



FINAL REPORT

**ANALYSIS OF THE 2025/26 DRAFT EDUCATION BUDGET & 2024/25 BUDGET TRACKING FOCUSING
ON CLASSROOM BLOCK CONSTRUCTION & GENDER PROVISIONS EXPENDITURES**

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Acronyms & Abbreviations

CDSS	Community Day Secondary School
CDF	Constituency Development Fund
CPD	Continuous Professional Development
CSEC	Civil Society Education Coalition
DEYS	Director of Education and Youth Services
ECD	Early Childhood Development
EMIS	Education Management Information System
EQUALS	Equity with Quality and Learning at Secondary Schools
FAWEMA	Forum for African Women Educationalists in Malawi
GDP	Gross Domestic Product
IEYP	Invest in Early Years Project
MDAs	Ministries Departments and Agencies
MERP	Malawi Education Reform Project
MIP-1	Malawi 2063 First 10-Year Implementation Plan
MoE	Ministry of Education
MoFEA	Ministry of Finance and Economic Affairs
MoGCDSW	Ministry of Gender, Community Development and Social Welfare
MW 2063	Malawi 2063
NESIP	National Education Sector Investment Plan
NLGFC	National Local Government Finance Committee
NSIE	National Strategy on Inclusive Education
ODeL	Open Distance and eLearning
ORT	Other Recurrent Transactions
PBB	Program-Based Budget
PE	Personal Emoluments
PSIP	Public Sector Investment Programme
SDGs	Sustainable Development Goals
SIG	School Improvement Grant
SNE	Special Needs Education
TLMs	Teaching and Learning Materials
ToRs	Terms of References

TTC	Teachers Training College
TVET	Technical and Vocational Education and Training
WASH	Water Sanitation and Hygiene

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The Civil Society Education Coalition (CSEC), in collaboration with its partners, Forum for African Women Educationalists in Malawi (FAWEMA), Oxfam, Sight Savers, and ActionAid Malawi, undertook the 2025/26 education sector budget analysis and 2024/25 budget expenditure tracking, with a specific focus on Classroom Block construction and gender-related expenditures. This initiative forms part of CSEC's and its partners' ongoing lobby and advocacy efforts aimed at generating evidence on education financing to support equitable resource distribution and the efficient utilization of funds in addressing diverse educational needs comprehensively.

This report therefore presents the key findings from the analysis and expenditure tracking exercise, highlighting critical financing challenges and barriers to the effective and efficient implementation of education programs in Malawi. Additionally, it provides recommendations to enhance education financing for improved service delivery.

We extend our sincere appreciation to all key respondents and stakeholders who contributed valuable insights and data to this study. Special recognition goes to the Parliamentary Committee on Education and officials from the Ministry of Finance and Economic Affairs (MoFEA); Ministry of Education (Basic and Secondary); Ministry of Education (Higher); Ministry of Gender, Community Development and Social Welfare (MoGCDSW); National Local Government Finance Committee (NLGFC); as well as Mzimba South, Blantyre Rural, Lilongwe East, Lilongwe West, Dowa, Dedza, Mangochi, Mchinji and Rumphi District Councils. We are also grateful to Head Teachers, Teachers, School Management Committee Chairpersons, and Mother Group Chairpersons from the sampled primary schools and project sites that were visited during this study.

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Benedicto Kondowe
Executive Director

Executive Summary

This report presents findings and recommendations of the 2025/26 education sector budget analysis and 2024/25 budget tracking focusing on Classroom block construction and gender provisions expenditures which was commissioned by CSEC and its partners FAWEMA, Oxfam, Sightsavers and ActionAid Malawi. The assignment aimed at analyzing the 2025/26 draft national budget with a focus on education, gender and inclusive responsiveness and Ed-Tech; and to track the 2024/25 national budget expenditure, with a focus on education, gender, Water Sanitation and Hygiene (WASH) and Ed-Tech. The budget tracking also assessed such aspects as the comparison between the amount approved and the amount disbursed, the timeliness of disbursement from the treasury to the district and from the district to contractors or schools, physical verification of the progress on construction in relation to the amounts disbursed. CSEC and its partners intends to use findings and recommendations from this study to amplify its voice to ensure there is equitable distribution and efficient utilization of funds to address diverse educational needs comprehensively.

The analysis and expenditure tracking employed both qualitative and quantitative research approaches. In particular, it consisted of; 1) a desk review of budget documents, national development plans, international education related frameworks and resolutions/instruments, sector specific policy and strategic documents and previous education budget analysis reports; and 2) key informant and one-on-one interviews with purposively sampled respondents both at National and district levels.

The desk review was the first step of the assignment and enabled the research team to generate budget allocations towards the targeted Ministries Departments and Agencies as presented by the MoFEA, identify challenges and achievements related to education, policy aspirations and proposals to improve implementation of education and inclusive programs including how the budget is aligned to the same, Country's commitments towards education and progress made on the same, and previous education financing gaps as per the previous education budget analysis and expenditure tracking reports. The primary data collection was done so as to obtain in-depth information on the subject matter including confirming some of the budget data sourced from the reviewed literature.

The budget data was entered and quantitatively analyzed using an excel template which was populated with information collected from the aforementioned sources. The qualitative data from individual interviews was analyzed through content analysis and reported as anecdotes to contextualize key issues from the assessment. The data was then summarized according to the thematic areas that the study sought to assess. Below are the key findings and proposed recommendations from the analysis and expenditure tracking:

Key Findings

Part A: 2024/25 Budget Performance and Tracking

- The study has established that in the 2024/25 financial year the sector was allocated MK 961 billion with MK 338 billion allocated to the Ministry of Education Headquarters; MK 379 billion to Local Councils; MK 195 billion to Education Subventions; MK 20 billion to Early Childhood Development under the Ministry of Gender; MK 3.2 billion to Technical, Entrepreneurial and Vocational Education and Training in Malawi; and MK 25 billion to Students Loans targeting 31,000 beneficiaries.
- However, at mid-year, the budget was reduced downwards by 2% from the approved MK 961 billion to MK 946 billion. The most affected budget lines were Government-funded projects in the Ministry of Education

Headquarters with its provision cut by 70% from MK 29.5 billion to Mk 8 billion, and development budget for education subventions whose budget was cut by 37% from MK 39.4 billion to Mk 24 billion.

