Education

Highlights

Botswana has comprehensive education policies, long-term strategies and medium-term plans in place that address issues of quality, access and relevance across the entire education sector. However, weak and/or absence of M&E tools and limited capacity to effectively make use of these tools undermine their effective implementation.

Within the Education and Training Sector Strategic Plan (ETSSP) monitoring and reporting framework (for example, during the Mid-Term Review and/or Annual Sector Reviews), the Government may consider conducting a priority-setting exercise through an inclusive approach to allocate public resources against desired outcomes. It helps to make informed decisions on the choices regarding distribution of limited resources.

Education remains one of the most key areas where the Government has a strong commitment in Botswana. The Government may consider maintaining public spending at least at current level (7-8 per cent of GDP) as one of the priorities in the coming years, with specific focus on public expenditure on service delivery targeting children.

There is underfunding of the ETSSP, which runs from 2015 to 2020. Implementation of this Plan needs to be continuously revised considering the resource availability as projected in the Medium Term Fiscal Framework (MTEF). Areas that are fundamental to supporting the education of the most disadvantaged children, including early childhood development, out of school programmes and improving learning outcomes, receive limited public funding.

The current budget structure does not allow for analysis of spending by education level or items. The Government may introduce “programme-based budgeting” in the education system, which is in line with international best practice. This alternative budget classification will improve aggregate fiscal discipline, accountability of budget managers, and allocation of resources to the priority areas and activities.

Although increasing in recent years, infrastructure funding, particularly for pre-primary and primary schools, remains low and should be reviewed in line with current policy commitments and underlying funding requirements.

The budget briefs explore the extent to which the public budget addresses the needs of children under 18 years in Botswana. Their main objectives are to synthesize complex budget information so that stakeholders easily understand it and to put forth key messages to inform financial decision-making processes.
1. Introduction

Ambitious national and sector development plans guide Botswana’s education system. The overarching plan, National Vision 2036, is based on a series of medium-term plans. The current plan, National Development Plan 11, runs from 1 April 2017 to 31 March 2023. It aims to transform Botswana into a knowledge-driven economy and emphasizes the importance of education to improve the quality of the labour force. It also acknowledges key challenges in the sector, including low rates of inclusion, poor secondary to tertiary transition rates, and a mismatch between skills and labour force needs. To this end, the government aims to invest 60 per cent of mineral revenues in the development of physical and human capital.

Operationally, the Education and Training Sector Strategic Plan (ETSSP), which covers the 2015 to 2020 period, is intended to address key challenges and guide the sector. The ETSSP emphasizes the importance of: (i) laying a solid foundation at pre-primary education level; (ii) teacher education and professionalism; (iii) enhanced participation of private sector and parents; (iv) technical and vocational education; and (v) the sector’s strategic role as a catalyst in economic transformation and national development. The below chart demonstrates some of the key targets to be achieved by 2020 (Figure 1).

The ETSSP guides investment in the education sector and identifies several critical priorities and goals drawing on available human and financial resources (Figure 2). It is implemented through eleven programmes, including five thematic programmes focused on system level reforms deemed necessary to support the implementation of the ETSSP set of policies and strategies. A major component of the ETSSP is a focus on outcomes and a shift towards outcomes-based education, which has implications for curriculum, teaching methods and assessment. The ETSSP is comprehensive but provides little guidance on priority setting in education and does not provide an indication of relative prioritization. Overall, priority-setting can be done at different intervals in the policy/programme planning and implementation.

Figure 1: Selected ETSSP enrolment targets to be achieved by 2020

Source: Botswana Education & Training Sector Strategic Plan 2015-2020, April 2015

---

1 Ministry of Finance and Development Planning (2016), Botswana National Development Plan 11, p.68
In Botswana’s five-tier education system, the private sector is playing only a minimal role apart from early childhood learning. In terms of the structure, pre-primary covers ages 4 to 5 years, primary (6 to 12 years), junior secondary (13 to 15 years), senior secondary (16 to 17 years) and tertiary (18 years and above). In Botswana, primary education and secondary school education are free. For secondary education, there is a cost-sharing modality whereby parents pay ten percent (10 per cent) of the unit cost. However, no student can be denied access due to the inability to pay fees. At tertiary level, depending on the course, the student is pursuing a mixture of loans and grants. While there are private sector providers, most learners go to public schools. In 2013, for example, 93 per cent of primary school students and 82 per cent of secondary school students were enrolled in government schools. The only exception is at the pre-primary education level, where more than 70 per cent of students are enrolled in private schools.

