

2021/2022

# Education Sector Budget Brief



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for every child

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# 01 KEY MESSAGES

- Substantial gains have been made by introducing Free and Compulsory Primary Education.
- Spending on education has been consistent over the past five years.
- The proportion of recurrent expenditure in the education budget is 92 per cent, while the development budget is less than 8 per cent. The development budget comprises Government of Lesotho funding of 2 per cent and donor funding of 6 per cent.
- The education sector is highly dependent on donor and grant funding, while the Government of Lesotho contributes for a small proportion of the sector's spending.
- The education sector needs more financing for its operations, as 85 per cent of its annual budget goes to teachers' salaries and allowances.
- The capital budget of the education sector is financed chiefly through donor support and a small proportion from the Government, mainly for the construction of schools.

# 02 INTRODUCTION

The provided budget brief serves as an analytical tool to assess how well the national budget caters to the educational requirements of children within Lesotho. Its focal point is a comprehensive examination of the scale and structure of public spending in the education sector during the fiscal year 2021/22. The objective is to delve into expenditure efficiency, effectiveness, equity, and sufficiency to ensure a robust educational framework.

By scrutinizing the budget, the brief aims to distil complex financial information into a format easily digestible for stakeholders, allowing them to comprehend the nuances of the education sector's funding. This approach fosters informed decision-making by presenting the data in a clear and accessible manner.

In essence, the brief acts as a bridge between intricate budgetary details and practical insights. It distils the financial intricacies of the education sector into actionable recommendations that can guide future fiscal decisions. This analysis sheds light on the financial allocations. It critically evaluates their appropriateness and efficacy in meeting the educational needs of children, thereby promoting a more effective and equitable educational system in Lesotho.

# 03 EDUCATION SECTOR OVERVIEW

Lesotho's education system is organized along formal and informal domains. The formal education system is currently organized into five levels: pre-primary, primary, secondary (junior and senior secondary), post-secondary (vocational and technical schools, International Baccalaureate), and higher learning education. Informal education exists to address the educational needs of youth and adults unable to go through formal education, and it offers primary and secondary-level education. The formal system comprises 2,204 pre-primary schools (243 reception classes), 1,478 primary schools, 341 post-primary schools (250 offer both junior and senior secondary education and 91 offer junior secondary education only), 26 technical and vocational schools (offering Automotive Mechanics, Bricklaying and Plastering and Home Sciences, etc.) and 14 higher education institutions.

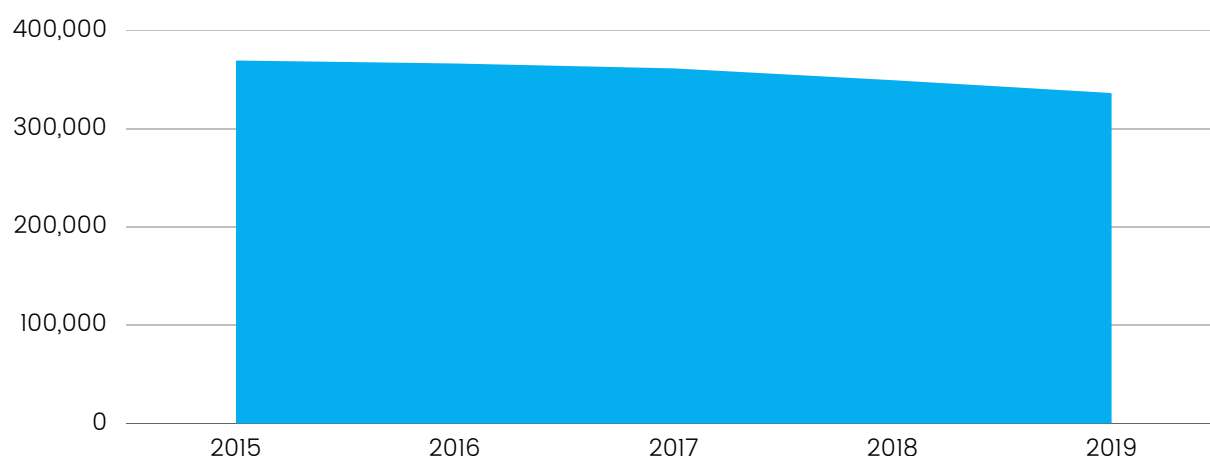
Lesotho has made substantial gains in education service delivery by introducing Free Primary Education (FPE) on a phased basis between 2000 and 2006. In 2010, the Government of Lesotho further improved the Free Primary Education initiative by introducing Free and Compulsory Primary Education (FCPE) by law. The Government has constructed many lower basic education and secondary schools since 2000, in line with infrastructure development and provision. Although the situation has improved over the years, the education sector still needs to acquire or increase the number of facilities (schools), especially in the mountainous districts that need help attracting and retaining teachers.

