondary education Taken from: https://www.lequotidien.sn/education-propositions-de-solutions-pour-la-regulation-des-ecoles-privees/

more than half of public resources are concentrated in Dakar, where only about a quarter of the population lives."[23]

To achieve SDG4 governments must increase the SIZE of their overall budgets

Senegal requires new public funds to meet the sustained costs required to meet SDG 4, over the long term. Yet, in a time of increasing fiscal pressures on the budget this will become ever more difficult. In the 2020 budget, external debt servicing constituted around 16% of government revenues, and Jubilee Debt Campaign has said Senegal is in debt crisis.[24] This will place downward pressure on expenditures on education. **This means that Senegal needs to find new ways to increase their public spending capacity – raising new revenues is increasingly important.**

Figure 3: Tax-GDP ratios, Senegal and comparable country groups (2018 latest years)



* based on OCED Africa revenue statistics
* ICTD/UNU-WIDER Government Revenue Dataset

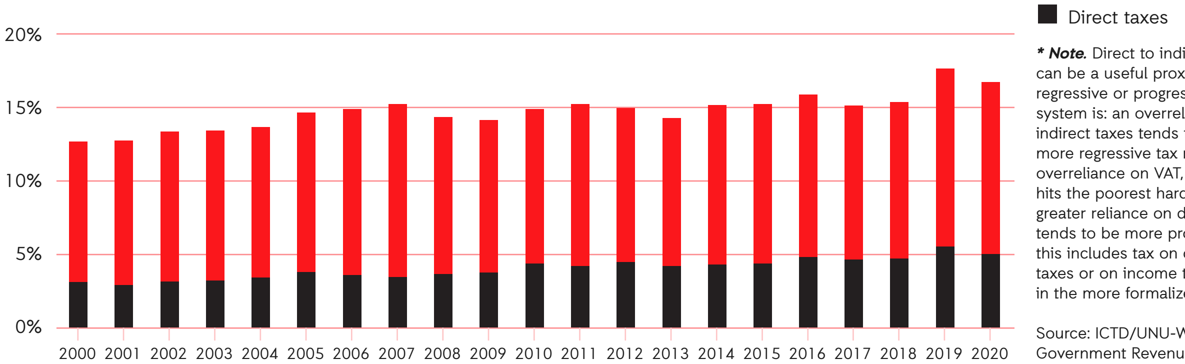
According to the UN a minimum of at least 20% tax-to-GDP ratio is needed to deliver on the Sustainable Developments Goals. In 2018 (latest comparable year) Senegal's tax-to-GDP ratio was below the average across sub-Saharan African countries and the average of lower-middle income countries (see Figure 3). This has been rising consistently over the last decade, and in 2020 stood at 16.8% (see Figure 4). But more can be done. In March 2021, the Finance Minister committed to bringing this up to 20% over the coming years – this requires determined efforts to do this progressively, i.e. more is shouldered the wealthier who are most able to pay.

Senegal should focus on increasing tax-to-GDP ratios by five percentage points from the present level. International studies suggest that for many countries a goal of increasing their tax-to-GDP ratios by five percentage points in the medium term (3-5 years) is ambitious, but reasonable.[27] In 2019, **ActionAid estimated that if Senegal did this, it could lead to additional revenues of US$7.6bn annually by 2023.**

If the government then allocated just 20% of new tax revenues, as per international benchmarks, this could increase the education budget by US$1.5 billion – about 80% of the current budget allocation to education.[28]

However, this must be done progressively, with attention to this falling on the richest, especially as Senegal already tends to rely heavily on indirect taxes which makes their system less progressive than many, with a large domination of indirect taxes at 11.7% (such as sales taxes disproportionately affect women and poor people) versus direct taxes at 5.1% (such as corporate or income tax which taxes more those who have more) in the total revenues raised (see figure 4).

Figure 4: Direct to indirect taxes in total taxes over time, 2000-2020



***Note.** Direct to indirect taxes can be a useful proxy for how regressive or progressive a tax system is: an overreliance on indirect taxes tends to highlight a more regressive tax regime (i.e. an overreliance on VAT, which often hits the poorest hardest), while a greater reliance on direct taxes tends to be more progressive (as this includes tax on corporate taxes or on income taxes for those in the more formalized sectors).