Botswana’s education system – primarily managed by three ministries – has been a major priority since independence. In practice, two ministries have been responsible for delivering education services, namely the Ministry of Education and Skills Development (MOESD), and the Ministry of Local Government and Rural Development (MLGRD). In 2016, there was a major rearrangement of government ministries, and the old Ministry of Education was split into two new ministries, namely the Ministry of Basic Education (MOBE) and the Ministry of Tertiary Education, Research and Technology (MOTE).

The MOBE is now responsible for pre-primary, primary and secondary education. The MOTE deals with vocational and technical education and teacher training, as well as other tertiary education and
student bursaries. Skills development also changed hands and is now under the responsibility of the Ministry of Employment, Labour and Skills Development (MELSD). The development costs for primary education are met by local councils through an allocation from the MLGRD, while the remaining school capital costs are met by the MOBE.

2. Education spending trends

Education continues to receive the highest level of funding in the national budget. Public expenditure on education has been steady over the past years averaging, 22 per cent of total budget between 2014/15 and 2018/19, followed by economic and general public services at 20 and 18 per cent, respectively (Figure 3). Under the new structure in the current fiscal year, the priority of education remains nearly identical, receiving about 22.2 per cent of resources in the total budget. This demonstrates that, on the aggregate, the government has continued to exceed the international spending benchmark of 20 per cent of the national budget for education as put forth by Education for All.

The allocation of the largest share of the budget to education is a long-standing characteristic of expenditure in Botswana. Public spending on education includes recurrent and development (capital) expenditures. Since 2011, after the high-expenditure period, average spending on education as per cent of GDP has remained at over 7.7 per cent (Figure 4-a). During NDPs 9 and 10 development expenditures on education remained high and mainly focused on secondary (construction of more secondary schools) and tertiary education (establishment of new universities ad a teaching hospital).

Figure 3: Priority within the overall budget

Source: Ministry of Finance and Economic Development, Financial Statements, Tables and Estimates of Expenditure from the Consolidated and Development Funds for various years.

Public investments in the education sector have grown significantly in recent years, even when factoring in changing price levels. In nominal terms, in 2018/19, total spending equalled P15.1 billion, which is 60 per cent more than the 2013/14 spending. When adjusting for inflation, the rise in spending is less impressive but still strong, jumping nearly 17 per cent over the period of 2013/14-2017/18, which is around 4.4 per cent real annual growth. When comparing 2018/19 and 2017/18, the education sector budget is expected to increase by 18.7 per cent in nominal terms and 15.3 per cent in real terms (Figure 4-b).

Takeaways:

⇒ Botswana has a strong commitment to investing in education as demonstrated by consistent spending increases and the high budget priority devoted to the sector.

⇒ The Government should maintain public spending at least at current level (7-8 per cent of GDP) as one of the priorities in the coming years, with specific focus on public expenditure on service delivery targeting children.

3. Composition of education spending

The planned spending on education in the current fiscal year suggests a significant increase. After a 1.1 per cent decline caused by the ministerial restructuring in 2016, planned spending on education in the current fiscal year suggests a significant move back (18.7 per cent) to the long-term, positive trend. Figure 5 shows that both the allocations to MOBE and MOTE are expected to increase by 18 and 12 per cent, respectively. In 2018/19, MOBE receives the largest share amounting to P9.1 billion or 61 per cent of the total ministerial budget. The second largest share amounting to P4.8 billion is proposed for allocation to MOTE.

