

# EDUCATION BUDGET BRIEF

## 2018/2019



*This budget brief is one of four that explores the extent to which the national budget addresses the needs of children under 18 years in the Kingdom of Eswatini. This brief analyses the size and composition of budget allocations for the fiscal year 2018/19, and offers insights into the efficiency, equity and adequacy of past spending in the education sector. The main objectives of the brief are, firstly, to synthesize complex budget information so that it can be easily understood by all stakeholders and, secondly, to put forth key messages which can inform policy and budgeting decision-making processes.*



## KEY FINDINGS AND RECOMMENDATIONS

**The government of the Kingdom of Eswatini has committed to spend 15% of its budget on education for the 2018/19 fiscal year, which falls short of its commitment to meet the Education for All Declaration (20% of the budget for education).** In order to meet this target, the government should investigate the potential for reducing outlays on non-priority sectors (e.g. defence) and reallocating resources to priority sectors such as education.

**The vast majority of education resources are used to support personnel.** To achieve spending efficiency gains and better outcomes in the sector, the government should assess wastage, such as payments of any existing “ghost” teachers and reflect recommendations in a new personnel strategy. With expenditure on wages being the single largest cost in the education budget, improvement in the expenditure mix can help make the sector more efficient.

**Great strides have been achieved in providing universal primary education, but progress on secondary school outcomes lags behind (e.g. low pass rates, high drop-out and high repetition levels).** To ensure that investments in education translate into an improved labour force, the government should reconsider support to secondary education in tandem with primary education. There is urgent

need to increase the non-wage share of the budget towards secondary education for the construction of computer and science laboratories and libraries.

**Early childhood education enrolment levels are very low and have grown only marginally over time.** The Ministry of Education should implement its plans to introduce a universal Grade 0 without delay, including backing with adequate financial resources for infrastructure and teacher training.

**Information on the quality of spending in the education sector is not currently available or is outdated.** It is recommended that a joint government, World Bank and UNICEF-sponsored Public Expenditure Review (PER) of the education sector be initiated by the end of the fiscal year 2018/19.

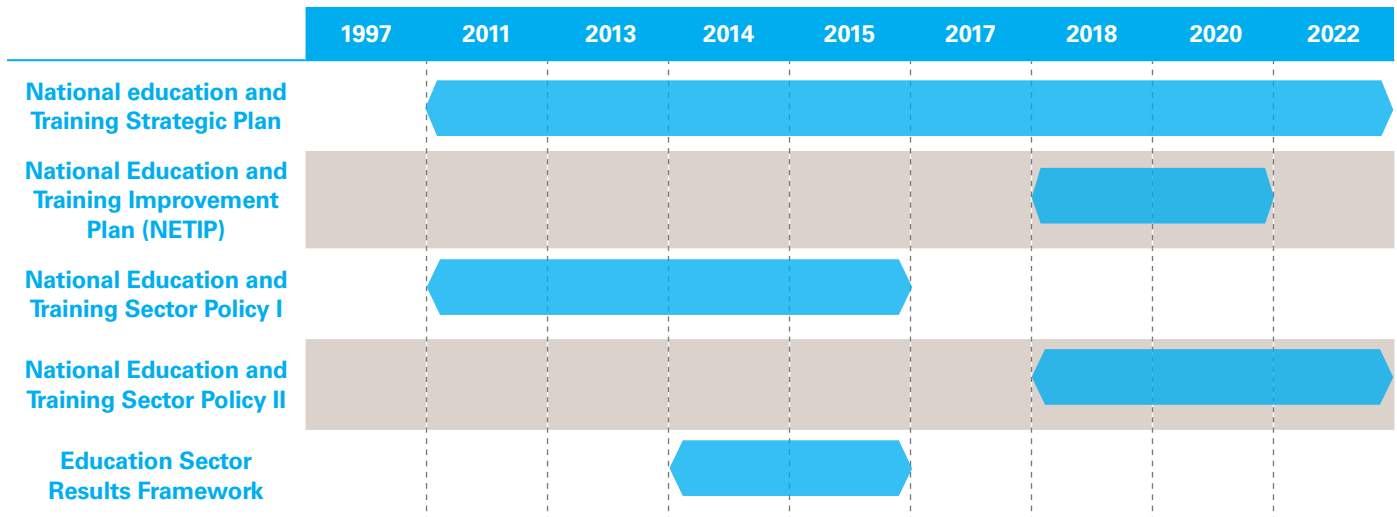
**Although the EU provides the majority of external financing for primary education, the sector also depends on many small “off budget” projects from other partners.**

In line with OECD-DAC best principles, all donor funding should flow through government systems. Moving forward, the government must prioritize strengthening the public financial management system to minimize fiduciary risk and enhance the reliability of information for donors.

# INTRODUCTION

The education sector in Eswatini falls under the mandate of the Ministry of Education and Training (MoET). Guidance for the sector is contained in a number of strategic plans. These include the National Strategic Plan, the National Plan of Action and the National Education and Training Sector Policy II (Figure 1).