- Some of the Ministry of Education Headquarters government-funded projects that were affected due to mid-year cuts included: construction of Inclusive Education Resource Centre, Malawi 2063 flagship project, whose resources were cut by 100% (MK 1.5 billion); rehabilitation of infrastructure of disaster-affected schools which was also cut by 100% (MK 2 billion); and construction of Girls Hostels with 87% of its resources cut at mid-year i.e. from the approved MK 3 billion to MK 0.4 billion.
- Overall disbursement of funds to the sector is at 82% with MK 778 billion disbursed as at 8th March 2025 against the MK 946 billion revised budget implying that the 18% (MK 168 billion) balance must be spent in less than 20 days.
- Only 41% (MK 3.6 billion of MK 8.8 billion) has been disbursed for centrally-procured Teaching and Learning Materials (TLMs) which is worrisome considering the diverse needs in various schools.
- Only 38% (MK 69 billion of MK 180 billion) has been disbursed for donor funded projects largely to challenges that the Ministry Headquarters had with Contractors especially those under the Malawi Education Reform (MERP) project. In view of this, no provision was made for Education Service Joint Fund (MK 8 billion); only 24% (MK 11.7 billion of MK 49 billion) provided for Skills for a Vibrant Economy project; and only 42% (MK 35.6 billion of MK 85 billion) provided for MERP.
- Disbursement of Government-funded projects is at 81% with MK 7.2 billion of MK 9 billion provided. However, no resources provided for Gwanda Chakwamba Centre of Education Excellence which was supposed to get MK 111 million.
- The study also established that utilization of funds in the sector is impressive with 99% (MK 771 billion of MK 778 billion) of the disbursed funds spent as of 8th March 2025. However, only 71% (MK 2.6 billion of MK 3.6 billion) has so far been spent on TLMs largely due to lengthy procurement processes and delays to process payments at Accountant General's Department due to unavailability of funds.
- An analysis of performance by programmes shows that basic education has only received 44% (MK 3.4 billion of MK 7.7 billion) of the funds. Disbursement of TLMs for primary is at 40% (MK 1.2 billion of MK 3 billion) and Special Needs Education (SNE) at 67% (MK 0.8 billion of MK 1.1 billion). Only 5% (MK 25 million of MK 480 million) has also been disbursed for School Health and Nutrition (SHN).
- Under Secondary education, about 72% (MK 19 billion of MK 27 billion) of the funds have been disbursed. Disbursement for Divisions & Secondary Schools is at 75% (MK 15 billion of MK 20 billion). However, disbursement of resources for TLMs is low at 50% with only MK 2.4 billion of the MK 4.8 billion disbursed.
- For higher education, about 85% (MK 4.6 billion of MK 5.4 billion) of the funds have been disbursed which is commendable as it implies most of the planned interventions have so far been implemented. However, only 34% (MK 120 million of MK 350 million) of the funds have been disbursed for the Department of Higher Education.

- In terms of utilization, about 79% (MK 2.7 billion of MK 3.4 billion) of the funds have been spent under basic education program; 78% (MK 15 billion of MK 19 billion) under secondary education; and 80% (MK 3.7 billion of MK 4.6 billion) under higher education.
- In the 9 sampled education districts of Lilongwe East, Lilongwe West, Rumphi, Mzimba South, Mchinji, Dedza, Dowa, Mangochi and Blantyre Rural, over 80% of Other Recurrent Transactions (ORT) funds have been disbursed which is commendable. However, funding delays and inconsistencies were the major challenges that affected progress of various interventions.
- Utilization of ORT funds in the 9 districts is at 100%. Despite this impressive absorption, the funds are inadequate thereby affecting implementation of critical interventions. For example, Lilongwe East has in the past 3 years failed to provide resources for Continuous Professional Development (CPD), Mchinji only conducted 1 CPD sessions against the 2 sessions planned, and Blantyre failed to maintain some of the disaster affected schools including planning for next disaster.
- In terms of projects, the study has established that most of the projects are yet to be completed due to funding challenges. For example, in Mangochi district, construction of classroom blocks at Sungusya primary school under the MERP project has been halted for over a year due to delays in funding; and construction of a Classroom Block at Mgona primary school in Lilongwe has been abandoned by the contractor due to delays in payments by Government.
- On Edu-Tech, the study has established that the initiative is facing a number of challenges requiring the Ministry's attention. Such challenges include: schools are only conducting Edu-Tech sessions when visited or inspected; monitoring of implementation is a challenge due to inadequate resources; few teachers are trained in Edu-Tech e.g. only 4 out of the targeted 23 teachers were trained at Bolero Primary school in Rumphi; and stealing of Ed-Tech materials such as tablets e.g. at St. Augustine 3 in Mangochi.