Source: ICTD/UNU-WIDER Government Revenue Dataset

23. Kireyev, A. (2013). *Inclusive Growth and Inequality in Senegal.* IMF Working Paper 13/215. https://doi.org/10.5089/9781475580266.001
24. Taken from: https://data.jubileedebt.org.uk/
25. UNDP (2010). What Will It Take To Achieve the Millennium Development Goals? An International Assessment.
26. Taken from: https://news.bloombergtax.com/daily-tax-report-international/senegal-seeks-to-raise-tax-revenue-to-20-of-gdp-in-3-years
27. It is important to note this calculation does not look at the mechanisms for achieving the 5% increase (i.e. which tax reforms are pursued). For ActionAid any future revenue generation should be done with a focus on progressive and gender-responsive tax reforms, so that any new taxes do not hurt the poorest and most vulnerable, but rather fall to those most able to pay. Our analysis above shows that there are ways to achieve this 5% increase progressively.
28. Taken from analysis carried out for ActionAid in 2019 for: ActionAid (2020). *Who Cares? Paying for care work through transforming the financing of gender responsive public services.* See footnote 363.

Progressive and regressive taxes in Senegal

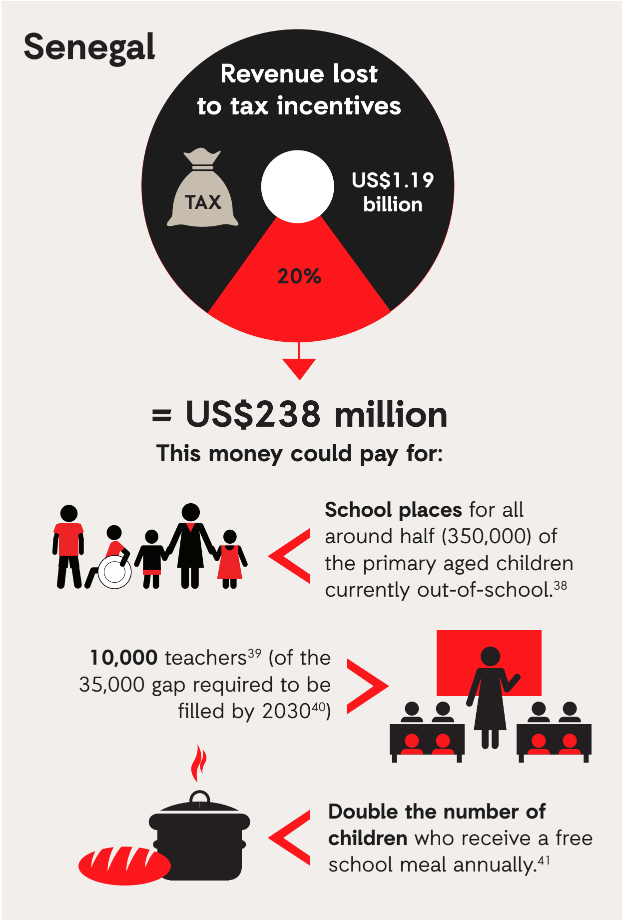
Over the period 2000-2020, Senegal has improved their tax-to GDP ratio considerably. But at the same time they have also done too little to reduce the overreliance on indirect taxes, versus direct taxes (see Figure 4). Moreover, the OECD notes that the highest share of tax revenues in Senegal in 2018 was contributed by value added taxes (VAT) (34%). The second-highest share of tax revenues in 2018 was derived from taxes on goods & services other than VAT (27%). Both are higher than the Sub-Saharan African average, and further suggest a lack of progressive tax collection.[29]

One way to raise new funds progressively is limiting tax exemptions. In 2014, the government of Senegal estimated that lost revenues in tax expenditures was around CFA 588 billion (which was around 7.8% GDP at the time around 40% of revenues, high by regional standards).[30] There are no more up-to-date estimates for these losses, but this gives an idea of the scale of forgone resources. **ActionAid has used this to estimate to look at what 20% (as per international recommendations) of these forgone revenues (converted to $USD) could pay for in education?**