FIGURE 1: MAIN STRATEGIC DOCUMENTS FOR THE EDUCATION SECTOR



Source: Government of Eswatini

**The current National Education Policy has the following key objectives:** (i) every Eswatini citizen has the right to education and training; (ii) all students shall be treated equally; (iii) education shall be relevant and of high quality; (iv) education should be affordable and everyone should be able to participate; and (v) MoET will be the main body responsible for education but will form partnerships where necessary.

**MoET is responsible for the formulation of policies, regulations, norms, standards and guidelines for education services as well as for mobilizing financing.**

The primary mandate of MoET is to provide access to relevant quality education at all levels of the education system, whilst taking into account all issues of efficacy, equity and special needs. In Eswatini, MoET covers all levels and sub-sectors of the education system as well as for the training continuum. This includes: (i) early childhood care and education; (ii) primary capital and education; (iii) higher education; and (iv) non-formal education and training. MoET works with a number of partners, including the United Nations, the European Union, and local and international NGOs.

**The education system is characterized by strong enrolment and completion rates for primary school, but pre-primary and secondary school achievements lag.** For instance, around 95% of primary-aged students are enrolled, with more than 100% completing their primary schooling curriculum.<sup>1</sup> However, the positive outcomes achieved for primary students drop significantly at the secondary school level where less than one out of every two eligible students are enrolled, with only 64% of those actually competing the curriculum (Table 1). The pre-primary enrolment rate is even lower at approximately one in four of eligible children currently being in school. Moreover, information on the quality of education is lacking for all three levels of education.

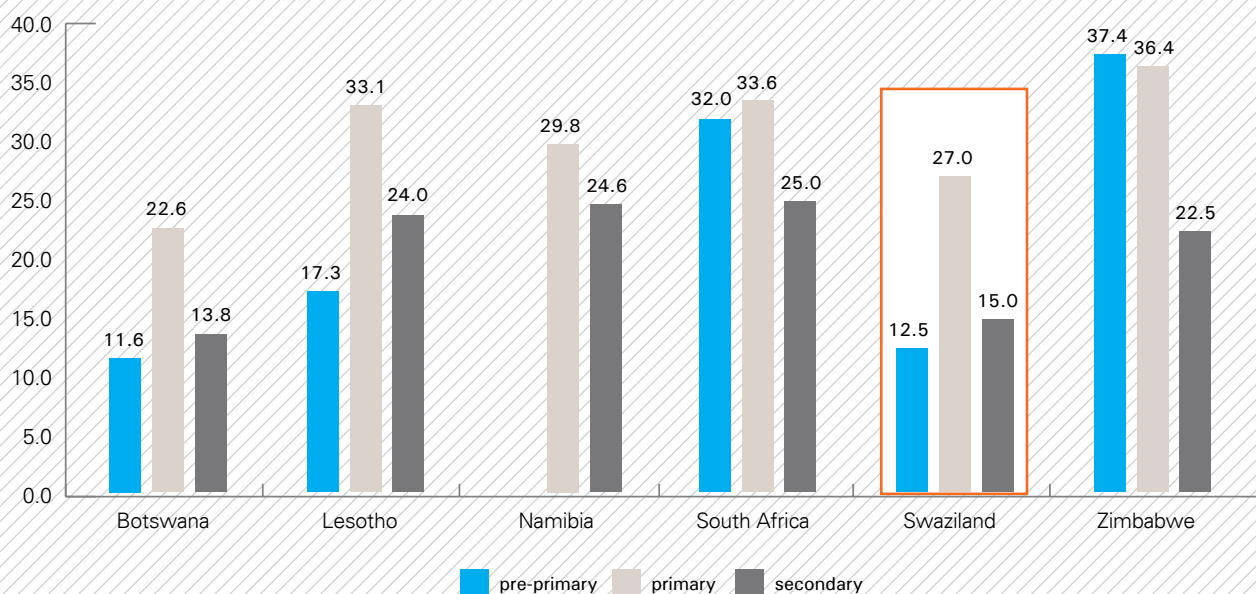
<sup>1</sup> Enrolment rates have increased from 79 percent in 2004 to 85 percent in 2007, 92% in 2010 and to 94.5% for the latest available year (2016).