In the current fiscal year, the education sector received about 28 per cent of total recurrent budget, which is in line with the government’s commitment to prioritise human capital development. MOBE will execute P7.97 billion for payment of utilities, books, equipment, maintenance of facilities, food supplies in secondary schools, as well as other education-related commitments, including teachers’ salaries and allowances. MOTE is allocated P4.8 billion that will be spent mainly for tertiary student scholarships (33 per cent) and subventions (28 per cent) to University of Botswana and Botswana International University of Science and Technology.
Figure 5: Ministerial composition of the education budget, billion Pula


Figure 6: Ministerial composition of the education budget, billion Pula

Although representing only a small portion of the education budget, development expenditure has increased in recent years. Prior to the restructuring, this expenditure was split between MOLGRD (responsible for infrastructure development for pre-primary and primary levels) and MOESD (for all other levels). On average, development expenditure accounted for 8 per cent of the total education budget. Over the 2013/14 to 2017/18 period, development expenditure jumped by more than 67 per cent, which was largely driven by a greater emphasis on basic education infrastructure (Figure 7). In 2017/18-2018/19, a sizable portion of the MOBE’s development spending (above 80 per cent) is allocated to secondary education for construction of additional facilities in rural educational establishments. In the current fiscal year, all ministries experienced an increase in allocations. About 84 per cent of the development resources are allocated to MOBE (53 per cent) and MOTE (31 per cent).

Despite the large size of the recurrent budget in past years, supporting basic education and improving the quality of education were not prioritized in the budget. In 2018/19, most spending went to “Teaching Service” (64 per cent of the recurrent budget, which includes salaries for primary and secondary levels) with 17 per cent going to “Secondary Education Financing” and 15 per cent to “Headquarters” (Figure 8). At the same time, areas that are critical to ensuring the inclusion of all children in schools and improving the performance of the education system received around two per cent or less of the recurrent budget (e.g. “Pre-primary and Primary Education”).

The current structure of the budget does not allow for analysis of spending by education level or items. As part of the ETSSP’s M&E framework, an annual sector review (ASR) is proposed to assess annual progress of the entire education sector against the key performance indicators, both at a national and regional level. Improving planning and budgeting of the education sector is one of the ETSSP’s strategic priorities. The development of an effective budgeting system which supports education policies requires a detailed breakdown of allocations by sub-sector, programme and where relevant sub-programme. However, within education spending, a breakdown of allocations by sub-sector is not readily available.

---

Figure 7: Ministerial composition of the education development budget

Source: Ministry of Finance and Economic Development, Financial Statements, Tables and Estimates of Expenditure from the Consolidated and Development Funds for various years.

---

4 ETSSP 20, page 154.
5 Ibid, page 173.
Takeaways:

⇒ At 90 per cent of the education budget, spending on salaries and other recurrent items is at a dangerous level based on international standards (anything above 80 per cent) and suggests there are serious spending inefficiencies within the education system, which need to be addressed.

⇒ It is important to disaggregate education expenditure by level of education to understand and address inefficiencies in spending, which is not possible in the current budget structure to know how much is being invested at each level.

⇒ Efforts to construct additional secondary education facilities in rural areas are to be commended.

4. Budget credibility and execution

Recruent budgets in the education sector perform quite well in the aggregate. When looking at budget credibility the most recent three years of available data indicate that the education sector spent slightly beyond its original intent, by an annual average of 7 per cent (Figure 9-a). Turning to budget execution, which measures the difference between funds received and funds actually spent, the rates are nearly identical to budget credibility. These trends suggest that spending variances are mainly due to poor planning at the start of the fiscal year and that there is strong absorption capacity to spend funds once they are received.

In contrast to recurrent spending, the planning and execution of development budgets is characterized by continued deterioration of performance. Over the three years with available data, the difference between planned and actual expenditure varied by more than 15 percent (Figure 9-b). This includes overspending by 45 per cent in 2014/15 and underspending by 14 per cent in 2016/17. When viewed in the context of sizable mid-year revisions that have occurred in the more recent years (both upward and downward), there is need to strengthen budgeting and planning processes around infrastructure-related investments.

