

2020/2021

EDUCATION BUDGET BRIEF

Averting a learning crisis in the face of a pandemic

KEY MESSAGES AND RECOMMENDATIONS

1

Increased and sustained nominal funding over the years, coupled with an enabling policy environment has led to achievement of near-universal primary education. However, challenges remain, including budgetary allocation to Early Childhood Education, huge infrastructure gaps which impede the progression from primary to secondary school, and challenges in the provision of quality education and skills development. Although at near-universal levels, the net enrolment rate has also been declining in the recent past which calls for re-ignited efforts.

RECOMMENDATION:

In order to meet its national and international education targets, and given the demands of its young population, Zambia needs to make significant and accelerated investments in early learning, teacher development, school infrastructure, learning materials, and improve learners' nutrition.

The 2021 education budget does not demonstrate adequate preparedness for averting an education crisis as a result of the COVID-19 pandemic which threatens to reverse the gains already made.

RECOMMENDATION:

The education sector needs to develop appropriate short and medium-term strategies to ensure that learning is not severely disrupted in the face of a pandemic or large-scale natural disaster. These include increasing the number of classrooms in existing schools to, among other things, increase the contact hours and adhere to public health guidelines of social distancing; mainstreaming online learning options to ensure minimal disruptions in learning; and improving water and sanitation facilities in schools.

2

The composition of spending disproportionately prioritises personal emoluments which will take up 75 percent of the total education budget in 2021, and which leaves little fiscal space for other expenditure. The underfunding of non-wage expenditure not only weakens the sector's capacity to bolster access and equity rates, but it also severely limits the sector's ability to fulfil its mandate, meet national and international obligations, as well as respond to the increased expenditure demands from the threats of COVID-19.

RECOMMENDATION:

Given the available limited resources, the Zambian government will have to devise a financing strategy and innovative ways to increase financing to education from domestic resources. This has been demonstrated by the Skills Development Fund which is obtained from the Skills Development Levy charged on employers' payroll.

3

While overall execution rates are high, averaging 90 percent, this masks the lower execution rate for capital expenditure averaging 67 percent.

RECOMMENDATION:

While the sector requires increased budgetary allocations to improve execution rates for capital expenditure, subject to increased fiscal space, increasing the volume of spending without changing the structure of spending will not have much impact. For example, the prioritising of a green-field university, at the expense of existing tertiary institutions and/or improving secondary school infrastructure, is somewhat a misalignment of spending priorities. This calls for a realignment of resource allocation across programmes. Moreover, it is recommended that 10% of the education budget should be allocated to pre-primary education.

4



INTRODUCTION

This Education Budget Brief explores the extent to which the Government of the Republic of Zambia (GRZ) will support the educational needs of the country in 2021. The brief analyses the size and composition of budget allocations to the education sector for the fiscal year 2021, as well as spending trends for the past few years, in order to inform policy, strategies and legislation to tackle educational challenges compounded by the advent of the COVID-19 pandemic.

Education spending is not restricted to expenditures under the Ministry of General Education and the Ministry of Higher Education. While the two ministries account for over 95 percent of the total education expenditure, other education spending includes agricultural training institutions such as the Zambia College of Agriculture under the Ministry of Agriculture, Zambia Institute of Animal Health under the Ministry of Fisheries and Livestock, and Chalimbana Local Government Training Institute under the Ministry of Local Government. Other education spending is under the Ministry of Youth, Sport and Child Development which funds youth resource centres and the Ministry of Community Development and Social Services' community skills development centres dotted across the country.

OVERVIEW OF THE EDUCATION SECTOR

Education sector policies, strategies and programmes

The education sector's targets and priorities are articulated within the context of the Vision 2030, the Seventh National Development Plan (7NDP), the Education and Skills Sector Plan (ESSP) and the Technical Education, Vocational and Entrepreneurship Training (TEVET) Policy. Other policies, strategies and programmes include the Universal Free Primary Education Policy of 2002, making marriages of children of school-going age illegal, the recognition of community schools, the re-entry policy for girls and other vulnerable children, as well as the introduction of the Home-Grown School Feeding Programme by the Ministry of General Education in collaboration with the World Food Programme (WFP), and the aptly-named "Keeping Girls in School" programme, a collaborative programme among three ministries - the Ministry of General Education, the Ministry of Community Development and Social Services and the Ministry of Gender. The Decentralisation Implementation Plan outlined the devolution of early child and primary education as well as youth and adult literacy to local authorities.

Of particular emphasis is the 2017-2021 Education and Skills Sector Plan (ESSP),¹ which comes to an end this year. The ESSP was designed to re-establish education as the key catalyst for national development to help the country attain its long-term development vision. Some of the milestones that the Government sought to achieve at the end of the plan, which were also used as justification for the additional resources that the plan sought to mobilise, include:

- **Increased pupil enrolments and transition rates:** Due to low levels of enrolment in Early Childhood Education (ECE), the Government targeted to increase enrolment from 12 percent in 2015 to 25 percent in 2022 to improve the number of Grade 1 entrants with ECE experience. Similarly, the Government sought to improve transition rates from primary to secondary school from 65 percent to 70 percent and transition rates for grades 9-10 from 42 percent in 2015 to 55 percent in 2022.
- **Increased teacher recruitment:** The ESSP had acknowledged the high shortages of teachers at all levels of the school system and how this impacted poorly on educational outcomes. Therefore, the Government intended to reduce the high Pupil-Teacher Ratios (PTR) by 2022 from 50 to 40 in ECE; from 43 to 40 in primary school and from 46 to 42 in junior secondary school. To achieve these ratios, the Government needed to employ additional teachers between 2015 and 2022. Thus, the Government planned to employ close to 674 additional teachers for ECE, 2,734 additional teachers for primary schools and 914 secondary school teachers.
- **Enhanced infrastructure development:** the ESSP also noted the shortage of school infrastructure, particularly classrooms, which resulted in overcrowding in schools and affected the quality of education delivery. Thus, the Government planned that between 2015 and 2022, it was going to build more classrooms: 3,000 at ECE level, 13,000 at primary school level and approximately 4,000 at secondary school level.

Other education priorities that the Government sought to address over the ESSP period include improving the amount and provision of school grants, increasing access to bursaries, and improving the supply of school learning materials, which have been in short supply forcing learners to share items such as text books.



¹ Ministry of General Education, Education and Skills Sector Plan



KEY TAKEAWAYS

- Zambia has made good progress in achieving access to primary education due to increased nominal funding and an enabling policy environment, but recent downward enrolment trends need to be redressed.
- Foundational learning outcomes in literacy, numeracy and problem solving require concerted attention.
- Moreover, challenges remain especially with regard to the huge infrastructure gaps which impede the progression from early childhood education and primary schools to secondary schools.
- These challenges have been made worse by the advent of the COVID-19 pandemic.