Part B: 2025/26 Budget Analysis

- The sector has been allocated MK 1.3 trillion (5% of GDP - lower than the 6% Gross Domestic Product - GDP global average), a 41% nominal increase from the MK 946.5 billion mid-year revised allocation. In real terms, the sector budget has however increased by only 1% to MK 956 billion. The sector budget is 16.6%, up from 15.7% at mid-year, of the National budget and lower than the 20% United Nations Educational Scientific and Cultural Organization's (UNESCO) target.
- Overall allocation for Vote 250 (basic and secondary education) is MK 301.2 billion, down by 13% from MK 345 billion provided in the 2024/25 financial year. Personal Emolument (PE) is at MK 120 billion, an increase by 13% from MK 106 billion. Of this amount, MK 8.5 billion is for recruitment of 10,000 primary school teachers; and MK 1.5 billion for recruitment of 5,000 secondary school teachers.
- ORT has been allocated MK 45.3 billion, down by 10% from MK 50.5 billion allocated in 2024/25. Of the total ORT, TLMs has been allocated MK 4.6 billion, a decrease from the MK 8.8 billion provided in the previous financial year. Of this amount, TLMs for Primary is allocated MK 0.3 billion, 89% down from the MK 3 billion provided in the last financial year and lower than the MK 12.4 billion that the Ministry requested whilst MK 4.3

billion has been provided for TLMs for Secondary, a decrease of about 11% from MK 4.8 billion provided in the 2024/25 FY and lower than the MK 6.1 billion requested by the Ministry.

- Open, Distance and e-Learning (ODEL) has been allocated MK 1.7 billion, an increase from the MK 1.3 billion provision in 2024/25 but lower than the MK 3.3 billion that was requested for EDU-SPACE, computers for schools, smart learning centers, ODeL and inspection.
- MK 2 billion has been provided for bursaries targeting 47,000 orphans and vulnerable children but remains inadequate if compared to demand.
- MK 8.4 billion has also been provided for Complementary Basic education (CBE), curriculum review, capacity building, inspection and sporting activities against the MK 19 billion that the Ministry of Education requested, representing a 56% gap.
- On development, about MK 135.8 billion has been provided by both government and donors, a 28% decrease from the MK 189 billion provided in the 2024/25 financial year. Donor-funded projects have been allocated MK 115 billion, representing 85% of total development budget, down by 36% from MK 180.1 billion since some of the projects have now been moved to the newly established Ministry (Higher Education).
- Government-funded projects have been allocated MK 21 billion (15% of total development budget), up by 133% from MK 8.9 billion. The amount is however 46% lower than the MK 39 billion that the Ministry required to effectively implement the projects.
- Construction of Inclusive Education Resource Centres, a project that started in April 2024, has been allocated MK 1.25 billion lower than the MK 1.5 billion that was removed at mid-year. The project is still at preparation stage.
- Rehabilitation of Infrastructure in Disaster-affected schools has been allocated MK 1 billion. The amount is lower than the MK 2 billion provided last year which was also removed at mid-year.
- Construction of Girls Hostels has been allocated MK 2 billion against the MK 6 billion that the Ministry required to effectively implement the project. The project which started in July 2007 and was expected to end by March 2023 is also delaying with average progress at 50% with sites such Ekwendeni and Mwansambo at 20% progress, and Thekerani at 10%. Delayed funding and non-performance of contractors among some of the reasons affecting progress.
- Vote 251 (Higher Education) has been allocated MK 78.6 billion. Of this amount, 17.5 billion is for recurrent expenses covering MK 16.6 billion for ORT and MK 0.96 billion for PE; and MK 61.1 billion for development. 95% (MK 58.1 billion) of the development budget is from donors.
- In the remaining votes, Education Subventions have been allocated MK 253 billion, an increase of 46% from the MK 174 billion allocated last Financial Year (FY). Of the subventions budget, MK 56 billion is for development, a 126% increase from the MK 25 billion provided in the previous FY.

- In line with the Government's Agriculture, Tourism and Mining (ATM) strategy, Government has provided MK 1 billion for Mining University under the Malawi Universities Development Programme. However, the amount is against the MK 3.8 billion that was requested.
- Loans for students have increased by 44% from MK 25 billion to MK 36 billion targeting 33,000 beneficiaries.
- Early Childhood Development (ECD) has been allocated MK 20.2 billion and Technical and Vocational Education and Training (TVET) MK 3.2 billion, a 19% and 10% increase, respectively. MK 880 billion under TVET is for establishment of Community Colleges, an amount which is lower than the MK 4 billion requested.

Recommendations

In view of these findings, CSEC and its partners recommends the following:

- MoFEA should provide an extra MK 500 billion to education to meet the 20% UNESCO threshold.
- MoFEA/NLGFC should disburse funds as per the cash flow and on time to ensure smooth implementation of planned activities e.g. procurement of TLMS.
- Ministry of Education and Malawi Government must reduce reliance on donor funding and ensure long-term sustainability of education initiatives.
- MoFEA must sustain and fully implement fiscal consolidation or governance and other debt management reforms to ensure the economy recovers within the shortest period possible.
- MoFEA and Malawi Revenue Authority (MRA) must also enhance its revenue generation efforts to ensure that it adequately finances its fiscal obligations. Domestic Resource Mobilization Strategy (DRMS) must therefore be adhered to and be adequately financed.
- MoE must explore innovative financing mechanisms, such as Public Private Partnerships (PPPs) or education bonds, to diversify funding sources and reduce dependence on external assistance.
- MoE must complete delayed or halted infrastructure projects e.g. rehabilitation of disaster-affected schools, girls' hostels, teacher houses, and inclusive education resource centers.
- MoE should increase allocations for SNE and specialist teachers to address critical gaps, ensuring equitable access to education for learners with disabilities.
- MoE must fast-track the recruitment of the planned 15,000 teachers to address teacher shortages and deployment disparities.
- MoE/MoFEA must scale up Ed-Tech programs by addressing resource gaps, training more teachers, and ensuring the maintenance and security of digital devices.