Senegal: losses from global tax abuse

In 2021 Tax Justice Network estimated that Senegal lost $259.5 million each year (equivalent to 8.3% of tax revenue[31]) to global tax abuse.[32] If 20% of these forgone revenues were allocated to education, as per international recommendations, this would equate to approximately $51.9 million.[33] In Senegal this could cover:

- The cost of a school place for one year for all 10,000 primary-aged children currently out-of-school;[34]
- The annual salary for 5,000 teachers[35] (of the 35,000 gap in primary school teachers required to be filled by 2030 to meet the SDG education goal[36]);
- Cover free school meals for all the children who annually receive a meal.[37]



29. OECD (2021) Revenue Statistics in Africa 2020 – Senegal https://www.oecd.org/countries/senegal/revenue-statistics-africa-senegal.pdf
30. Tax Expenditure Evaluation Report is written by a technical committee coordinated by the General Directorate of Taxes and Property (DGID) and published by the government of Senegal. It has a (i) presentation of a comprehensive list of tax expenditures; (ii) quantitative estimates of shortfalls revenue for most of them. The last published one was in 2016 for the year 2014 and estimated that the fiscal cost of quantified tax expenditures was 7.8% in 2014, or CFAF 588 billion. See https://www.imf.org/~/media/Files/Publications/CR/2019/cr1934-senegal-fiscal-transparency.ashx. We have converted this into US$ (2014 with WDI average) to $1,190,283,401. We have then calculated to 20% on education (US$238,056,680). Of course, this is an estimate from 2014 (published in 2016) and is thus out of date: however, in spite of a commitment to update these estimates by the government of Senegal, this has not been carried out since. As such, it gives a sense of the scale of this but is likely to not give a fully up to date picture. It is important that the government publishes these more regularly and transparently
31. $259,446,540 This equivalent to 8.3% of tax revenue and is significantly higher than the global Average Tax Revenue Loss (2.9%) and the regional average (4.3%). See: https://taxjustice.net/country-profiles/senegal/
32. 'Global tax abuse' is committed through cross-border corporate tax abuse by multinational corporations and offshore tax evasion by wealthy individuals through tax havens (both direct tax losses from multinational corporations and indirect losses by accelerating the race to the bottom and driving tax rates down globally).
33. More precisely this is, US$51,889,308 million
34. There are 670,978 children out of primary school (2020). UiS data per pupil spending at primary school is US$417 (Constant PPPs 2015, latest year available). All based on UiS data.
35. Teachers pay (US$688 PPP) Teacher salary was defined by "median salary of a teacher with a secondary education". Taken from: Evans, Yuan, and Filmer, 2020, revised 2021. "Teachers Pay in Africa: Evidence from 15 Countries." CGD Working Paper 538 Washington, DC: Center for Global Development. https://www.cgdev.org/sites/default/files/WP538-Evans-Yuan-Filmer-Teachers-Payrevised-june2021.pdf
36. Teacher shortages for primary education, taken from: International Teachers Taskforce for Education 2030 (2021). Closing the gap: Ensuring there are enough qualified and supported teachers https://teachertaskforce.org/sites/default/files/2021-07/Closing%20the%20gap%20-%20Ensuring%20there%20are%20enough%20qualified%20and%20supported%20teachers_TTF%20advocacy%20brief%20July%202021.pdf
37. Senegal has a School meals program conducted by the Unit for the Fight Against Malnutrition. US $ 5,7 million (corresponding to 0.54% of education expenditure) was spent on all its programs in 2015. We have used this total budget (albeit from 2015) to estimate costs. Taken from: https://education-profiles.org/index.php/sub-saharan-africa/senegal/~financing-for-equity
38. There are 670,978 children out of primary school (2020). UiS data per pupil spending at primary school is US$417 (Constant PPPs 2015, latest year available). All based on UiS data.
39. Teachers pay (US$688 PPP) Teacher salary was defined by average salary of a teacher with a secondary education. Taken from: Evans, Yuan, and Filmer, 2020, revised 2021. "Teachers Pay in Africa: Evidence from 15 Countries." CGD Working Paper 538 Washington, DC: Center for Global Development. https://www.cgdev.org/sites/default/files/WP538-Evans-Yuan-Filmer-Teachers-Payrevised-june2021.pdf
40. Teacher shortages for primary education, taken from: International Teachers Taskforce for Education 2030 (2021). Closing the gap: Ensuring there are enough qualified and supported teachers https://teachertaskforce.org/sites/default/files/2021-07/Closing%20the%20gap%20-%20Ensuring%20there%20are%20enough%20qualified%20and%20supported%20teachers_TTF%20advocacy%20brief%20July%202021.pdf
41. Senegal has a School meals program conducted by the Unit for the Fight Against Malnutrition. US $ 5,7 million (corresponding to 0.54% of education expenditure) was spent on all its programs in 2015. We have used this total budget (albeit from 2015) to estimate costs. Taken from: https://education-profiles.org/index.php/sub-saharan-africa/senegal/~financing-for-equity