At the tertiary level, a new TEVET policy was launched in 2020. Replacing the 1996 TEVET policy, the revision was necessitated by the recognition of the fact that for Zambia to attain the Vision 2030, it needed highly skilled and competent citizens. The revised policy gives new focus towards skills provision through enhanced access to skills training, equity and quality.

Education Sector Performance

Zambia has over 80% access to primary education. With a net enrolment rate of 83.6 percent in 2018, the progress that Zambia has made in terms of improved education outcomes for primary education reflects the strong commitment of the Government to improve the education system. The gains could be attributed, in part, to several aforementioned policy changes instituted over the years. Notwithstanding, with some marginal decreases in enrolment noted in recent years, it is critical to sustain and enhance the gains made.

The challenges of providing quality education and the consequential poor outcomes of learners are still existent. While a lot of progress has been made towards universal primary education, learning outcomes in foundational areas of literacy, numeracy and problem solving are of concern. At primary school level, the quality of education, measured by learner outcomes, remains a source of concern. The Zambia Education Enhancement Project (ZEEP) baseline and midline data shows that learner performance among primary school pupils have deteriorated in both mathematics and science. An evaluation of the ZEEP shows that the mean score for learners in Integrated Science at midline was 33.7% in 2020 a slight drop from 34.6% recorded at baseline (2018). For mathematics, performances slightly declined from 33.3% at baseline to 32% at midline. The STEM focus, proposed in the 2021 Budget, is therefore a welcome move to improve the performance of learners in science and mathematics. Literacy and numeracy levels also remain low.

Moreover, there are not enough secondary schools to aid the progression from primary schools. As at 2018, there were 1,117 secondary schools against 9,050 primary schools². As children progress to secondary school, the challenges faced include high drop-out rates among girls, overcrowded classrooms and lack of textbooks and learning materials among others.

The country experienced low transition rates from primary to secondary and low secondary completion rates. The number of pupils who transitioned from grade 7 to 8 in 2018 was 69.1 percent, while the transition rate from grade 9 to 10 was 50.0 percent. Girls (70.0 percent) have higher transitions rates at Grade 7 to 8 than boys (68.2 percent); but this is reversed at grade 9 to 10, as boys have a transition rate of 50.7 percent compared to girls at 49.2 percent. The completion rate, which was at 77 percent for grade 9, dropped to 36 percent at grade 12.

Additionally, the quality of pupil-teacher contact remains of serious concern. At five hours a day in primary education in 2018 (now reduced to 2-3 hours due to COVID-19), learning time is at a premium. Poor educational outcomes particularly in the early grades led the Government to introduce early childhood education (ECE) to mitigate the impact of poor learning experiences and socio-economic background on children's participation in the school system.

² Ministry of General Education, 2018 Education Statistical Bulletin

Other key challenges associated with learning achievements remain. These include limited space that results in large class sizes that are beyond the capacity of teachers to teach effectively; low teacher skills and preparedness with less than 40 percent of teachers routinely preparing lesson plans; teacher absenteeism in the region of 20 percent; poor oversight of teaching and learning that reduces effective learning time and the amount of grants the schools receive per child.

Table 1: Selected Educational Indicators in Zambia, 2018

Primary & Secondary Schools			Equity Indicators			Quality Indicators		
# schools gr. 1-12	Total	10 167	Gender Parity Index	Primary	1.02	Completion Rate	To Grade 9	77.0%
	Primary	9 050		Sec	0.85		To Grade 12	36.0%
	Sec	1 117	Out-of-school children	Male	0	Survival to Grade 5	Primary	92.9%
			Age 7-13	Female	0	Exam Pass Rate	Primary	100.0%
			Orphans	Primary	389 175		Sec	63.4%
				Sec	152 381	Pupil Book	Primary	1.02
			CSEN	Primary	103 218	Ratio	Sec	0.83
				Sec	20 092	Pupil Classroom	Primary	42.3
			Pregnancies	Primary	11 453	Ratio	Sec	43.4
				Sec	3 576	Contact Hours	Primary	5.0
			Readmissions	Primary	4 917		Sec	6.6
				Sec	2 488			
			Teachers			Infrastructure		
			# of teachers	Total	107 490	# of classrooms	Total	68 278
				Primary	78 854		Primary	56 510
				Sec	28 636		Sec	11 768
			Qualification	Degree	15 903	Classroom structure	Permanent	57 094
				Diploma	50 409		Incomplete	5 870
				Certificate	37 391		Temporary	5 314
				Untrained/Unknown	3 787			
			Teacher Attrition	Primary	5 585	Tertiary		
				Sec	1 438	Enrollment	University	22753
			Pupil Teacher	Primary	61.9		College	26029
			Ratio	Sec	36.9	Staffing	University	373
							College	873
Enrolment Indicators								
# of students	Total	4 200 597						
	Primary	3 339 245						
	Sec	861 352						
Gross Intake Rate	Primary	107.4%						
Net Intake Rate	Primary	54.5%						
Gross Enrollment Rate	Primary	102.4%						
	Sec	45.8%						
Net Enrollment Rate	Primary	83.6%						
	Sec	20.2%						
Efficiency Indicators								
Transition Rate	Primary	69.1%						
	Sec	50.0%						
Repetition Rate	Primary	5.4%						
	Sec	1.2%						
Dropout Rate	Primary	1.7%						
	Sec	1.2%						

Source: Educational Statistical Bulletin 2018

The above challenges in Zambia's education sector have been exacerbated by the COVID-19 pandemic which has brought about a looming education crisis worldwide.

To prevent the spread of the virus and mitigate its impact, Governments closed schools in about 188 countries, affecting approximately 1.5 billion children worldwide³ and over 4 million in Zambia⁴. The closure of schools, which lasted for close to six months in Zambia for non examination grades, disrupted learning and now leaves the country's education on the verge of a crisis unless appropriate interventions are provided urgently.

In the Zambian context, the COVID-19 pandemic provides an opportunity for the country to address long-standing challenges to ward off the impact of the COVID-19.

This Brief provides a perspective regarding recent funding to education and whether it is enough to address long-standing issues in education as well as address the challenges brought about by COVID-19.

