ZIMBABWE
2016 PRIMARY & SECONDARY EDUCATION
BUDGET BRIEF

Key Messages

- Primary and Secondary Education was allocated US$810.43 million about 20.3% of total budget, but 9.5% lower than 2015 allocation;
- The 2016 allocation is higher than the Sub-Saharan Africa (SSA) average of 16.5% of state budget;
- Employment costs represent a staggering 98.4% of the 2016 budget allocation;
- Continued reliance on off-budget non-wage education support by donors – estimated at approximately US$60 million in 2016;
- This donor support, albeit much needed at this current time, is not only declining, but is also unsustainable in the medium-to-long term and carries the risk of undermining government systems and capacities;
- Further reliance on parents and families who bear an increasing burden of financing the education sector through payment of school fees;
- Proposed wage bill reforms are predominantly targeted at reducing the education sector wage bill by reducing the number of teachers on the government payroll;
- Critical that the savings made from wage bill reform – estimated at US$170 million – benefits children;
- Public spending data should be disaggregated to district levels to enable analysis and development of innovative solutions to existing challenges within the sector.
Zimbabwe’s education sector falls under two Ministries, i.e. the Ministry of Primary and Secondary Education (MoPSE) and the Ministry of Higher and Tertiary Education, Science and Technology Development. This brief focuses on the provision of basic education, which falls under the MoPSE. The Ministry’s overall mandate is to provide quality, inclusive, relevant and competent driven Infant, Junior, Secondary and non-formal education. It is also oversees the national examination system, managed by the Zimbabwe Schools Examination Council.

Having developed a new education curriculum and syllabi in 2015, the Ministry seeks to implement the new curriculum and finalize the ICT policy in education. Other priority areas in 2016 include, among others: construction of new schools through joint venture partnerships; strengthening the Teacher Capacity Development Programme; and realignment of the Education Act to the New Constitution.

### Education Indicators

The has been some improvement in some of the selected indicators in education over time but significant challenges remain in early childhood development (ECD) and secondary net attendance.
2016 Budget Allocation

To implement the above priorities, and other projects, the Ministry was allocated US$810.43 million, which is about 20.3% of the US$4 billion total budget and 5.7% of GDP. Other Ministries such as Home Affairs (9.9%), Defence (8.9%), Health and child Care (8.3%) and Higher and Tertiary Education, Science and Technology Development (7.6%), complete the top 5 allocations.

The 2016 allocation is 9.5% lower than the US$890.14 million allocated to the sector in 2015, mainly on account of expected weak revenue outturn. Operating on a cash budgeting basis, and given the economic challenges, revenue collections are expected to decline impacting on the actual non-wage disbursement rates in the education sector.

Despite the drop in education allocation, it remains higher than the Sub-Saharan Africa (SSA) average. By end-2013, SSA countries were allocating an average of 16.5% of their state budgets and 4.2% of their GDP to education, compared to the 20.3% of total budget and 5.7% of GDP in 2016 for Zimbabwe.

This notwithstanding, the high allocations to education may not be a true reflection of the Government’s financial commitment to improving education. The Ministry of Primary and Secondary Education (MoPSE) was allocated the highest budget, (Figure 2). However, a staggering 98.4% of the education budget goes to employment costs, thus the allocation largely reflects the number of employees in the ministry. Total employees (teachers and administrative staff) in the Ministry, account for two thirds of the total number of civil servants in Zimbabwe. Non-wage education allocation amounts to US$13 million. With an estimated total of 8000 schools, excluding ECD, this would translate to less than US$1,640 per school per year. This translates to less than US$3.34 per year per child.

The share for the Education Sector has been calculated by using the value of the total State Budget less debt-service payments as a denominator. It includes Statutory & Constitution and Vote Appropriations.
Projected Sources of Education Resources

In addition to direct budget allocations, the education sector is expected to receive additional funding from development partners and statutory funds. Total resources are projected at US$844.51 million, with government revenues accounting for 96% (Figure 3). Statutory funds, which includes fees and levies collected and retained by state owned enterprises in education and institutions, is expected to account for 3.3% (US$27.7 million) of the total resources. Other on-budget resources, mainly from development partners are expected to account for 0.7% of the total resources (US$6.3 million).