Improvement on some core indicators was also realized, although there is still a need to improve on some others. The net enrolment ratio in lower basic education increased from 82 per cent to 95 per cent between 2000 and 2010, and the gross enrolment ratio in grade 1 was 98 per cent in 2014. Thirty-six per cent of children in the official school-going ages are out of school, with 3 per cent at the primary education level, 14 per cent at the junior secondary level, and 36 per cent at the senior secondary education level. Gender and geographic location continue to influence the young population that does not receive Lower Basic Education. The 2010 continuous multiple surveys show that 2 per cent of girls and 5 per cent of boys never enrolled in school in Lesotho. Besides that, huge disparities across districts also exist, with mountainous districts showing deficient performance compared to lowland districts for pupils enrolled in lower basic education.

The Ministry of Education and Training is mandated to provide quality education services to all Basotho to ensure that every Mosotho has the opportunity to be literate and productive, with grounded moral and ethical values. On the other hand, the 2019 Education Report shows a notable decline in enrolment in Early Child Care Development (ECCD) and primary schools in recent years, even though increasing enrolment and retention of learners is a key objective of the Ministry.

In 2016, the Government adopted a ten-year Strategic Plan that sets out the Government's strategic approach to service delivery in the sector, which is aligned with the Education for All (EFA) and Sustainable Development Goals (SDGs) principles and frameworks. The Plan provides the Government's strategic approach to addressing critical issues affecting service delivery at all levels of education, including curriculum development and assessment, non-formal education, teacher development, supply and management, and cross-cutting issues that affect education at all levels.

FIGURE 1: ECCD AND PRIMARY ENROLMENT



SOURCE: BUREAU OF STATISTICS, 2021 PUBLICATION TABLES

TABLE 1: SELECTED EDUCATION INDICATORS

Indicator	Overall	Female	Male
15-24 Literacy Rate (%)	92	96	83
% Out of school (2017)	36	N/A	N/A
Primary	3		
Lower Secondary	14		
Upper Secondary	36		
Gross Primary Intake Rate (%) (2019)	96.3		
Gross Enrolment Rate (%) (2019)	33	33.5	32.6
Completion Rate (%) (2019)	80	92	69
Primary School	44	55	39
Lower secondary	32	37	27
Upper secondary			
% Out of School (2017)	36	N/A	N/A
Primary	3		
Lower Secondary	14		
Upper Secondary	26		
3-4 Years Early Childhood Education (%) (2019)	46	46	45
Developmentally on Track (%) (2019)	73	78	68
% Non-transition Rate (2021)	26	N/A	N/A
Primary	13		
Lower secondary	15		
Upper Secondary	73		
Repetition Rate (%) (2021)	9	3	6
Primary	14	7	6
Secondary			