³ https://unsdg.un.org/sites/default/files/2020-04/160420_Covid_Children_Policy_Brief.pdf

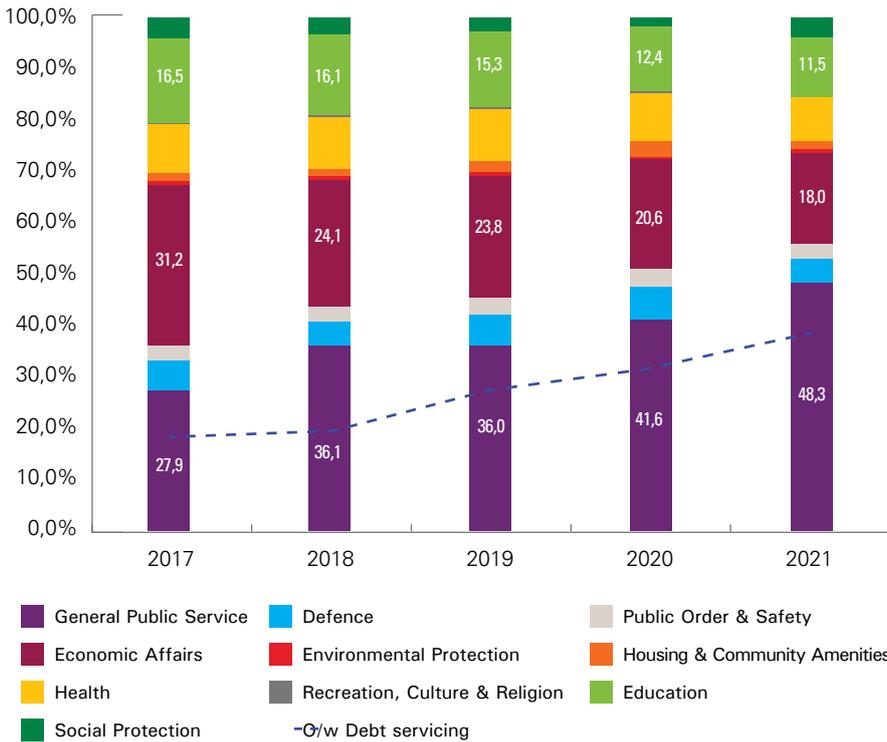
⁴ https://www.wvi.org/sites/default/files/2020-07/Policy%20Brief_COVID%2019%20%26%20Its%20Impacts%20on%20Children%27s%20Education%20in%20Zambia.pdf

SIZE AND SPENDING TRENDS

The allocation of the budget to education is among the three largest shares of the total budget in 2021. The Education function was allocated K13.8 billion in 2021. This is 11.5 percent of the total national budget and 3.8 percent of GDP. This allocation makes education the third largest expenditure function after General Public Services and Economic Affairs (Figure 1).



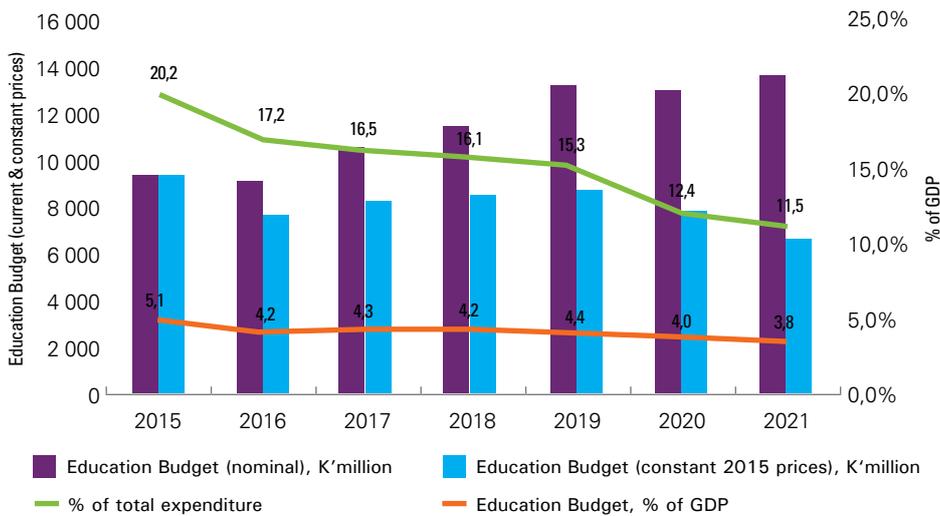
Figure 1: Expenditure by function showing position of education spending, 2017-2021



The education budget has trended upwards in nominal terms since 2015. Expressed in current prices, Government expenditure on education has grown by an annual average of 6.8 percent from K9.4 billion in 2015 to K13.8 billion in 2021.

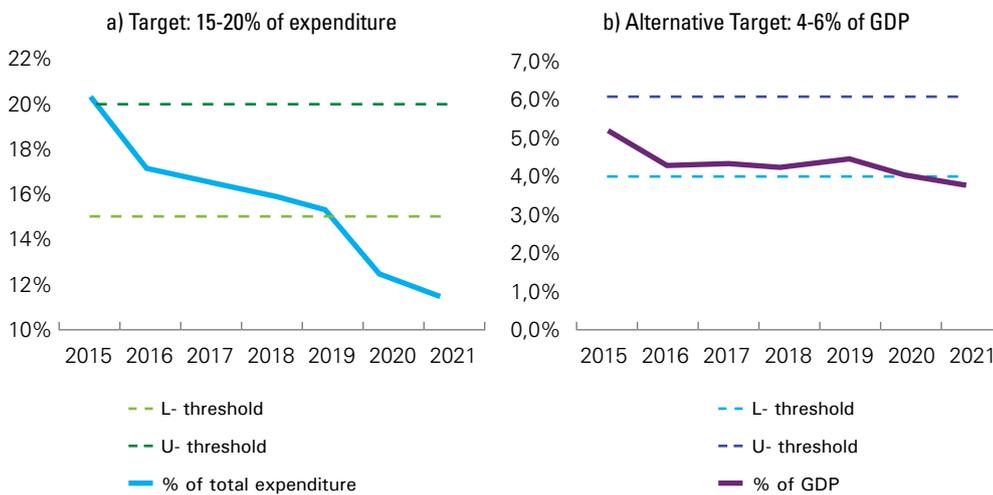
However, in real terms, the Education budget has been declining. Expressed in constant 2015 prices, inflation-adjusted Government expenditure on education declined by an annual average of 4.9 percent between 2015 and 2021. This is consistent with the declining share of the education budget in the total budget, where the expenditure on education has declined from 20.2 percent in 2015 to 11.5 percent in 2021. It has also declined as a share of GDP from 5.1 percent in 2015 to 3.8 percent in 2021 (Figure 2).

Figure 2: Trend of Public Education Expenditure Budget, 2015-2021



The decline in the share of education expenditure has resulted in deviations from international commitments. The Education 2030 Incheon Declaration and Framework for Action, a global plan agreed by countries in 2015 for the implementation of SDG 4, urges governments to allocate at least 15-20 percent of their total public expenditure on all levels of education, while the second, which is more widely accepted, sets spending of 4-6 percent of GDP on education⁵ (Figure 3). The declining share of education in Zambia has important implications on attaining SDG 4, 7NDP aspirations and the Vision 2030.