**TABLE 1.** SELECT SOCIOECONOMIC AND EDUCATION INDICATORS

INDICATOR	VALUE	INDICATOR	VALUE
Population (2018)	1,139,370	Net enrolment rate primary (2015)	95%
Total child population (2018)	568,656	Completion rate primary (2015)	100%
Children as % of population (2018)	49.9%	Pupil-teacher ratio primary (2015)	27
National poverty rate (2017)	58.9%	Net enrolment rate secondary (2015)	49%
Child poverty rate (2013)	70%	Completion rate lower secondary (2015)*	27%
Extreme poverty rate (2017)	20.1%		
Literacy rate	87.5 %		

Sources: UNICEF (2013) *Child and orphan poverty in Swaziland*; UNDP *Human Capital Report (2016)*; *World Capital Indicators (WDI) database (2018)*; UNICEF (2016) *State of The World's Children*; *Eswatini Household Income and Expenditure Survey (2016/17)*; *School Census Survey (2015)*

**From a regional perspective, Eswatini has among the best pupil-teacher ratios for all levels of education.** If the objective is to have the smallest class sizes (i.e. the lowest pupil-teacher ratios), then only Botswana fares better than Eswatini (Figure 2). In Eswatini, there are on average 12.5 pupils per teacher for pre-primary, 27 for primary and 15 for secondary.

**FIGURE 2:** PUPIL-TEACHER RATIOS IN PRE-PRIMARY, PRIMARY AND SECONDARY EDUCATION IN SELECT COUNTRIES

Source: United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics.

## TAKEAWAYS

- The education sector falls under the mandate of MoET, which provides education services and resource mobilization outreach, within the context of its strategic plan and associated monitoring framework.
- Primary education has been prioritized with very high enrolment and completion rates, although this does not count for repeating students which remains a significant challenge for primary and secondary students.
- Secondary school enrolment and completion rates are lagging strongly behind primary school.
- Pre-primary school still remains inaccessible for most children in Eswatini.

# EDUCATION SPENDING TRENDS

**The 2018/19 budget for education is expected to reach 3.3 billion Emalangeni this year, which represents a nominal increase of 5.4% compared to last year.** In real terms, however, actual spending will decline by close to 4% year on year (Figure 3). When looking at the fiscal year 2014/15 to 2018/19 time period, spending has increased by around 45% in nominal terms but has decreased in real terms by 2.5% once inflation has been accounted for.

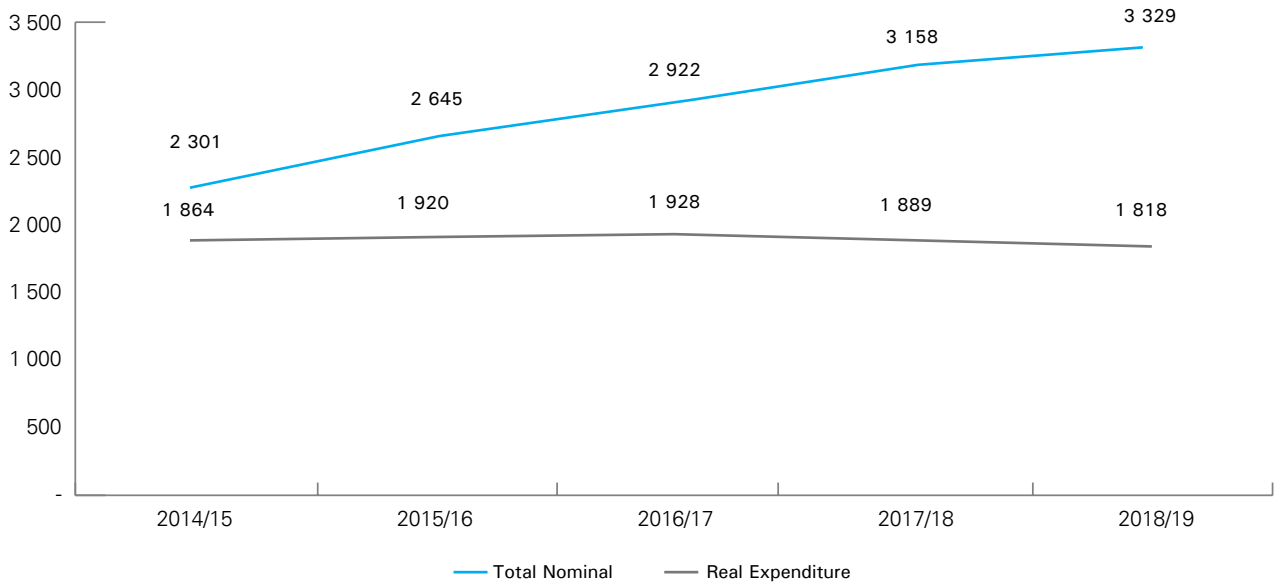
**Expenditure in education as a percentage of gross domestic product (GDP) and as a share of the total budget has remained relatively stagnant in recent years.** As a share of the total budget, education has increased from 15.0% in 2014/15 to 15.2% in 2018/19 (Figure 4). As a share of GDP, education spending has averaged 5.1% per annum over the last five years but reached a high of 5.3% in the current fiscal year.

**Education remains the main financial priority in Eswatini.** At just over 15% of the national budget, it gets nearly 5% more than the second and third largest sectors, which include general public services (10.7%) and health (10.1%) (Figure 5). Despite the high priority, current allocation falls short of the government's commitment to meet the Education for All spending benchmark of 20% of the national budget for education.