SOURCE: BOS; UNESCO; UNICEF 2022



# 04 INSTITUTIONAL FRAMEWORK

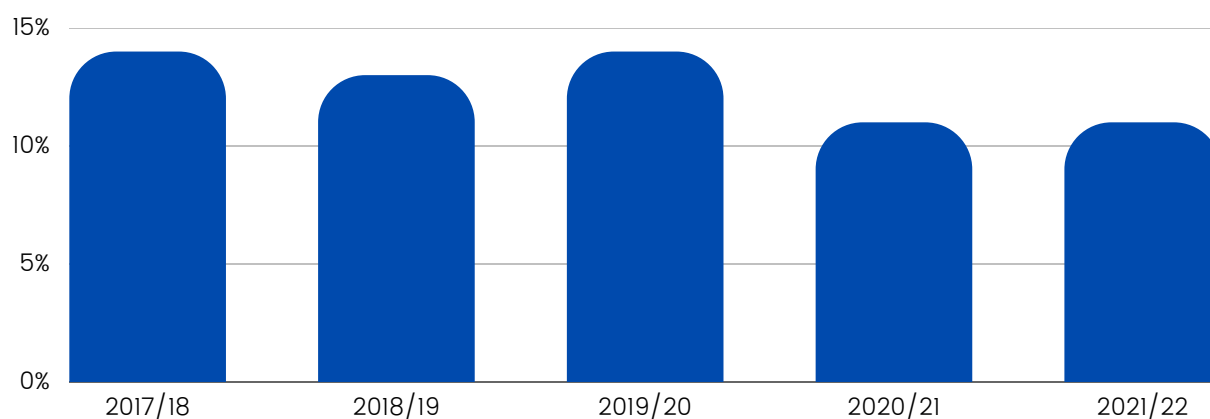
## 4.1. INSTITUTIONAL FRAMEWORK

In line with the Government of Lesotho's broad objectives, the Ministry of Education and Training continues to expand learners' enrolments and retention at all education levels. The quality of education is addressed through (i) provision of safe, clean, healthy, and protective facilities in schools; (ii) school feeding in all public primary schools, including in reception classes; and (iii) provision of teaching and learning materials in all public primary schools. Furthermore, the Government has constructed one Training and Trade Testing Centre, expanded six institutions, and strengthened the school inspection function.

## 4.2. EDUCATION SPENDING TRENDS

In 2021/22, the education sector was allocated M2,625.5 million of the total national budget of M23,934.6 million. Total spending on education has remained the same in recent years in real terms and nominal terms. Between 2017/18 and 2021/22, it ranged between M2,000.0 million and M3,000.0 million. There is an increasing enrolment at different levels of education, but the spending trends have remained the same due to economic contraction caused by, among others, the COVID-19 pandemic. As a percentage of the national budget, the allocation proportion decreased from 14 per cent in 2019/20 to 11 per cent in 2020/21, close to the average of 10 to 12 per cent over the past five years.

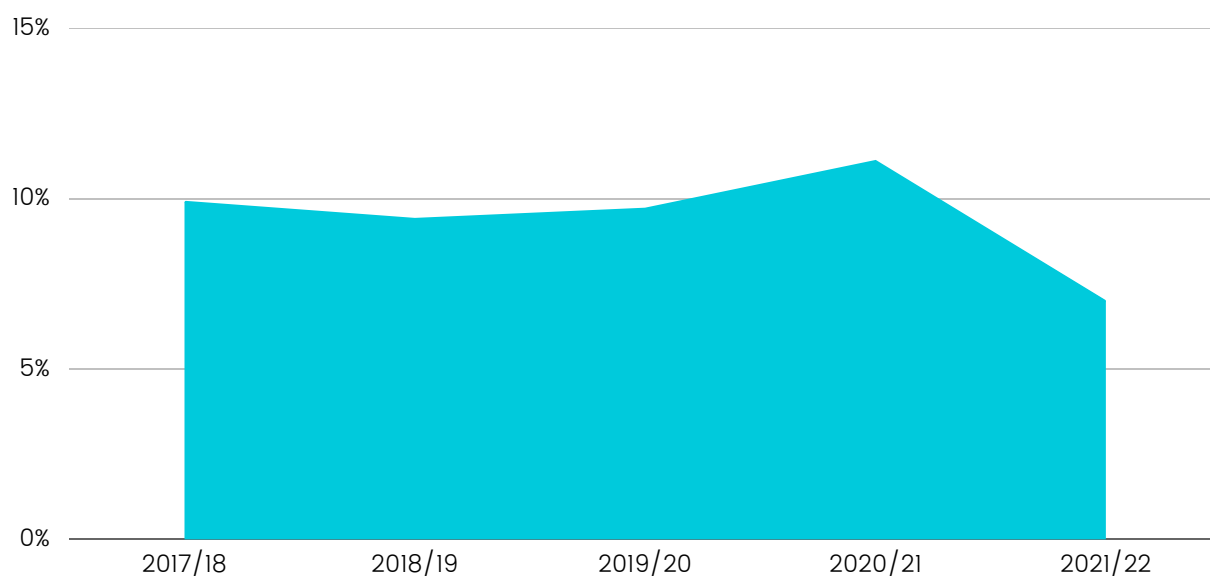
FIGURE 2: EDUCATION SPENDING AS A PERCENTAGE OF NATIONAL BUDGET



SOURCE: BUREAU OF STATISTICS, STATISTICAL REPORT NO. 01:2022

Education sector spending as a proportion of GDP was 9.9% per cent in 2017/18, decreased slightly to 9.4 per cent in 2018/19, and then stayed at 7 per cent into 2021/22.