- MoE must allocate resources in a manner that reflects the diverse needs of the education sector, ensuring adequate funding for critical areas such as ECD, SNE, and vocational training.
- Parliament must fast track development and passing of a budget law, creating an independent office for reviewing budgets to enhance its oversight role targeting loan authorization. This includes ensuring that the bills are submitted with supporting documentation such as loan agreements and memorandums.
- MoE/MoGCDSW should solve issues to do with restricted spaces for ECD, Primary, Secondary and Tertiary education by among other things ensuring equitable distribution of infrastructure projects.
- ECD as a foundation of education needs to be prioritized both through financing, investing in key infrastructures and incentivizing personnel such as Care Givers.
- MoE/NLGFC must decentralize fully resources for bursaries and TLMs for special needs education. This also includes ring-fencing all resources for SNE.

CHAPTER 1: INTRODUCTION

1.1 Introduction

This report presents findings and recommendations of the 2025/26 education sector budget analysis and 2024/25 budget tracking focusing on Classroom block construction and gender provisions expenditures which was commissioned by CSEC and its partners FAWEMA, Oxfam, Sightsavers and ActionAid Malawi. The study sought to generate evidence as regards to education financing including 2024/25 education budget performance with a view to lobby and influence Government to ensure efficient allocation and utilization of the public funds and review the gender and disability sensitivity of the education expenditure. Additionally, findings from the study will inform deliberations in the National Assembly during the 2025/26 budget sitting. This chapter, therefore, outlines the background to this assignment, study objectives and structure of the report.

1.1.1 Background

The country's development agenda is driven by the Malawi 2063 (MW2063) vision which articulates the aspirations of Malawians by the year 2063 for, "an inclusively wealthy and self-reliant industrialized upper-middle income country. The MW2063 vision succeeds the Malawi Growth and Development Strategy (MGDS III, 2017-2022), which was the mid-term development instrument of the country. To ensure effective implementation of the MW2063 vision, Malawi planned to develop and roll out four 10-year implementation plans, the first of which was launched in 2021, the MIP-1, to be implemented from 2021 to 2030. The MIP-1, aims at meeting two key milestones: first is the lower-middle income status by 2030 where per capita income will reach at least US\$1,036. Second, is meeting the Sustainable Development Goals (SDGs) whose lifeline ends in 2030. The MIP-1 hence contributes to the Decade of Action for the attainment of the SDGs. The MIP-1 is guided by a set of prioritized interventions which if implemented at a minimum, will contribute to attainment of the lower middle-income status and realization of the SDGs by 2030. It defines foundational transformative strategies and interventions including flagship projects that will help meet the set milestones at the shortest time possible. On annual basis and to facilitate implementation of the above strategies and interventions, the Government of Malawi, through the Ministry of Finance, develops a national budget supporting all the sectors and departments that contribute to the implementation of national strategies.

On a yearly basis since the year 2000, CSEC has been doing the analysis of the national budget with a focus on the education sector. This helps to inform different stakeholders on the gaps and priorities that the government has set for that financial year.

In this regard the coalition and its partners FAWEMA, Oxfam, Sightsavers and ActionAid Malawi conducted an analysis of the 2025/26 draft national budget with a focus on education, gender and inclusive responsiveness and Edu-Tech and tracking the utilization of the 2024/25 financial year budget in the area of construction (Classrooms, change rooms and toilets) and School Improvement Grant (SIG), especially in the rural areas.

1.2 Overall Objective

The main objective of the study was to analyze the 2025/26 draft national budget with a focus on Education, Gender and Inclusive responsiveness and Ed-Tech and to track the 2024/25 national budget expenditure, with a focus on Education, Gender, WASH and Ed-Tech.

Whilst the focus was on the 2025/26 financial year, the study also analyzed trends in allocation (disbursement and expenditure) by carrying out a retrospective review spanning 5 financial years (2020/21 – 2024/25) using the same parameters for analysis and reviewing the outputs and outcomes of corresponding allocations.

The assignment – particularly tracking, apart from the expenditure tracking also focused on the following aspects: the comparison between the amount approved and the amount disbursed, the timeliness of disbursement from the treasury to the district and from the district to contractors or schools, physical verification of the progress on construction in relation to the amounts disbursed.

3.2.1 Specific Objectives

The study had two categories of objectives. The budget analysis addressed the following objectives:

- Assessing whether the budget has been aligned to the Malawi 2063 First Implementation Plan (MIP-I) with respect to education and a special focus on basic education.
- Reviewing allocations to different sub-sectors within the ECD and Education sector including: ECD, Basic Education, Secondary Education, TVET, Tertiary Education, Edu-Tech, Girls' Education, and Inclusive Education.
- Identifying and compare the amounts allocated to key gender and disability provisions, allocations and outputs (including WASH) in the 2021/22, 2022/23, 2023/24, 2024/25 and 2025/26 education budget.
- Identifying budget allocations towards TLMS for ECDE, basic education, secondary education and tertiary education through the lenses of inclusive education.
- Isolating budget allocation towards **"Girls and SNE Education"** for ECDE, basic education, secondary education and tertiary education.
- Identifying budget allocation towards Education Technology and Open Distance and eLearning (ODEL) for ECDE, basic education, secondary education and tertiary education.
- How has the budget factored issues of capacity building of teacher's capacity building in Ed_Tech.
- Determining the trend analysis of both the Other Recurrent Transactions and the development budget in the ECD, basic education, ODEL and the overall education sector (comparing the total allocation against total disbursement and total actual spent).
- Assessing the efficiency of resource allocation across the ECD, basic education and other education sub-sectors.
- Making recommendations to promote: greater efficiency in resource allocation to the ECD, basic education and other Education sub-sectors including ODEL.

The budget tracking on the other hand involved addressing the following objectives:

- Analyzing the budget lines for construction of classrooms, toilets, and change rooms for the targeted districts in nine education districts of Dowa, Dedza, Mangochi, Mchinji, Rumphi, Mzimba South, Lilongwe East, Lilongwe West and Blantyre Rural.
- Reviewing the disbursement reports to ascertain the actual amount disbursed out of the approved budgets to determine if there was any variance, and assess gender disparities in the disbursements.
- Assessing the timeliness of the disbursement to ascertain if there were any delays.
- Conducting a physical verification of the project and ascertain the progress made with the disbursement.
- Assessing the utilization of SIG in the sampled schools and also the timeliness of its disbursement.