Financing the future: The 4Rs of Tax Justice

Tax systems reprogrammed to prioritise the needs of all members of society can deliver:

Revenue, generating sustainable funds for education and other public services

Redistribution, to curb vertical and horizontal inequalities (those between individuals and those between groups)

Repricing, to limit public "bads" such as tobacco consumption or carbon emissions

Representation, to build healthier democratic processes, recognising that higher reliance of government spending on tax revenues is strongly linked to higher quality of governance and political representation

Tax Justice 101 Series - ***click to view film***

A Call to Action:

ActionAid calls on the government of Senegal to take the following measures needed to fully finance quality, inclusive public education and achieve SDG 4:

1. Increasing the **SHARE** of the budget allocated to education, by meeting (or exceeding) UNESCO's benchmarks of 20% of national budget and/or 6% of GDP.

2. Increasing the **SIZE** of the overall budget, maximizing the availability of resources for investment in public education by:
- Mitigating the effect of macro-economic policies that limit the amounts available for public spending (e.g. by reducing debt and borrowing, seeking reductions on debt servicing and limiting austerity policies). Improve scrutiny, to allow for a better understanding of borrowings and loans, to ensure a better understanding of the appropriateness of these.
- Setting targets to increase the tax-to-GDP ratio, including setting-out an urgent timetable to reach a tax-to-GDP ratio of *at least* 20%. The IMF has noted that countries should aim to meet an ambitious (but realistic target) to increase the tax-to-GDP ratio by 5% of GDP in the medium term (3-5 years). To do so, governments should focus on:
  – Ending harmful incentives;
  – Reviewing tax and royalty agreements in the natural resource / extractive sector, in particular;
  – Reviewing and cancelling harmful double tax treaties
  – Closing loopholes which enable tax avoidance and evasion in the private sector;
  – Promoting and enforcing fair corporate tax;
  – Promoting and enforcing progressive taxes on personal income and wealth.

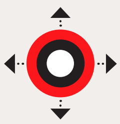
3. Increasing the **SENSITIVITY** of national education budgets by:
- Focusing on equity in public expenditure to redress inequality and tackle discrimination (e.g. stipends for children with disabilities; increased investments in incentives for teacher postings in poor rural areas).
- Developing nation-wide equity funding formulae which explicitly addresses disadvantage and inequality.

4. Enhancing the **SCRUTINY** of national education budgets by:
- Actively encouraging scrutiny of education budgets and expenditure to promote transparency and accountability and improve efficiency through timely disbursement of funds and that funds are spent effectively (especially in disadvantaged areas) e.g. by enabling or formalizing community and civil society oversight.

Financing the future: Domestic Financing for Education: The 4 Ss

Share:
The *share* of the budget is the percentage of the country's total budget that is spent on education.

Size:
The *size* of the budget is the total amount that the government has to spend. This depends on how much tax is collected and what economic policies are followed.



Sensitivity:
Sensitivity of the budget relates to the extent to which budgets and spending address educational inequalites.

Scrutiny:
Scrutiny of the budget helps to ensure that the money allocated for a service arrives where it is needed.