**When compared to its neighbours, Eswatini also appears to devote fewer resources to the education sector.** According to UNESCO's database of government expenditure, which uses education national accounts to allow for cross country analysis, only Lesotho spends less than Eswatini on education (Figure 6). Botswana and Namibia both exceed the Education for All benchmark, spending 22% and 24% respectively, on education as a share of their total expenditure.

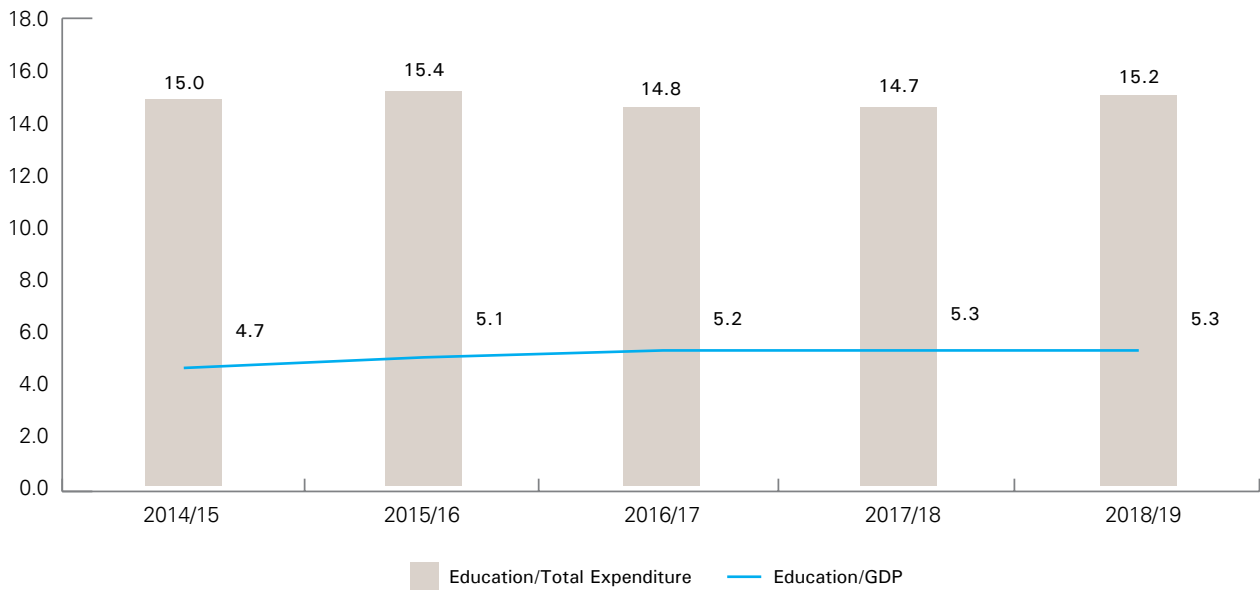


**FIGURE 3:** APPROVED BUDGET FOR EDUCATION, FY 2014/15 TO 2017/18 (IN NOMINAL AND REAL BILLIONS OF EMALANGENI)



Source: The Government of the Kingdom of Eswatini, annual budget book estimates (various) and estimates for the 1<sup>st</sup> of April 2018 to 31<sup>st</sup> of March 2021

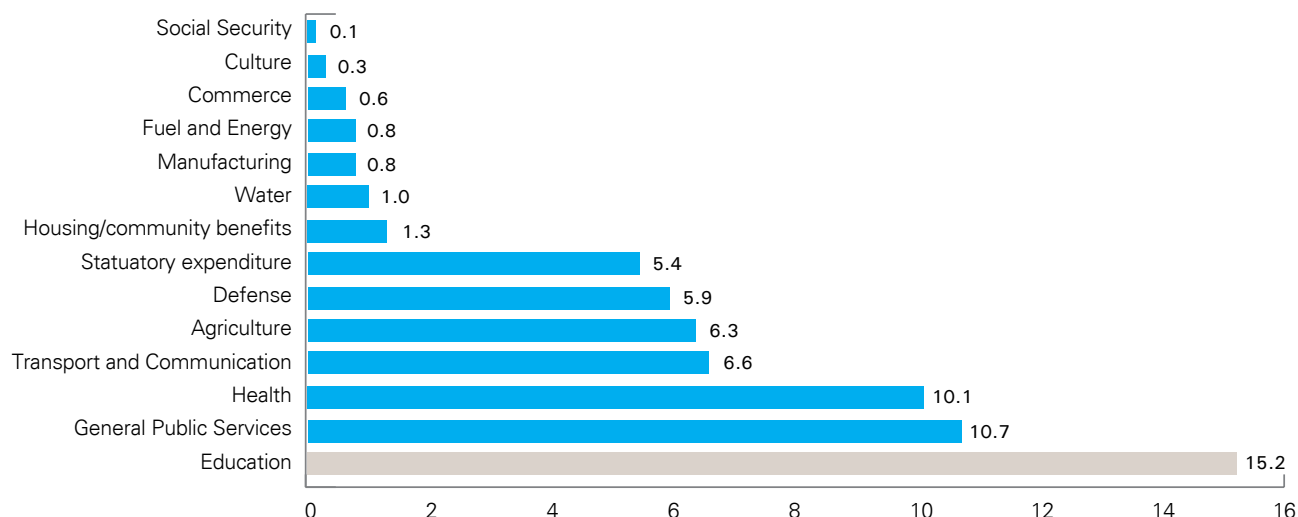
**FIGURE 4:** APPROVED BUDGET FOR EDUCATION, FY 2014/15 TO 2018/19 (AS A % OF THE NATIONAL BUDGET AND AS A % OF GDP)