- Reviewing the teacher deployment report for districts to understand which schools have received teachers over the last 3-4 years and the corresponding quantities and their related gender disaggregation.
- Conducting a physical verification in sampled schools to determine if those deployed are still within their deployed duty stations.
- Assessing the teacher pupil ratio in hard to reach, semi urban and urban schools to determine the teacher distribution differences including assessing the difference in female and male teacher ratio between rural and urban schools.
- Making recommendations to promote: greater efficiency in resource utilization Education sub-sectors.

1.3 Structure of the Report

The report is organized into five chapters. Chapters one and two provide an introduction to the assignment and the methodology used in conducting the study, respectively. An overview of the 2024/25 education budget performance has been provided in chapter three whilst key findings emanating from the 2025/26 education budget analysis have been presented in chapter four. In contrast, chapter five contains conclusions and recommendations for the study based on the findings.

CHAPTER 2: APPROACH AND METHODOLOGY

2.1 General Approach & Design

The study adopted a mixed methods approach drawing from both quantitative and qualitative methods to address the objectives highlighted in 1.2.1 above. Such an approach, while helpful for triangulating findings, was also considered as key to capturing both quantitative and qualitative aspects crucial for an in-depth budget analysis and expenditure tracking, and facilitating the interpretation of the situation in a holistic manner. In this regard, qualitative methods were applied to get normative views and perceptions as regards the presented 2025/26 draft national budget and implementation of the 2024/25 national and district education budgets. The views were sourced from various stakeholders that are involved at various levels of budget formulation and implementation as described in 2.2.2 below. On the other hand, quantitative methods largely included use of budget figures to ascertain various parameters key for the assignment. Detailed approach to the assignment has been provided in section 2.2 below:

2.2 Detailed Approach

2.2.1 Literature Review

The research team collected and reviewed a number of documents relevant for this assignment. On budget analysis, the research team collected such documents as budget documents, national development plans, international education/gender/ECD and WASH related frameworks and resolutions/instruments, sector specific policy documents as well as previous education budget analysis reports. The budget documents included those for 2025/26 financial year and past 5 years such as State of National Address (SONA), Budget Speech (budget document number 1), Annual Economic Report (budget document number 2), Financial Statement (budget document number 4), Detailed Estimates book – Volume I – III (budget document number 4), Program Based Budgets (PBB) for both central MDAs and subvented organizations – budget document number 5, Public Sector Investment Program (PSIP) – budget document number 6, and the 2024/25 mid-term budget review document. The other documents included MW Vision 2063, MIP-I, Malawi Growth and Development Strategy III, National Education Policy, ECD Policy, ECD Strategic Plan, National Education Sector Investment Plan, Education Sector Performance Report for 2018, Previous WASH and budget analysis reports, National Strategy on Inclusive Education, National Girls Education Strategy, National Sanitation Policy (2008), National Sanitation & Hygiene Strategy (2018 – 2024), Water Sector Investment Plan (WSIP) 2012, Harmonized Integrated ECD Services Delivery Strategy (2015), 2024/25 Education Sector budget analysis report and , etc.

The Consultants then reviewed the documents to establish the overall national budget and other fiscal proposals/developments within the budget. Of specific interest was how the national budget has funded the education sector budget in general and specific programs of interest including Edu-Tech and ODeL, in particular. This analysis helped give a general understanding of the sector's budget.

On budget tracking, the main literature or documents reviewed included project funding disbursement reports, the 2024/25 education development budget, the 2024/25 Education JSR Report, Education Management Information System (EMIS) reports, SIG disbursement reports and PSIP project monitoring reports.

The collection of these documents therefore, extended to Ministry of Finance (source of funding), National Local Government Finance Committee (coordinating institution for all District Councils as regards budget formulation, implementation and monitoring including disbursement of resources for procurement of TLMS), Ministry of Education (line Ministry), Ministry of Gender (ECD budget plus disability and gender responsiveness of the education budget), Ministry of Local Government and Rural Development (policy holder of local governance and management of local funds), Ministry of Water and Sanitation (WASH interventions), among others.

2.2.2 Sampling

2.2.2.1 Sampling of Respondents for Interviews

Some respondents were purposefully sampled to get more insights regarding the 2025/26 education budget and also verify some of the budget figures sourced from the budget documents. Further to this, the team also visited the nine pre-sampled districts where CSEC and its partners are implementing their projects in order to appreciate implementation of the district education budget including SIG and implementation of gender and disability sensitive projects, among others. The respondents were drawn from the line Ministries key for this assignment as presented in section 2.2.1 above and the nine education districts. Such respondents included:

(a) National Level - Budget Officers/Economists from Ministry of Finance, Education, Gender, NLGFC/Ministry of Rural Development and Ministry of Water and Sanitation; Director of Planning at Ministry of Education; Director responsible for Inclusive Education at MoE; Director responsible for gender at the Ministry of Gender; Director responsible for WASH; Director responsible for ICT and Digitization at Ministry of ICT; Director responsible for Public Sector Investment Program (PSIP) within Ministry of Finance; Director responsible for Science and Technology with the Ministry of Education; an official from Malawi Council of Disability Affairs (MACODA – formerly MACOHA), among others.

(b) District Level: Director of Planning and Development – DPD (8); Accountants/Director of Finance (8); Director of Education and Youth Services (8); SIG Coordinator (8); Gender/Social Welfare Officer; Primary Education Advisor (8); among others.

(c) Primary Implementing Unit or School: Head teachers, Teachers, Mother Group Chairpersons and School Management Committee Chairpersons from the 9 sampled Schools per district; and District Education Network Chairpersons for the 9 sampled education districts.