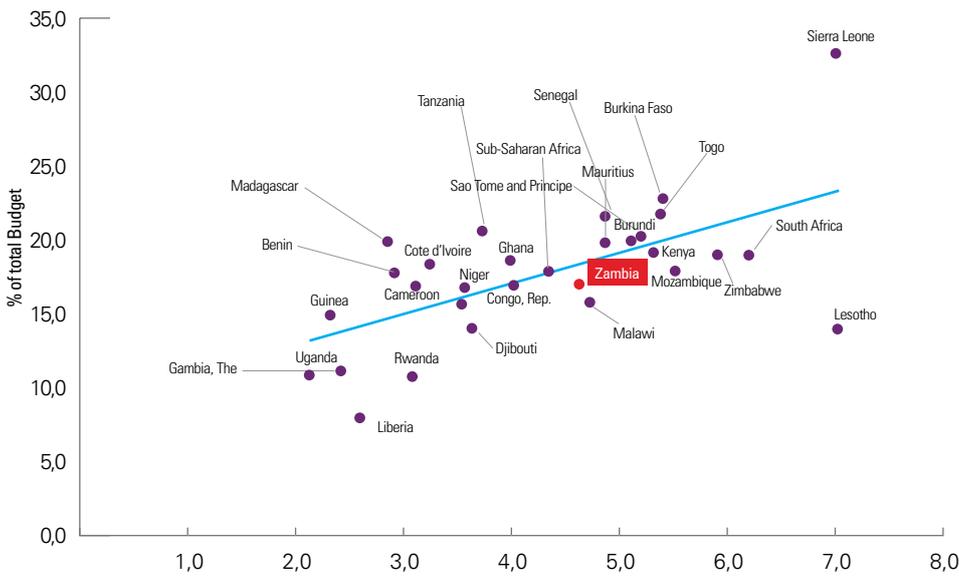
Figure 3: Incheon declaration threshold versus level of expenditure, Zambia, 2017-2021



Compared with other African countries, Zambia's education spending is in the middle of the pack. African governments spent, on average, about 4.3 percent of GDP and 17.9 percent of the total budget in 2018. Zambia reportedly spent 4.6 percent of GDP and 17.0 percent of its budget in 2018. This places the country as an average performer in terms of education expenditure. Leading the pack was Sierra Leone which spent 7.0 percent of GDP or 32.5 percent of its national budget in 2018 (Figure 4).

⁵ http://uis.unesco.org/sites/default/files/documents/education-2030-incheon-framework-for-action-implementation-of-sdg4-2016-en_2.pdf

Figure 4: Government expenditure on education, total (% of GDP), 2018



Source: Constructed using data from World Development Indicators database

Zambia’s human capital is very low - it ranks 131st out of 157 countries on the Human Capital Index (HCI). Zambia’s HCI score is lower than those of its comparator countries. This HCI score of 0.4 indicates that a Zambian child born in 2018 will only be 40 percent as productive as he/she could have been had he/she received a complete education and been in full health. By age 18, children in Zambia can expect to complete an average of 9.2 years of education but acquire only 5.2 years of learning.⁶ Low human capital has significant adverse impact on Zambia’s growth potential and global competitiveness.



KEY TAKEAWAYS

- Despite nominal increases, the Education budget has been on the decline in real terms, resulting in deviations from international commitments, among other things.
- Compared to its African peers, Zambia is an average performer with regard to the spending devoted to education and ranks lowly on the Human Capital Index



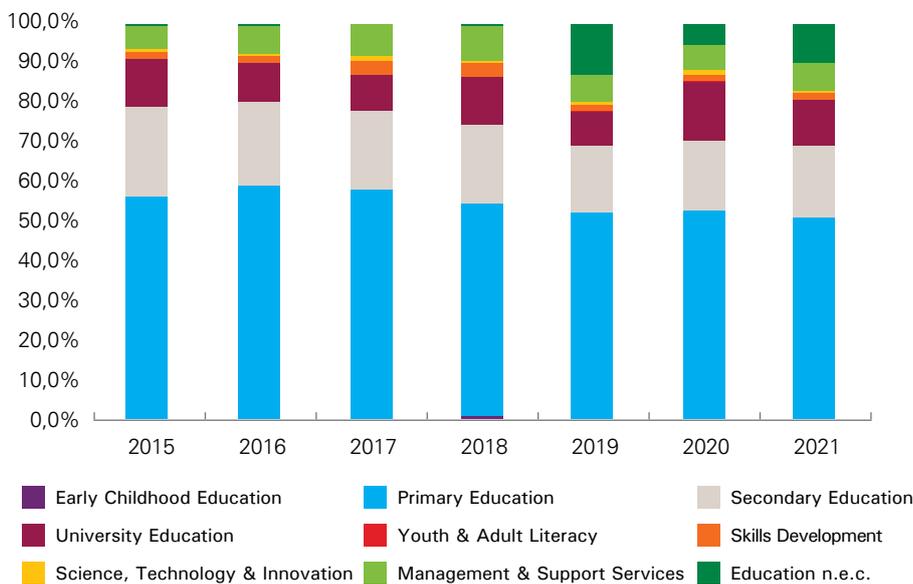
⁶ The World Bank (2020). The Human Capital Index 2020 Update – Human Capital in the Time of COVID-19. <https://openknowledge.worldbank.org/handle/10986/34432>

COMPOSITION OF EDUCATION SPENDING

Spending by education programme

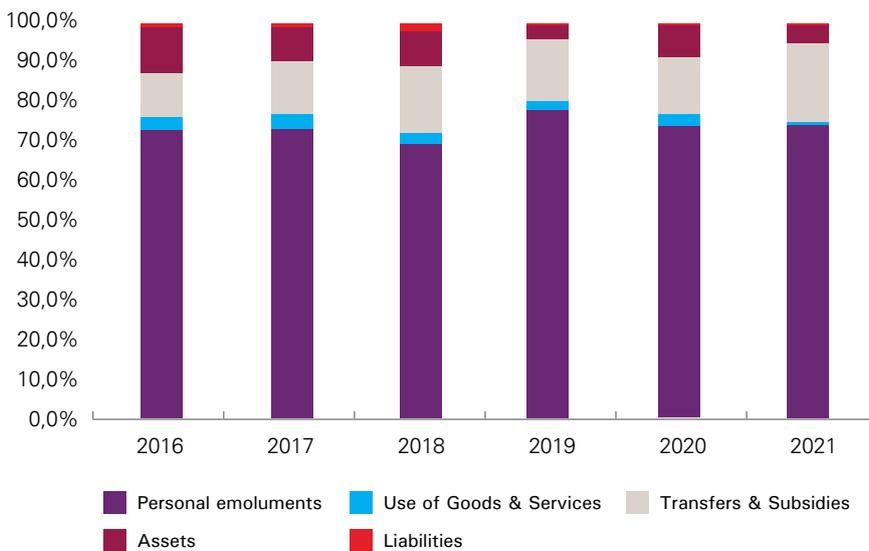
Primary education takes up the largest share of the education budget. Over half of the education budget (51.3 percent) was allocated to primary education in 2021. This was followed by secondary education expenditure (18.5 percent) and university education (11.3 percent). At the bottom-end are Early Childhood Education, youth and adult literacy and Science, Technology and Innovations. These were collectively allocated less than one-half percent of the budget for education (Figure 5).