Source: The Government of the Kingdom of Eswatini, annual budget book estimates (various); estimates for the 1<sup>st</sup> of April 2018 to 31<sup>st</sup> of March 2021; and the MTF (2018)

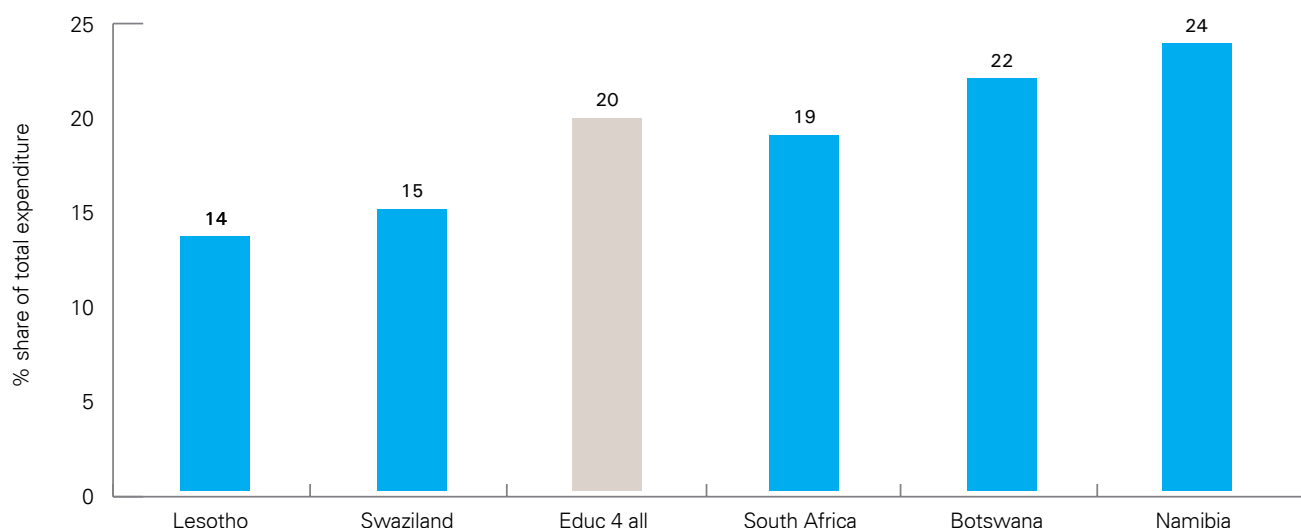


FIGURE 5: TOTAL SECTORAL BUDGET, FY 2018/19 (AS A % OF TOTAL BUDGET)



Source: The Government of the Kingdom of Eswatini (2018) estimates 1<sup>st</sup> of April 2018 to 31<sup>st</sup> of March 2021

FIGURE 6: EDUCATION SPENDING IN SELECT COUNTRIES (AS A % OF TOTAL EXPENDITURE)



Source: World Bank Boost Database (2017), GoL National Budget 2017/18 (2017), World Capital Indicators (2017); UNESCO Institute for Statistics database (extracted 2017)

## TAKEAWAYS

- Although the sector has undergone impressive spending increases in recent years in nominal terms, the budget has barely grown once inflation has been accounted for.
- Despite receiving the highest share of spending in the national budget, Eswatini's financial commitment remains below neighbouring countries as well as the Education for All financial benchmark.