Importantly, the 0.7% only reflects donor contributions through the government systems. It is worth noting that development partners have been playing a key role in supporting the education sector and other social sectors, particularly with regards to non-wage spending.

Development partners have been channeling their support through pooled funding mechanisms such as the Education Transition Fund, and its successor, the Education Development Fund (EDF). For example, in 2015 estimates show that government spending in teaching and learning material amounted to US$16.9 million compared to the US$32.7 million from the EDF, (Table 1). In 2016, the EDF support to education is projected at US$21 million, about 1.6 times the government budget support of US$13.1 million.

Table 1: Actual EDF Expenditure in US$ (2014-2016)

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<tr>
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<th>2014</th>
<th>2015</th>
<th>2016 Proj</th>
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<tbody>
<tr>
<td>EDF</td>
<td>35,239,558</td>
<td>32,703,345</td>
<td>21,000,000</td>
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Source: UNICEF

Composition of the Education Budget Allocation

As already alluded to, allocative efficiency in Zimbabwe’s public expenditure system is low, particularly the education sector. Allocative efficiency is a measure of assessing whether the distribution of resources is optimal across different expenditure categories to achieve the desired objectives. It helps answer the question of whether resources are being allocated towards the right activities to ensure the provision of quality education or can a reallocation of resources make the sector more efficient?
Hence, with less than 2% of the budget being spent on non-wage investments, the risks to the sector remain high, characterized by dilapidated and inadequate school infrastructure, teaching and learning environments and acute shortage of teaching-learning materials. Persistent under-funding of the capital budget has resulted in a deficit of 33,600 classrooms nationwide, severely impacting on children’s wellbeing, particularly in the rural and resettlement areas. This is further fueling the deprivations and inequities that Zimbabwean children face.

Therefore, to rectify the situation, as fiscal space grows, the size and quality of government investment in non-wage education infrastructure would need to be increased, prioritizing the more deprived provinces and districts, to ensure equitable education outcomes of all the children.

2016 Budget Allocations by Programme Area

Junior education (covering grades 1-7), received the largest share of the Sector budget, accounting for 46.1%. Thirty four percent of the education budget was allocated towards Secondary Education, 17.8% was allocated towards Infant Education, whilst Education Coordination & Development and Administration & General got a combined 2.1%, (Figure 5). With employment costs accounting for 98.4% of the total education allocation, these numbers are a reflection of the number of employees in each of the two sub-categories. Hence, the 46.1% allocated towards Junior Education reflects that the sub-category employs a higher number of staff compared to secondary education.

There was a significant increase in the amount of resources allocated to Infant Education (Early Childhood Development (ECD)) from US$2 million in 2015 to US$144 million in the 2016 Budget. The increase in the ECD allocation largely reflects the re-direction of a significant amount of teaching staff to ECD. This would need to be matched with increased investment in ECD infrastructure. This is particularly important given that 46.1% of the class room deficit nation-wide is attributed to ECD.

Such mutually reinforcing investments would help ensure that children are school-ready by the time they enroll for primary education. MICS 2014 results showed that only 21.6% of children aged 3-5 years were attending organized ECD, of which 26.2% were in urban areas compared to 20.1% in rural areas. This in turn affects school readiness, which is estimated at 86.2% (MICS 2014). School readiness measures the percentage of children in first grade of primary school, who attended pre-school during the previous school year. It is linked to learning, school completion, later skill development, and acquisition of academic competencies and non-academic success. Children who enter school ‘ready to learn’ are more likely to stay in school and succeed at school.
Budget Execution

Actual spending in the education sector has been above the budget allocations, mainly reflecting expenditure on employment cost overruns. Given that the education budget is almost entirely consumed by employment cost, actual spending has been equal or higher than allocations, (Figures 6). Employment cost overruns between 2010 and 2013, wherein spending on wages exceeded 100% (Figure 7) reflected wage increases in the general public service, leading to higher actual spending compared to allocations.

However, in 2014, government experienced cash flow constraints resulting in some of its wage obligations being carried over into 2015. Only 94.1% of the wage obligations were paid in 2014, (Figure 7). As such, only 90.9% of the allocation was utilized resulting in total actual expenditures being lower than the sector’s budget allocation. By end-September 2015, 73.6% of the total allocation had been spent, with an employment budget utilization of 74.6% of what was budgeted, as the government incurred employment costs and pension arrears, on account of lower-than-expected monthly revenue outturn.