Figure 5: Composition of education budget by programme, 2015-2021



Education budget by economic classification

Education expenditures by economic classification show that the expenditures are dominated by personal emoluments. Personal emoluments take up three-quarters of the total spending for the Ministry of General Education and the Ministry of Higher Education in 2021. The next highest allocation goes to transfers and subsidies, taking up about one-fifth of the total budget. Within these Transfers and Subsidies, a large share of the allocation to grant-aided institutions goes to personal emoluments. Therefore, the actual allocation to personal emoluments is much higher than the 74.9 percent directly estimated for 2021. Capital expenditure only accounted for 4.1 percent of the total budget (Figure 6).

Figure 6: Education budget (Ministry of General Education & Ministry of Higher Education only) by economic classification, 2016-2021

This budget structure implies that very little remains to invest in other things such as infrastructure and learning materials. For primary education, 97 percent of the budget in 2021 is allocated to teachers' personal emoluments - there is no allocation for infrastructure spending for primary education as shown in Table 2. This can affect education service delivery as school infrastructure and learning materials may not be adequately resourced.

Table 2: Education Budget (Ministry of General Education & Ministry of Higher Education only) by Programme and Economic Classification (Million Kwacha), 2021

	Personal emoluments	Use of Goods & Services	Transfers & Subsidies	Assets	Liabilities	Total	Total
Early Childhood Education	0.0%	16.2%	83.8%	0.0%	0.0%	100%	13.0
Primary Education	97.3%	0.1%	2.6%	0.0%	0.0%	100%	7,059.6
Secondary Education	66.2%	0.0%	32.9%	0.3%	0.6%	100%	2,545.5
University Education	0.0%	0.3%	64.0%	31.8%	3.9%	100%	1,560.6
Youth and Adult Literacy	19.6%	33.3%	41.1%	0.0%	6.0%	100%	2.5
Skills Development	1.5%	0.8%	97.5%	0.2%	0.0%	100%	243.9
Science, Technology and Innovation	1.2%	1.4%	88.6%	8.8%	0.0%	100%	93.3
Management and Support Services	82.4%	5.0%	12.5%	0.0%	0.1%	100%	908.9
TOTAL	74.9%	0.5%	19.9%	4.1%	0.6%	100%	12,427.4

Recognising these challenges, the Government has been making significant investments in school infrastructure at different levels of the education system. Within the transfers and subsidies allocation for 2021, K600 million is inclusive of infrastructure development at secondary school level through the Zambia Education Enhancement Project (ZEEP). Between 2015 and 2018, the Government built about 8,900 additional classrooms (7,100 primary and 1,800 secondary). An increasing allocation to capital expenditure for secondary education and higher education in recent years indicates that the country is making steady steps toward expansion of secondary and higher education.

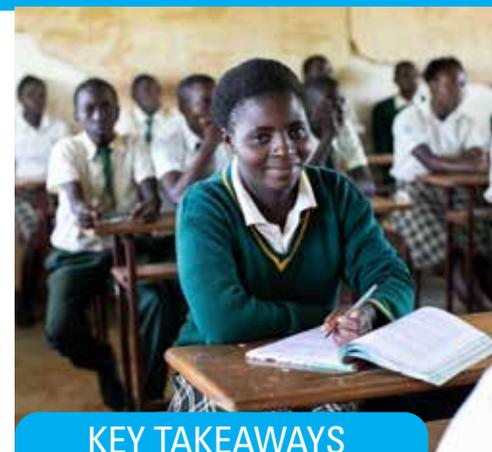
The response to covid-19

The COVID-19 pandemic has brought additional pressure on the education sector. The nationwide closure of schools in 2020 lasted for six months for non examination grades. As an emergency response to COVID-19, the Ministry of General Education took actions to explore various distance learning approaches with an aim to minimise the adverse impact of school closure on students' learning. This included various modes of education provision - e-learning, distance education and broadcasting through radio and television. However, for the e-learning portal, only the secondary school portal was operationalised.⁷

While these immediate responses to COVID-19 are steps in the right direction, it is not immediately clear how many learners have had access to this new form of learning. Further, the education sector needs to develop appropriate short and medium-term strategies to ensure that learning is not severely disrupted in the event of another wave of the COVID-19 pandemic or large-scale natural disasters. The possibility of another closure of schools is still possible as evidenced by the postponement of the start of the new school term at the beginning of 2021 due to the threats of the second wave of COVID-19.

The re-opening of the schools has come with its own challenges tied to adherence to health guidelines such as social distancing. These measures have budgetary implications as additional desks need to be procured in order for pupils to 'social-distance' in class. Added to this is the need for handwashing facilities in public places, including schools, which presently cater for over 4 million learners. The onset of the pandemic implies that the Government must make efforts to improve the access, reliability, and the quality of water and sanitation services as part of the response to the pandemic. As of 2018, one out of four of schools did not provide hand washing facilities with soap for learners.

None of the key education output indicators for 2021 explicitly mentions COVID-related interventions. With the allocation to the Home-Grown School Meals programme remaining the same for 2021 as in previous years, there is no intention to provide meals off-campus in the case of another lockdown. While the Government plans to recruit 3,556 primary school teachers, there are no immediate plans to construct new classrooms. The Government also plans to recruit 2,139 ECE teachers, but only construct 50 ECE classrooms in 2021. Further, there is no evidence of budget lines for the improvement of water and sanitation facilities in learning institutions.