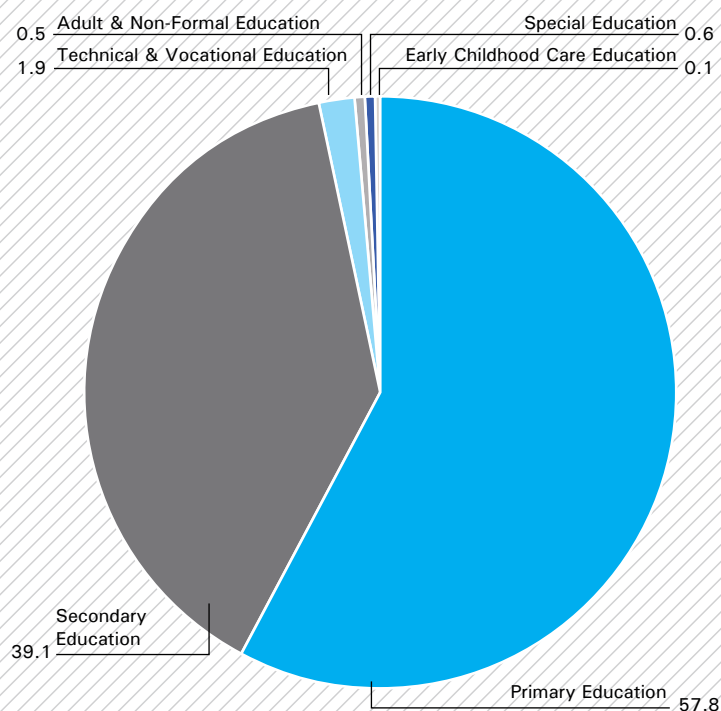
# COMPOSITION OF EDUCATION SPENDING

**Eswatini's education service delivery system serves five different areas, with the majority of recurrent expenditure going to primary education.** At 57.8% of the total recurrent education budget, primary education receives the lion's share (Figure 7). Spending on secondary education consumes almost the remainder of the budget at 39.1%, with technical vocational education and training, adult and non-formal education, special education and early childhood care education receiving a tiny portion, at 1.9%, 0.5%, 0.6% and 0.1% of the education budget, respectively.

**The vast majority of Eswatini's education spending is allocated to a growing recurrent budget.** Between the 2014/15 fiscal year and the current fiscal year, the recurrent budget has increased its share from just under 93% of the total approved budget to over 95% (Figure 8). At the same time, the capital budget has shrunk significantly from more than 7% of the total budget to less than 5%.

**Moreover, the majority of financial resources go toward personnel payments.** Outlays have increased from 72.9% to 75.5% between 2014/15 and 2018/19. This is followed by transfers (18.0%) and goods and services (19.4%) for the current fiscal year (Figure 9). Notably, the share spent on goods and services has declined from 8.7% in 2014/15 to 5.1% in 2018/19. Cuts in this area have likely been made to create fiscal space for salaries.