2.2.2.2 Sampling of Projects and Schools for Physical Verification and Interviews

The research team sampled 25 education infrastructure projects from the nine education districts to physically visit and verify progress against resources disbursed. The projects were identified from the PSIP budget document and through the Directorates of Education at district level. The projects included: rehabilitation of the Head teacher's office and installation of electricity in 3 Teacher's houses at St. Dominic Primary School in Mchinji; construction of classroom blocks at Kawere Primary School under the Malawi Education Reform Project (MERP) in Mchinji; Construction of 2 classroom blocks (MERP) and rehabilitation of girl's changerooms at Sungusya Primary School in Mangochi; construction of girl's change room at St. Augustine 3 in Mangochi; construction of a Classroom block and a girl's changeroom at Chandamale LEA, and a Head teacher's house at Bumba Primary School in Rumphi; construction of a classroom block each at Chizungu (MERP) and Kazengo F.P schools in Mzimba; construction of Lilongwe School of

Excellence, primary school block and sanitation facilities at Malembo, Mgoni, and Kaliyeka in Lilongwe, respectively; construction of Change room and classroom block at Zingwangwa LEA and Naotcha Primary School in Blantyre, respectively; construction of classroom blocks (MERP) at Kapalamula Primary School in Dedza including maintenance of a borehole, classroom ramps, maintenance of teacher's toilets and construction of boys urinal at Mtendere Primary School in the same district; and maintenance of a teacher's house at Namatonje F.P. school, and construction of a school block and toilets at Kafumphe L.E.A school in Dowa district.

The team also visited 30 primary schools to assess situation as regards gender and disability aspects in school infrastructures and utilization of SIG. The 36 schools were drawn from 3 hard to reach, and 3 urban or semi-urban areas. The schools included: Kafumphe, Dowa 2, Namatonje, and Mndunje in Dowa; Sungusya Primary School, St. Augustine 3 Primary School and Changamile Primary schools in Mangochi; Mgoni, Kaliyeka, Malembe, Kabwabwa, Chimutu, Chigoneka, Chinsapo, Kalonga, Mtsiliza, Shire Urban, and Kamuzu Barracks Primary Schools in Lilongwe; St. Dominic, Kawere and Kamwendo Model Primary Schools in Mchinji; Zingwangwa L.E.A, Kachanga and Naotcha Primary Schools in Blantyre; Dedza Government, Kapalamula and Mtendere Primary Schools in Dedza; Chandamale, Bumba and Mwazisi Primary School in Rumphi; Kazengo, Chizungu and Mzimba L.E.A primary schools in Mzimba.

2.2.3 Developing Data Collection Tools & Training of Research Assistants

The main data collection instruments were interviewer-administered semi-structured questionnaires which were administered to respondents highlighted above. A set of four questionnaires were developed in the following categories: key respondents at national level (sampled government MDAs); key respondents at district level; key respondents at school level and project site verification tool.

The research team then recruited and trained 30 research assistants (trained to degree level) for this study in order to familiarize them with administration of the questionnaires. The training dwelt on basic interviewing techniques, probing for answers and recording of responses, expected roles and responsibilities and ethics in research and data collection.

2.2.4 Data Collection & Quality Assurance

Primary data was collected using structured questionnaires highlighted above at national level and from the nine selected education districts for about 8 days thus from 4th to 12th March 2025.

To ensure easy management of the study team and ease coordination, the research assistants were divided in 9 teams (i.e. one team per education district) comprising of two people each and a supervisor. One additional team of research assistants was assigned to collect data at central level together with the Consultants. A data collection plan/schedule was developed and shared with each team. During data collection, at the end of each day, the filled questionnaires were checked for errors and missing data by the supervisor in order to rectify any rising issues.

Other quality assurance measures for the assignment included:

- a) The Team Leader ensured that each team member participating in the assignment was a member who had been trained and was conversant with the study and data collection procedures.
- b) Each team was syncing data with the Team Leader and Supervisor every evening so that all data being input into the data matrix is validated. This also ensured that district summaries were produced on time.
- c) The Team Leader designated an Internal Quality Assurance person to review questionnaires submitted in the

excel matrix not later than 1 day after the field work in a District.

- d) The Team Leaders also randomly visited the Research Assistants in the districts to experience the assessment exercise and take note of any salient issues and challenges.
- e) The Team Leader regularly provided feedback and sought technical direction from the Technical Team that was assembled by the Client.
- f) The process of compiling reports was automated as much as possible to ensure: standardization, curb mistakes, make the process easier, and allow for deeper analysis.

These measures were complemented by other measures that were implemented by the Client such as data review and update sessions with CSEC and its partners, validation of the report by the Client, and assigning a technical team to support the process.

2.2.5 Data Analysis, Report Writing & Presentation to Stakeholders

Budget data was quantitatively analysed using Microsoft (MS) excel. The package allowed for easy tabulation of the various descriptive statistics through use of graphs, tables, pie-charts. Qualitative data from individual interviews was analysed manually through content analysis and reported as anecdotes to contextualize quantitative results. The data was summarized according to the thematic areas that the study sought to assess.

The narrative report was developed in Microsoft word and prepared based on analytical information made from the analysis highlighted above. The Consultants then presented preliminary findings of the analysis to key stakeholders in the education sectors including members of Parliament. The objective of the presentation was to lobby with the MPs on the notable gaps/shortfalls but also inform the stakeholders of developments as regards education financing for collective action.

2.2.6 Ethical Consideration

The following ethical issues were considered when carrying out this study:

- There was an introductory letter from CSEC and its partners that introduced the study and research team to the respondents and was used to seek approval of information sharing by the respondent;
- There was an informed consent;
- To reduce risk of response bias, Government respondents were informed that the purpose of the interviews was not to assess their performance or contributions, but to describe the overall implementation of the budget, so that their social risk from participation should be minimized;
- During data analysis and report writing, areas captured verbatim have been kept anonymous;
- Permission was also sought from Controlling Officers in Government MDAs e.g. Principal Secretaries and sector heads; and
- No material/financial benefits were promised to the study participants.