The budget credibility is measured by the deviation between planned budgets at the start of the fiscal year and the actual amount spent at the end of the year.
Section 5. Equity on education spending

Relative to GDP and education spending in other Upper-Middle Income Countries (UMICs), Botswana overspends on all levels of education except primary. Over the same period, average spending on education as per cent of GDP has remained at over 7.7 per cent. The country’s spending per student in primary education is only half of the UMIC average, while at secondary level it is double, and at tertiary level it is seven times as much. (Figure 10). Significant differences between spending per student at primary, secondary and tertiary levels can be partly explained by excess capacity. There are too many institutions, notably teacher training colleges and technical colleges, at tertiary level, which drive up the unit cost of education in this sub-sector.

Botswana achieved strong results in core education indicators, but equity concerns persist. For example, adult literacy rates increased from 81 per cent to 88 per cent between 2003 and 2015, but there are major rural/urban differences (e.g. 76 per cent in rural areas versus 96 per cent in urban areas). Nevertheless, the education system has several weaknesses, which mainly relate to the quality of education, and children of school age who are not in school. Although Botswana increased education coverage, there are widespread concerns about the quality and relevance of education and training. Pass rates have declined at all levels, but with the most serious decline at junior secondary level (Figure 11).

Note: The budget credibility refers to the difference between planned and actual expenditure, while the budget execution measures the difference between authorized and actual expenditure. Source: MFED, Financial Statements, Tables and Estimates of Expenditure.

Takeaways:

⇒ Under the previous structure, recurrent spending through the Ministry of Education and Skills Development performed quite strong, with plans and spending closely aligned for major spending categories.

⇒ There is a need to strengthen capacity for planning and implementing development budgets in the education sector, which now cut across MOBE, MOTE, MELSD and MLGRD.

⇒ It is important to closely monitor the utilization of education budgets to ensure that they are spent as intended and contribute to improved learning. Smaller recurrent items, especially those that have important connections to equity, like “Pre- and Primary Education” face planning and execution challenges.

---

7 UNESCO Institute for Statistics Database (extracted in May 2018).
Figure 10: Unit costs at various levels of education (% of GDP per capita)


Figure 11: Percentage of overall grades at C or better

During the 2018/2019 financial year, the Government remains committed to financing the education sector primarily from domestic resources, which is aligned to the ETSSP goals and objectives.

While actual allocations to the sector have increased from P12.9 billion in 2017/18 to P15.1 billion in 2018/19, they have fallen far short of the target of P15.4 billion envisaged in ETSSP (Figure 13). The chronic underfunding poses a considerable challenge for achieving policy targets and ambitious objectives that were set in the ETSSP.

As an UMIC, Botswana no longer attracts significant donor funding and relies on domestic resources to finance education. Donor support to Botswana’s recurrent budget was about P209 million in 2017/18. It declined to a low of P105 million or 0.2 per cent of the 2018/19 Recurrent Budget. On the other hand, grants account for only 1 per cent of the development budget financing. The limited availability of disaggregated data poses challenges in analysing donor contributions to the education sector budget.

**Takeaways:**

- There are concerns over heavy investments in tertiary education, while the building blocks of education – especially primary education – suffer from poor quality and inadequate resources.
- There appears to be a major imbalance in spending across different levels of education, with potentially strong gains to be achieved by shifting resources away from higher levels to support basic education services.

**Section 6. Financing the education sector**

During the 2018/2019 financial year, the Government remains committed to financing the education sector primarily from domestic resources, which is aligned to the ETSSP goals and objectives. While actual allocations to the sector have increased from P12.9 billion in 2017/18 to P15.1 billion in 2018/19, they have fallen far short of the target of P15.4 billion envisaged in ETSSP (Figure 13). The chronic underfunding poses a considerable challenge for achieving policy targets and ambitious objectives that were set in the ETSSP.

As an UMIC, Botswana no longer attracts significant donor funding and relies on domestic resources to finance education. Donor support to Botswana’s recurrent budget was about P209 million in 2017/18. It declined to a low of P105 million or 0.2 per cent of the 2018/19 Recurrent Budget. On the other hand, grants account for only 1 per cent of the development budget financing. The limited availability of disaggregated data poses challenges in analysing donor contributions to the education sector budget.
Takeaways:

⇒ ETSSP implementation needs to be continuously revised considering the resource availability as projected in the Medium Term Fiscal Framework (MTFF).

⇒ Sustainable financing of the education sector requires active participation of parents, private sector and institutions of learning and research.