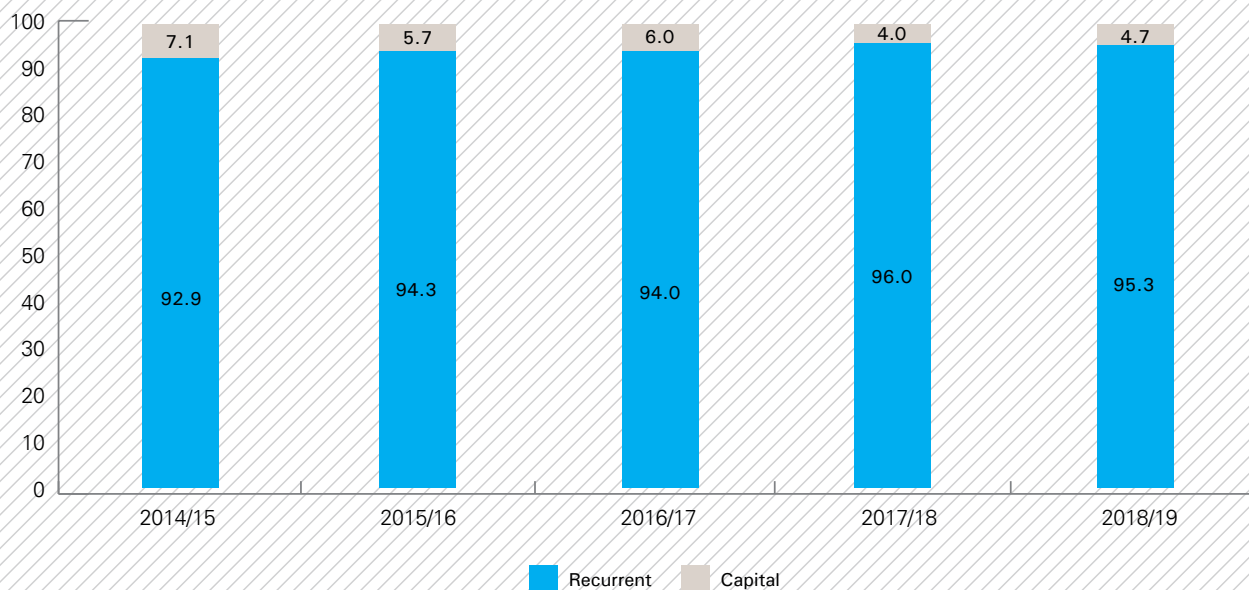
**FIGURE 7: EDUCATION BUDGET BY RECURRENT ITEMS, FY2018/19 (AS A % OF TOTAL)**



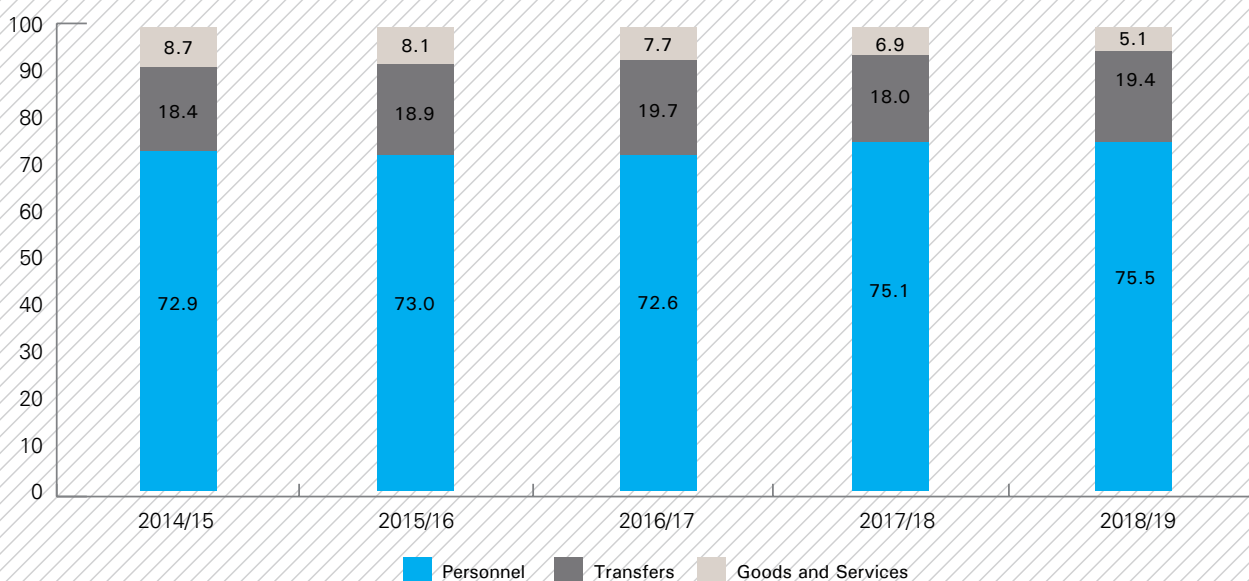
Source: The Government of the Kingdom of Eswatini (2018) estimates 1st of April 2018 to 31st of March 2021





**FIGURE 8: EDUCATION BUDGET BY RECURRENT AND CAPITAL ITEMS, FY 2014/15 TO 2018/19 (AS A % OF APPROVED BUDGET)**

Source: The Government of the Kingdom of Eswatini, annual budget book estimates (various) and estimates for the 1st of April 2018 to 31st of March 2021

**FIGURE 9: EDUCATION BUDGET BY ECONOMIC CLASSIFICATION, FY 2014/15 TO 2018/19 (AS A % OF APPROVED BUDGET)**

Source: The Government of the Kingdom of Eswatini, annual budget book estimates (various) and estimates for the 1st of April 2018 to 31st of March 2021

## TAKEAWAYS

- At over 95% in the current fiscal year, recurrent spending consumes the vast majority of education resources, which suggests there is a spending imbalance and inefficiencies within the sector.
- Within the recurrent budget, personnel accounts for most spending, which continues to grow over time.