KEY TAKEAWAYS

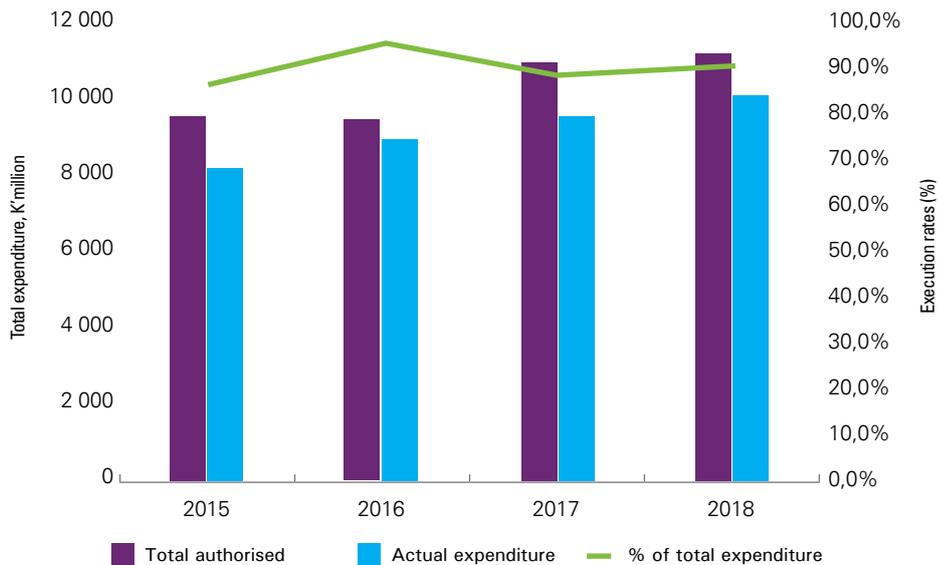
- Three-quarters of the Education budget is devoted to wages and salaries. This leaves little to invest in infrastructure, capacity development, learning materials and innovation (including digitisation)
- The 2021 education budget does not demonstrate preparedness for averting an education crisis as a result of the COVID-19 pandemic

⁷ <https://elearning.co.zm/ece/>

BUDGET CREDIBILITY AND EXECUTION

Based on the execution rates, at the total level, the education budgets are considered credible. This is because the actual expenditure largely meets the targeted spending. The execution rate, defined as the share of actual spending in the total authorised budget provision, averaged 90 percent of the authorised budget for the 2014-2018 period for which actual expenditure data is available (Figure 7).⁸

Figure 7: Total authorised budget, actual expenditure and execution rates, 2015-2018



Source: Constructed from Ministry of Finance Annual Financial Reports

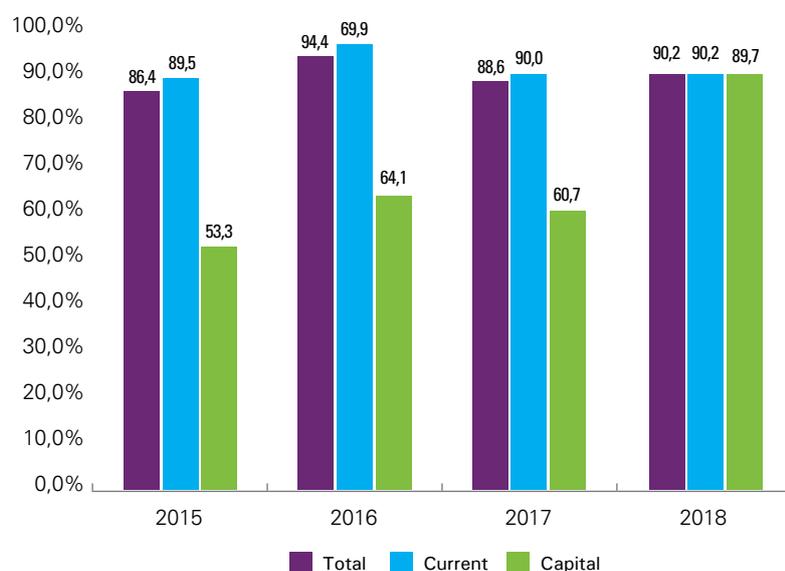
However, headline execution rates such as these ones mask the quality of spending.

As earlier stated, three-quarters of the education spending (and 97 percent for primary education) will go to the non-discretionary wages and salaries at the expense of other types of spending in 2021.

Splitting the education spending into current and capital expenditure unmasks generally lower execution rates for capital expenditure. The average execution rates for current education expenditure averaged 92 percent during 2015-2018, while the execution rates for capital expenditures were significantly lower at 67 percent (Figure 8).

⁸ Actual education spending data is available only up to 2018

Figure 8: Decomposed execution rates, total, current and capital expenditure, 2015-2018



Source: Constructed from Ministry of Finance Annual Financial Reports

There are significant variations in the execution rates within recurrent expenditure by education programme. As shown in Table 3, the average execution rates for primary and tertiary education over the period 2015-2018 averaged about 96-97 percent. At the lower end of the execution rates ladder was Early Childhood Education whose execution rates declined significantly in 2017 and 2018 and averaged 45.5 percent during 2015-2018.

Table 3: D Budget execution rates by programme, 2015-2018

	2015	2016	2017	2018	Average
Early Childhood Education	85.8%	71.6%	8.1%	16.5%	45.5%
Primary Education	94.8%	99.3%	97.4%	96.1%	96.9%
Secondary Education	75.1%	91.2%	94.0%	82.3%	85.6%
University Education	93.0%	99.9%	94.7%	96.9%	96.1%
Youth and Adult Literacy	99.2%	89.0%	58.0%	49.4%	73.9%
Skills Development	97.0%	82.4%	53.3%	57.8%	72.6%
Science, Technology and Innovation	73.6%	93.0%	67.6%	59.5%	73.4%
Management and Support Services	86.7%	89.5%	42.5%	82.5%	75.3%
Total	89.5%	96.9%	90.0%	90.2%	91.6%

Source: Constructed from Ministry of Finance Annual Financial Reports



KEY TAKEAWAYS

- **Headline execution rates, which are high, mask the fact that the capital budget suffers from low allocations and low execution rate averaging 67 percent**
- **Early Childhood Education is the most poorly funded with execution rates averaging 45.5 percent during 2015-2018**

EQUITY IN EDUCATION SPENDING

Zambia allocates most of its budget on primary education. With 80 percent of its citizens below the age of 35 and nearly half below age 15, Zambia’s youthful population structure implies that there are many school-going children, which translates into rising demand for education services. The young population structure indicates that a sizeable allocation of fiscal resources is required to ensure adequate public services for children, in particular early child education and primary education. Spending more on these lower levels of education is a more broadly equitable model as the lower levels are more likely to be accessed by children from poorer households.