Employment cost overruns, crowd out non-wage spending resulting in lower execution on the non-salary items. This trend has been witnessed since 2010, (Figure 6). In 2013, for instance, the MOPSE reported a 100.3% execution rate of its overall budget. Of which, wages were at 103.3%, whilst other recurrent and capital budget utilization were at 54.8% and 39.4%, respectively. The same trend prevailed in 2014 through to 2015. By end-September 2015, budget execution for operating costs and invest in capital improvements was at 22.4% (US$16.9 million). This translates to US97 cents per child or US48 cents per child for each of the school terms, on operating costs and investments in learning infrastructures.

Equity in Resource Allocation

Achieving equality in education should be a key priority of any government. Resource allocation should directed to those provinces and districts with the greatest need (i.e. worst social indicators). However, Zimbabwe follows a centralized budgeting system, making it difficult to view the budget of the Education sector by province or individual districts. It would thus be important for the MoPSE to have its budget allocations disaggregated at district level. This would
help facilitate equity analysis at district level against other education indicators such as out-of-school, completion rates, school readiness, pass rates, which are disaggregated at district level.

Zimbabwe is a country that has achieved much for its children in education, however significant equity gaps still exist. Across all wealth/income groups, there has been improvement in education access both at primary and secondary level, but huge disparities begin to emerge at high level and tertiary education level.

There was equity in primary education and significant inequity in secondary education as expressed by the steeper lines in secondary education. The secondary education dropouts were concentrated in the poorer wealth quintiles. The payment for secondary school was a game changer as children in the poorest
wealth quintiles drop out, and diminishing equity. Another equity barrier is O-level examinations that prevent children with poor O-level results from continuing to A-level. The quality of education in schools attended by children in the poorest wealth quintile (WQ1) and parents’ limited ability to pay fees for their children might have caused approximately one percent of children from WQ1 to proceed to A-level. In comparison, 31% of children in the richest wealth quintile proceeded to A-level.

Conclusion and Recommendations

- The MoPSE has been receiving the highest budget allocation over the recent past. However, this largely reflects the size its workforce, as non-wage spending has remained low and inadequate to make a real impact on improving the education infrastructure, and thus affecting children’s learning experience in terms of over-crowded classrooms and insufficient infrastructure and equipment.

- Dependency on donor support for non-wage education expenditure will continue, with an estimated backlog of 2000 schools in Zimbabwe, and this remains a huge bottleneck for equity and access to quality education. In addition, parents through various out-of-pocket payments to schools are complementing donor funding in keeping the education system alive in the absence of adequate fiscal funding.

- In order to achieve the sector’s mandate and improve education outcomes, the Government must review the education wage bill, with a view to create fiscal space to increase the size, efficiency and equity of investment to education infrastructure. This is important to safeguard gains recorded over the last 6 years, whilst at the same time gradually reducing dependence on development partners for non-wage spending.

- Improvements in fiscal space should be channeled towards those districts and provinces with the greatest need to achieve equitable education outcomes. This could also include targeted interventions to ensure adequate ECD coverage in marginalized and hard to reach areas.

- Significant bottom-up funding, as parents are shouldering the greater burden of responsibility in financing the education system through school fees.

- Significant inequity gaps based predominantly on socio-economic status, exist within the education system, and this becomes more acute at higher levels of education attainment. Poor income households are clearly not accessing higher and tertiary education and this, left unchecked, has a long term impact on adolescent development.

- Furthermore, quality data on public spending would need to be disaggregated at district level to enable analysis and development of innovative solutions to existing challenges bedeviling the sector. Indeed, equity in the education sector is a critical factor affecting overall education outcomes.
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<tr>
<th>Acronym</th>
<th>Description</th>
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<td>ECD</td>
<td>Early Childhood Development</td>
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<td>EDF</td>
<td>Education Development Fund</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>MICS</td>
<td>Multiple Indicator Cluster Survey</td>
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<td>MoPSE</td>
<td>Ministry of Primary and Secondary Education</td>
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<td>OOS</td>
<td>out-of-school</td>
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<td>SCR</td>
<td>Student Classroom Ratio</td>
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<td>SSA</td>
<td>Sub-Saharan Africa</td>
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