2.3 Limitations

The main limitation for this study was delays in providing data especially on projects e.g. allocations, disbursement and expenditures; and other critical budget lines such as School Health and Nutrition and SIG. This was mostly experienced in Mangochi, Dedza and Lilongwe. The team therefore relied on alternative data from NLGFC to address this challenge.

CHAPTER 3: PERFORMANCE OF THE 2024/25 EDUCATION BUDGET

This chapter provides the overall performance of the 2024/25 education sector budget. It first highlights the total provisions for sector in the year under review and then analyses performance on disbursements and expenditures for the various votes and programs that form the education sector. The chapter also highlights achievements recorded and challenges experienced by the sector in the course of budget implementation. Additionally, the chapter provides findings from the nine education districts as case studies for the education budget expenditure tracking mostly focusing on the visited projects; execution of SIG budget; and implementation of Edu-Tech, CPD, WASH and SNE interventions.

3.1 Summary of Overall Performance of the 2024/25 Education Budget

In the 2024/25 financial year, the sector was allocated MK 961 billion which was shared as follows: Ministry Headquarters (HQs) MK 338 billion covering MK 129 billion for recurrent and MK 209 billion for development; Local Councils MK 379 billion with PE at MK 357 billion and ORT at 22 billion; Education Subventions MK 195 billion with recurrent at MK 156 billion and development at MK 39 billion; ECD, particularly the IEYP MK 20 billion; TVET under the Ministry of Labour MK 3.2 billion with MK 0.9 billion for establishment of Community Colleges; and Students' Loans at MK 25 billion. At mid-year, the overall sector budget was revised downwards by 2% i.e. from MK 961 billion to MK 946 billion. ORT for Ministry HQs was reduced downwards by 2% from the MK 51.5 billion approved to MK 50.5 billion. Government funded projects under the Ministry HQs were the most affected with over 70% of the resources cut at mid-year i.e. from MK 29.5 billion to MK 8 billion. Development for education subventions were also cut by 37% from MK 39.4 billion to MK 24 billion. The following projects under the Ministry HQs were the most affected at mid-year: construction of Inclusive Education Resource Centre - 100% of the resources cut (MK 1.5 billion); construction of Luranga Sec School – 100% of the resources cut (MK 2 billion); rehabilitation of Infrastructure of Disaster-affected Schools – 100% of the resources cut (MK 2 billion); rehabilitation of TTCs – 100% of the resources cut (MK 1 billion); construction of 34 Sec Schools of Excellence – 63% of the resources cut (MK 10 billion to MK 3.7 billion); construction of Girls Hostels – 87% of the resources cut (MK 3 billion to MK 0.4 billion); construction of Science Labs & Libraries – 99% of the resources cut (MK 2 billion to MK 47 billion); and rehabilitation of Sec Schools – 87% of the resources cut (MK 1.5 billion to MK 0.2 billion) – see annex 1.

Table 1: 2024/25 approved and mid-year budget – MK millions

Budget Category	2024/25 Approved	2024/25 Revised	% Change
Vote 250			
PE	77,224	106,294.70	38%
ORT	51,532	50,525.00	-2%
<i>Of which TLMS</i>	8,800	8,800.00	0%
Recurrent Total	128,755	156,819.70	22%
Development			
Dev't Part I	180,102	180,102	0%
Dev't Part II	29,500	8,898	-70%
Dev't Budget Total	209,602	189,000	-10%
Vote 250 Total	338,357	345,819	2%
Vote 900 - Local Councils			
PE	357,231	357,231	0%
ORT	21,529	21,529	0%
Total Local Councils	378,759	378,759	0%
Vote 275 - Education Subventions			
Recurrent	156,078	148,643	-5%
Development	39,383	24,875	-37%
Total Subventions	195,461	173,518	-11%
Vote 320: ECD - MGCDSW	20,200	20,200	0%
Vote 370: TVET - MoL	3,190	3,190	0%
Students' Loans	25,000	25,000	0%
Total Education Sector	960,968	946,487	-2%

Source: Ministry of Education Headquarters – Budget Division

In terms of disbursement, overall disbursement of funds to the sector are at 82% with MK 778 billion against MK 946 billion disbursed as of 8th March 2025. The 18% (MK 168 billion) balance to be spent in less than 20 days with likelihood of some resources not being spent by end of financial year or some activities not implemented as planned. Of the disbursed funds, only 41% (MK 3.6 billion of MK 8.8 billion) has been disbursed for centrally-procured TLMs a great cause of worry considering that these resources were supposed to be disbursed at least 3 months after opening of the first term. Only 38% (MK 69 billion of MK 180 billion) has so far been disbursed for donor funded projects under Vote 250 due to the challenges that the Ministry HQs had with Contractors. As a results of this, no resources have been provided for the Education Service Joint Fund (MK 8 billion), only 24% (MK 11.7 billion of MK 49 billion) has been provided for skills for a vibrant economy project; 42% (MK 35.6 billion of MK 85 billion) provided for MERP; and 56% (MK 21 billion of MK 38 billion) has been provided for EQUALS project.

Disbursement of Government-funded projects under the Ministry of Education HQs is at 81% (MK 7.2 of MK 9 billion). Construction of Thumbwe Secondary School (MK 738 million); construction of 34 schools of excellence (Mk 3.7 billion) and construction of girl's hostels (MK 360 million) are the only three projects that got over 95% of their mid-year revised allocations. The remaining 11 projects got less than the 95% with such projects as Gwanda Chakwamba Centre for Education Excellence (MK 111 billion – cut from MK 500 billion) and expansion and upgrading of Domasi College of Education (MK 18 million) getting zero resources of their mid-year revised allocation – see annex 1. Other projects with low disbursements include: construction of 3 TTCs for primary school (33%), construction of teachers houses and classrooms (20%), and rehabilitation of secondary schools (45%). Ministry HQs ORT overall disbursement is at 72% (MK 36 billion of MK 50.5 billion).