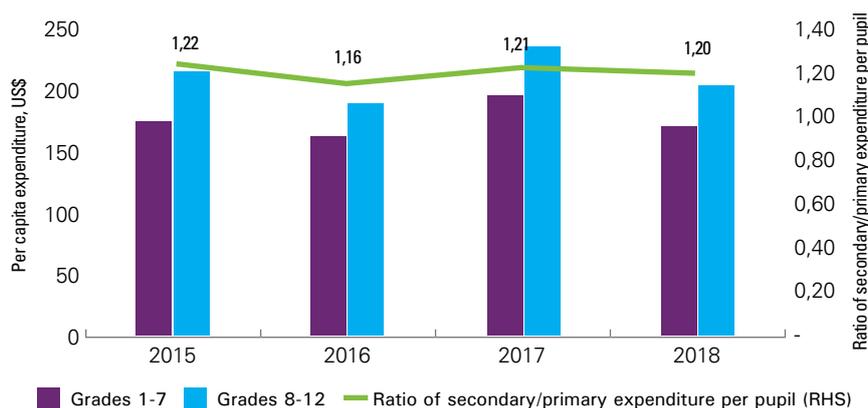
Despite a higher allocation, per capita spending is relatively lower for primary education. Zambia allocates about 55 percent of its Education budget on primary education, which is the largest expenditure programme. Education spending per child better provides a somewhat better assessment of the amount of resources dedicated to learners at different levels of education. It was determined that the Government spent about US\$171 per primary learner and US\$205 per secondary learner in 2018.⁹ Therefore, public expenditure per secondary pupil was 1.2 times more than that spent on a child in primary school during 2015-2018 (Figure 9). The per capita spending on tertiary education is even higher.



KEY TAKEAWAYS

- Early Childhood Education gets a disproportionately small share (approximately 0.1%) of the education budget
- Primary schools get the largest budget allocation. However, per capita spending is relatively lower for primary education
- While per capita spending is higher for secondary pupils compared to primary schools, challenges in gender parity in secondary education remain

Figure 9: Per pupil expenditures in primary and secondary education



Source: Constructed from Ministry of Finance Annual Financial Reports, Education Statistical Bulletins and period average exchange rates

While per capita spending is higher for secondary pupils, challenges in gender parity in secondary education remain. According to the 2018 Education Statistical Bulletin, the ratio of girls to boys is 85 percent at the secondary level, with 36 percent of girls in the 14–18 age-group estimated to be out of school, compared to only 19 percent of boys.

Despite the fact that investment in early years education has the most impact in terms of redressing inequalities¹⁰, only 0.1 percent of the Education Budget was allocated towards ECE in the 2021 national budget. The proportion of grade one entrants with ECE exposure grew from 16.0 percent in 2004 to 29.4 percent in 2018. And although enrolment in public, community and private ECE centres doubled between 2014 and 2018, this enrolment represents less than 10 percent of pre-primary school aged children. As a result, Zambia still falls behind some of its peers in the Southern Africa region in terms of access to ECE such as Zimbabwe (32 percent), Malawi (45 percent), South Africa (above 50 percent), and is below the SSA average of 53 percent¹¹.

⁹ Author’s own calculation using budget and school enrolment figures

¹⁰ Global Campaign for Education (2016). Financing Matters – A Toolkit for Domestic Financing of Education. September 2016, Johannesburg, South Africa

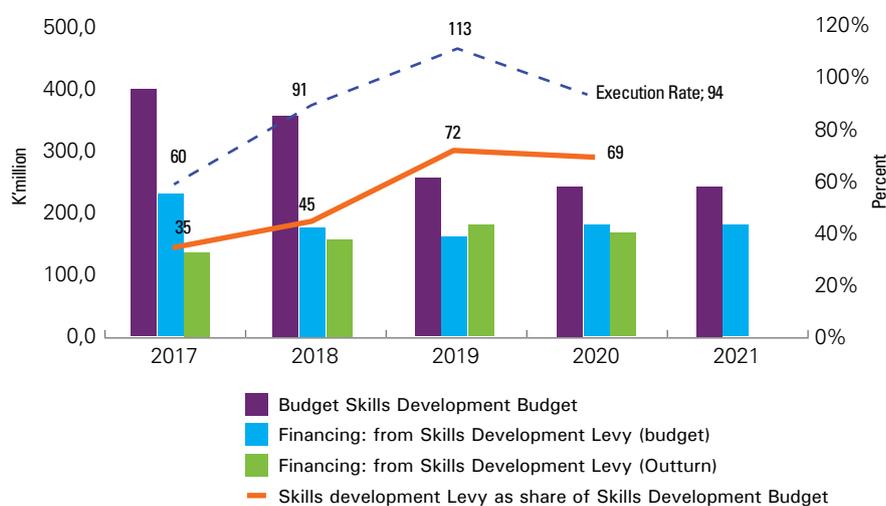
¹¹ The World Bank (2020). Zambia Early Childhood Learning Enhancement Project (P174012), 23 June 2020

FINANCING OF EDUCATION EXPENDITURE

Sources of financing

The Education budget is largely financed from domestic resources. An innovative method of domestic financing is the Skills Development Fund. With the skills development sector remaining underdeveloped relative to other education programmes, the Government devised the Skills Development Fund, which is funded through the ring-fenced Skills Development Levy obtained from 0.5 percent of formal sector employers' monthly payroll. This has ensured steady and sustainable, albeit low, funding for skills development since 2017. Collections from the Skills Development Levy have averaged K163.6 million per annum, while the execution rate has averaged 90 percent. The funds allocated from the Skills Development Levy account for over half of the Skills Development Budget.

Figure 10: Financing skills development through the Skills Development Levy



Source: Constructed from Ministry of Finance Fiscal Tables

Cooperating partners, the UN and World Bank have also contributed resources to the Education budget either through direct budget support or project financing. These include the World Bank, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United States Agency for International Development (USAID). Notable projects include:

- **The Keeping Girls in School (KGS)** project is an innovative project that is intended to potentially address multiple constraints to girls' education. The Keeping Girls in School bursary is a key component of the Girls' Education and Women Empowerment and Livelihood (GEWEL) project which is a US\$65 million partnership between the Government of Zambia and the World Bank to be implemented over 2016-2021. The girls' education component has been allocated US\$36 million and aims to help some 14,000 adolescent girls complete their secondary education¹². The bursary is administered under the Ministry of General Education.
- **The Zambia Education Enhancement Project (ZEEP)** is a US\$60 million IDA-funded project which became effective in 2018. The objectives of ZEEP are to support the GRZ to improve the quality of mathematics and science teaching and learning in primary and secondary schools and to expand equitable access to secondary education. ZEEP is structured around three closely related components: (i) improving the quality of teaching and learning through the

¹² World Bank (2018). Unlocking Women's Learning and Learning Potential: [https://reliefweb.int/report/zambia/unlocking-women-s-learning-and-learning-potential#:~:text=A%20project%20in%20rural%20Zambia,life%20skills%20and%20business%20acumen.&text=Sichone%20and%20the%20others%20are,and%20Livelihoods%20\(GEWEL\)%20project](https://reliefweb.int/report/zambia/unlocking-women-s-learning-and-learning-potential#:~:text=A%20project%20in%20rural%20Zambia,life%20skills%20and%20business%20acumen.&text=Sichone%20and%20the%20others%20are,and%20Livelihoods%20(GEWEL)%20project).

strengthening of teacher training systems and improving textbook availability; (ii) increasing equitable access to secondary education through additional classrooms and facilities; and (iii) enhancing the planning, monitoring and evaluation capacity and project coordination of the Ministry of General Education^{13,14}.