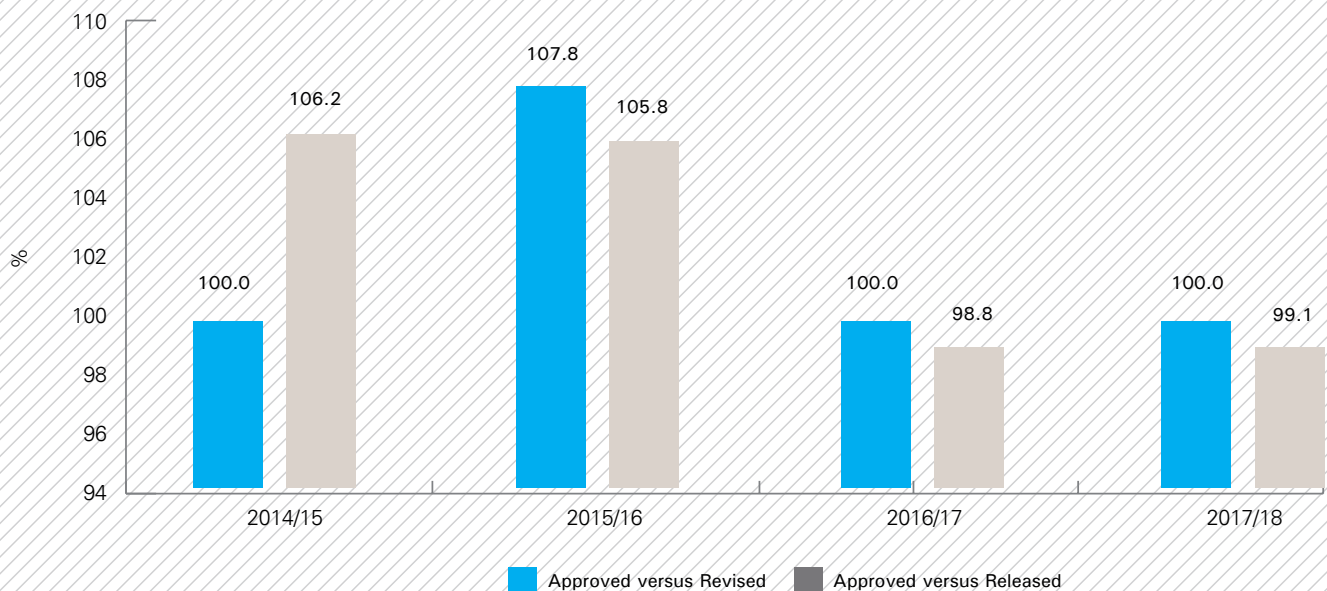
# BUDGET CREDIBILITY

**Budget planning and execution trends have been strong over the past two years, with very limited deviation.**

**Budget credibility is strong except for 2015/16; execution shows some weaknesses for 2014/15 and 2015/16, but performance has improved significantly since.** The approved budget figures compared to the revised budget are fully in line for all years except for 2015/16 when it grew by

7.8% following approval by Parliament. Variations between the approved budget versus actual budget releases were relatively high for 2014/15 and 2015/16 at 6.2% and 5.8% over execution. The trend since then has steadily improved with releases almost fully matching the approved budget for the last two fiscal years (Figure 10).

**FIGURE 10: DIFFERENCES IN APPROVED AND ACTUAL RECURRENT BUDGET FOR EDUCATION, FY2014/15 TO 2017/18 (AS A %)**



Source: The Government of the Kingdom of Eswatini, annual budget book estimates (various) and estimates for the 1st of April 2018 to 31st of March 2021

## TAKEAWAY

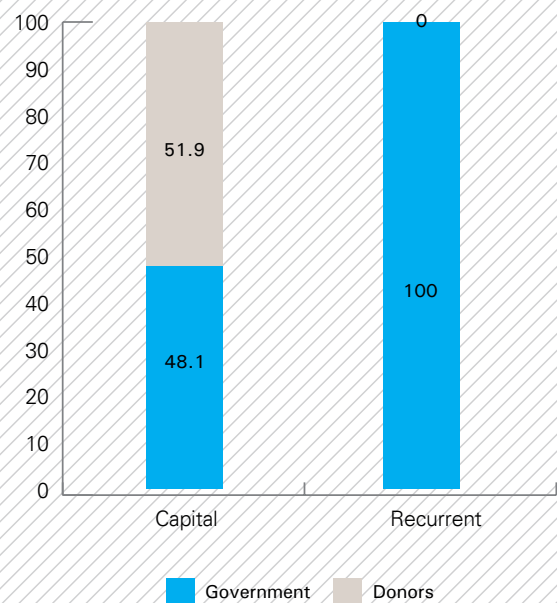
- Despite overspending in the 2014/15 and 2015/16 fiscal years, the accuracy and performance of spending has improved sharply over the period of evaluation.

# FINANCING THE EDUCATION SECTOR

**In Eswatini, the majority of the education budget is financed by domestic revenue, although donors contribute to about half of the capital budget.** The capital budget at only 5% of total spending on education in 2018/19 was 51.9% financed by donors (Figure 11).

**Total donor financing (on and off budget) amounts to a commitment of 21.7 million USD by external partners over the period of 2014/15 to 2017/18.** Annualized data is not available but, for the whole period, the External Assistance Report 2017/18 confirms that almost 99% of committed donor funding in the education sector is on budget. The main donor is the EU, who contributed to the financing of free primary education in conjunction with government and resulted, inter alia, in the achievement of MDG 2 in 2015. Japan, UNESCO and UNICEF have a number of small projects, some amounting to less than 1500 USD in commitments to support the education sector. A sector wide approach (SWAP) agreement exists for the sector, but meetings are limited as are follow up on actions on recommendations generated through the group. All donor funds are delivered as grants.<sup>2</sup>

**FIGURE 11: FINANCING OF RECURRENT AND CAPITAL BUDGETS IN EDUCATION, FY2018/19 (AS A % OF TOTAL)**



Source: The Government of the Kingdom of Eswatini, annual budget book estimates (various) and estimates for the 1st of April 2018 to 31st of March 2021

## TAKEAWAYS

- Donor assistance contributed to 5% of the total education sector budget in the 2017/18 fiscal year.
- The External Assistance Report provides information on commitments from donors and whether these funds are delivered on or off budget. An analysis of the external support to education suggest that the EU provides over 99% of all resources to the sector in the form of on budget grants.
- There are a number of very small projects provided by the Japanese and the UN which are not included in the government budget book for this fiscal year.

<sup>2</sup> External Assistance Report FY2017/18, Government of Eswatini.



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