FIGURE 3: EDUCATION SPENDING AS A PERCENTAGE OF GDP



SOURCE: BUREAU OF STATISTICS: 2021 PUBLICATION TABLES

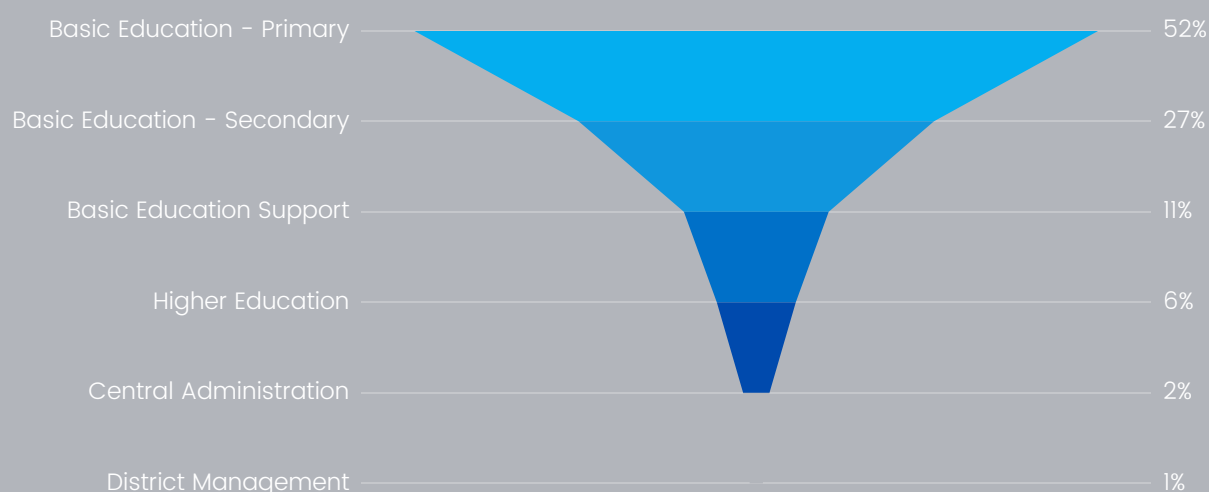
# 05 EDUCATION

## BUDGET COMPOSITION

### 5.1. COMPOSITION OF THE EDUCATION BUDGET

A substantial proportion of the recurrent budget goes towards financing basic primary and secondary education, with allocations amounting to 52 per cent and 27 per cent, respectively; these are teachers' salaries and allowances. Basic education support allocated 11 per cent of the budget for financing education materials and school feeding programmes.

FIGURE 4: COMPOSITION OF MOET RECURRENT BUDGET BY COST CENTRES, 2021/22.