- **Support to Early Childhood Development (ECD):** The United States Agency for International Development (USAID) is supporting a large-scale intervention on pre-school and early grades implemented in five out of the 10 provinces in Zambia. UNICEF is implementing an innovative programme in two districts in Zambia focusing on ECD.
- **Catch Up Programme:** The Ministry of General Education with support of partners runs the Catch Up intervention using the Teaching at the Right Level methodology. This focused on teaching basic skills in literacy and numeracy to learners in grades 3-5.



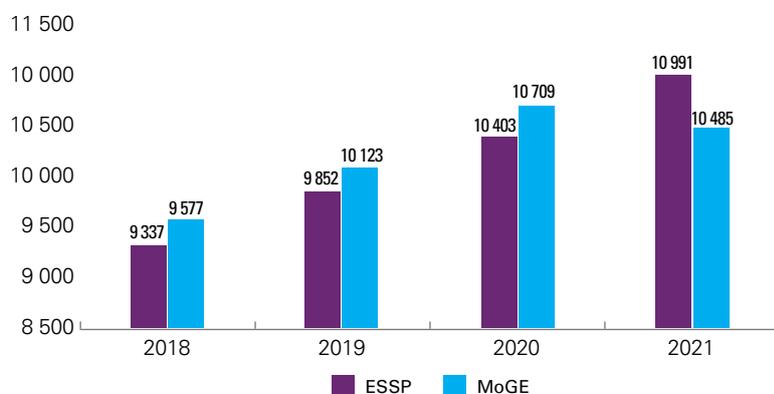
KEY TAKEAWAYS

- The government budget remains the major source of education financing in Zambia, with funds ring-fenced for skills development; funding from development partners is also significant
- During the ESSP period, the Government has allocated more money to the Ministry of General Education than planned; however, the met targets may not necessarily show the adequacy of the financing

Adequacy of financing

The Government was able to allocate more resources to the Ministry of General Education than what was estimated in the ESSP. To be able to achieve the education targets during the ESSP period, the Government estimated that it would need to spend approximately K9.3 billion in 2018 which was the first year of implementation of the plan; K9.8 billion in 2019, K10.4 billion in 2020 and K10.9 billion in 2021. Except for 2021, the Ministry budget was consistently higher than the ESSP targets.

Figure 11: Ministry of General Education Budget vs ESSP Projections (Million Kwacha)



However, while the ESSP targets were met, they do not necessarily show the adequacy of the education spending. Comparing the non-monetary indicators such as the pupil/teacher ratio, the class size and the pupil/book ratio to the standard/desired ratios are important indicators of resources devoted to and required for education. Coupled with teachers’ salaries and other working conditions, pupil/classroom, pupil/teacher, and pupil/book ratios also have a considerable impact on the level of current and capital expenditure on education. For example, the pupil/teacher ratio for primary schools in 2017 was 42.1¹⁵, while the desired pupil/teacher ratio for primary schools is 40. With 3.3 million pupils enrolled in primary schools in 2017, a back-of-the-envelope estimate shows that an additional 4,000 primary school teachers were required in that year.

¹³ <http://documents1.worldbank.org/curated/ar/613441588692336203/pdf/Zambia-Education-Enhancement-Project-Additional-Financing.pdf>

¹⁴ Ministry of General Education, Zambia Education Enhancement Project (ZEEP) Brief: https://www.moge.gov.zm/?page_id=5439

¹⁵ Ministry of General Education, 2017 Education Statistical Bulletin

KEY POLICY ISSUES

The new forms of learning - e-learning, distance education and broadcasting through radio and television, as well as improving sanitation facilities in schools require additional funding to education and/or realignment of existing funding.

Notwithstanding the lack of detailed information, the 2021 education budget does not demonstrate preparedness for averting an education crisis as a result of the COVID-19 pandemic. Except for expanding early childhood education, there are no planned increases in the number of classrooms to adhere to public health guidelines of social distancing. Further, there is no allocation for water and sanitation in schools to increase handwashing facilities. Neither is there demonstrable evidence of increased allocation to alternative learning methods as a result of reduced contact hours for learners, or to the school meals programme to explore alternative approaches in case of new containment measures.

Given that the Government has prioritised increased spending to some aspects of the health sector as well as social protection in the 2021 Budget, funding to education will be challenging. Being largely domestically financed, fiscal space is limited especially given that the composition of spending disproportionately favours the non-discretionary wages and salaries. While the sector obviously needs increased budgetary allocations, subject to increased fiscal space, increasing the volume of spending without changing the structure of spending will have little impact.

The COVID-19 pandemic has increased unemployment and underemployment, leading to declining incomes. This makes it difficult for households with school-going children to meet education costs. Despite the Free Primary Education Policy being in place, parents and guardians of learners must meet other school requisites such as uniforms, shoes and school bags. Further, the declining incomes may also lead to shifts in enrolment from the more expensive private schools, for those who can afford, to public schools. This will add further pressure on public education budgets.



KEY TAKEAWAYS

- The COVID-19 pandemic necessitates increased funding to the education sector; however, increased funding will be challenging given that health and social protection have been given priority funding
- Increased unemployment and underemployment, and the subsequent loss of income may lead to shifts in enrolment from private to public schools, thereby putting more pressure on public education budgets.





This budget brief has been authored by Mr Shebo Nalishebo with support from the UNICEF Zambia Social Policy and Research team.

Special thanks to Claude Kasonka, Daniel Kumitz, Bob Muchabaiwa and Noala Skinner for technical guidance and editorial support.

All images ©UNICEF/Zambia/2020-2021 (Siakachoma, Schermbrucker)



UNITED NATIONS CHILDREN'S FUND
United Nations House, Alick Nkhata Rd, Longacres
P.O. Box 33610 Lusaka 10101, Zambia
Telephone: +260-211-374200

Follow us on:
facebook.com/unicefzambia, twitter.com/unicefzambia, unicef.org/zambia