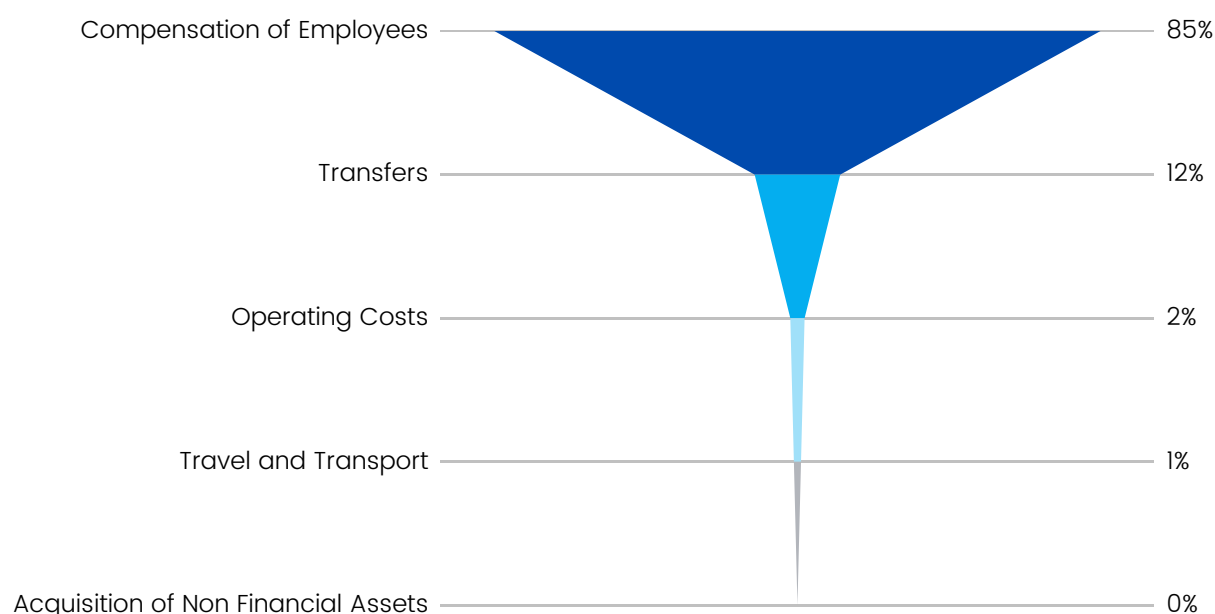


SOURCE: BUREAU OF STATISTICS: 2021 PUBLICATION TABLES

The allocation to the recurrent budget in 2021/22 was M2,484.3 million, while the allocation of the capital budget was M141.2 million. These allocations represented a slight decline compared to the recurrent budget allocation of M2,564.5 and the capital budget allocation of M217.3 million in 2020/21. The proportion of the recurrent budget has been consistently high over the last five years.

A substantial proportion of the 2021/2022 education sector budget goes to the compensation of employees, which takes 85 per cent and is dominated by teachers' salaries. The remaining 15 per cent supports the Ministry of Education and Training operations.

FIGURE 5: 2021/22 COMPOSITION OF BUDGET BY SUBHEADS

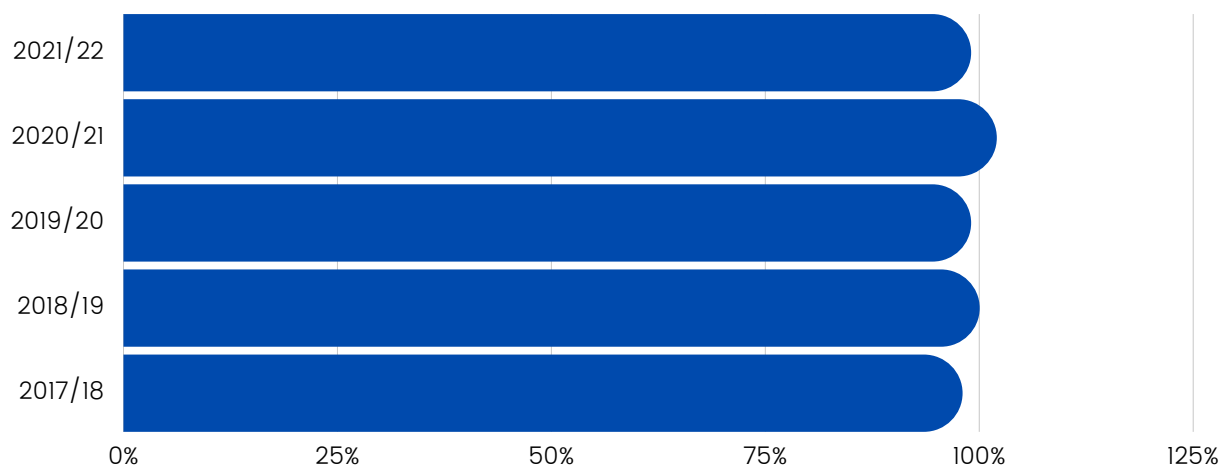


SOURCE: BUREAU OF STATISTICS, 2021 PUBLICATION TABLES

## 5.2. BUDGET CREDIBILITY AND EXECUTION

The budget for the education sector has been characterized by high credibility in recent years. Over the past five years, the approved budget and actual expenditure have remained the same, and the 2021/22 financial year recorded an expenditure of 99 per cent of the recurrent budget allocation. The 2 per cent overspending in 2020/2021 resulted from an initial omission in the National University of Lesotho budget allocation, excluding a 5 per cent cost of living adjustment. A supplementary allocation was made during the year.

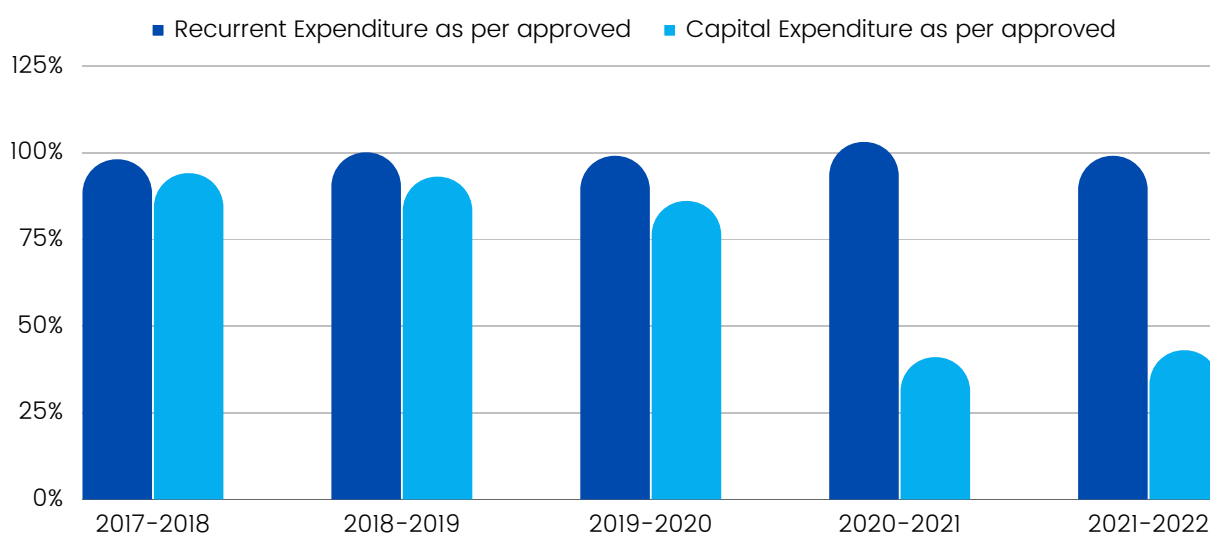
FIGURE 6: BUDGET CREDIBILITY EDUCATION SECTOR IN 2017/18 TO 2021/22



SOURCE: BUREAU OF STATISTICS: 2021 PUBLICATION TABLES

Even though the total expenditure on education may seem credible, a deeper analysis of the individual budget categories reveals that the cost of the development budget has stayed within 95 per cent of the allocations. A decline of 7 per cent was noted in 2019/2020 compared to the previous year, and after that, a sharp decline to 41 per cent in 2020/2021 and 43 per cent in 2021/22.

FIGURE 7: MOET EXPENDITURE BUDGET (RECURRENT AND DEVELOPMENT), AS % OF APPROVED BUDGET



SOURCE: BUREAU OF STATISTICS, 2021 PUBLICATION TABLES

# 07 EDUCATION SECTOR FINANCING

In the fiscal year 2021/22, Lesotho's education sector heavily relied on external funding, predominantly donor loans and grants, constituting 46 per cent and 43 per cent of the capital budget, respectively. Donor contributions played a vital role in improving infrastructure, educational facilities, and program quality. However, the overreliance on foreign aid raised concerns regarding sustainability and autonomy. Vulnerability to shifts in international aid policies and economic conditions of donor countries could impact the implementation and continuity of essential projects. It also limited the government's ability to set its educational agenda and prioritize initiatives based on national needs and strategic objectives. Achieving a balanced financial approach is crucial to ensuring a sustainable educational system. This involves gradually reducing dependency on external sources while enhancing the government's capacity to fund and guide the education sector's growth. By doing so, Lesotho can move towards a self-sustained and resilient educational system, striking the right balance between international aid and domestic investment to align with long-term national goals and foster sectoral independence and growth.

FIGURE 8: FINANCING OF THE EDUCATION SECTOR, LESOTHO



SOURCE: BUREAU OF STATISTICS: 2021 PUBLICATION TABLES