Utilization of funds is impressive at 99% (MK 771 billion of MK 778 billion). Only two budget lines of ORT for the Ministry HQs (81% - MK 29.5 billion of MK 36.3 billion) and centrally procured TLMs (Mk 2.6 billion of MK 3.6 billion) have recorded lower utilization rates. The low utilization is attributed to the lengthy procurement processes and delays to process payments at Accountant General's Department due to unavailability of funds.

Table 2: Allocation, disbursements and expenditures (MK million) for various votes under the education sector

Budget Category	2024/25 Approved	2025/26 Revised	Disbursed	Spent	Disbursement (%)	Utilization (%)
Vote 250						
PE	77,224	106,294.70	97,953.0	97,953.0	92%	100%
ORT	51,532	50,525.0	36342.00	29542	72%	81%
<i>Of which TLMs</i>	<i>8,800</i>	<i>8,800.0</i>	<i>3621.00</i>	<i>2582</i>	<i>41%</i>	<i>71%</i>
Recurrent Total	128,755	156,819.7	134295.00	127,469.00	86%	95%
Development						
Development Part I	180,102	180,102	68627.70	68627.70	38%	100%
Development Part II	29,500	8,898	7188.00	7,126.40	81%	99%
Development Budget Total	209,602	189,000	75815.70	75754.1	40%	100%
Vote 250 Total	338,357	345,819	210111.00	203223	61%	97%
Vote 900 - Local Councils						
PE	357,231	357,231	327461.40	327461	92%	100%
ORT	21,529	21,529	19375.70	19375.7	90%	100%
Total Local Councils	378,759	378,759	346837.10	346837.10	92%	100%
Vote 275 - Education Subventions						
Recurrent	156,078	148,643	148,643	148,643	100%	100%
Development	39,383	24,875	24,875	24,875	100%	100%
Total Subventions	195,461	173,518	173,518	173,518	100%	100%
Vote 320: ECD - MGCDSW	20,200	20,200	20,200	20,200	100%	100%
Vote 370: TVET - MoL	3,190	3,190	2552.00	2552.00	80%	100%
Students' Loans	25,000	25,000	25,000	25,000	100%	100%
Total Education Sector	960,968	946,487	778218.00	771330	82%	99%

Source: Ministry of Education, Budget Division.

3.1.1 Performance by Programs

A review of performance of the four programs under the Ministry of Education Headquarters namely basic education, secondary education, higher education and management and support services shows varying results. Under basic education, for example, only 44% (MK 3.4 billion of MK 7.7 billion) of the funds have been disbursed and therefore worrying in view of the number of days left to close the financial year. Disbursement of TLMs for primary is at 40% (MK 1.2 billion of MK 3 billion) and SNE at 67% (MK 0.8 billion of MK 1.1 billion). Only 5% (MK 25 billion of MK 480 billion) disbursed for SHNHA. Utilization is however better at 79% (MK 2.7 billion of MK 3.4 billion) with utilization for SNE at 65% (MK 484 billion of MK 745 billion) and TLMs at 97% (MK 1.16 billion of MK 1.2 billion) – see table below. Disbursement for the 3 Teachers Training Colleges (TTCs) is at 86% with utilization at 91%.

Table 3: Allocation, disbursements and expenditures (MK) for basic education program

Cost Centres	2024-25 Revised	2024-25 Approved	Disbursement	Expenditure	Disbursement (%)	Utilization (%)
001 - Basic Education: CBE	463,392,000	463,392,000	437,045,000	366,640,232	94%	84%
001 - Basic Education: Primary	3,700,000,000	3,700,000,000	1,276,608,438	1,086,438,162	35%	85%
Of which TLMs	3,000,000,000	3,000,000,000	1,205,160,605	1,156,898,136	40%	96%
001 - DQAS	1,500,000,000	1,500,000,000	638,455,000	544,521,171	43%	85%
001 - SHNHA	480,000,000	480,000,000	24,250,000	19,779,298	5%	82%
001 - Special Needs Education	1,110,000,000	1,110,000,000	744,606,604	484,193,666	67%	65%
020 - DTED	418,725,001	418,725,001	258,942,713	232,410,791	62%	90%
Sub Totals	7,672,117,001	7,672,117,001	3,379,907,755	2,733,983,320	44%	81%

Source: Ministry of Education HQs

Secondary education has received MK 19 billion of the MK 27 billion revised or mid-year provision, representing 72% disbursement rate. Disbursement of TLMs for secondary is at 50% (MK 2.4 billion of MK 4.8 billion) equally due to the lengthy procurement processes whilst disbursement for Divisions and Secondary Schools is at 75% (MK 15 billion of MK 20 billion). In terms of utilization for the program, it is at 78% with MK 15 billion of MK 19 billion spent as of 8th March 2025. Utilization for the Department of ODL is at 89% with MK 538 billion of MK 602 billion spent. Divisions and Secondary Schools are at 80% utilization rate having spent MK 12 billion of the MK 15 billion mid-year revised allocation.

Table 4: Allocation, disbursements and expenditures (MK) for secondary education program

Cost Centres	2024-25 Approved	2024-25 Revised	Disbursement	Expenditure	Disbursement (%)	Utilization (%)
001 - Department for Secondary Education	5,330,428,670.0	5,330,428,670.0	2,837,084,257.0	1,773,731,243.0	53%	63%
Teaching and Learning Materials (TLMs)	4,800,428,670.0	4,800,428,670.0	2,416,000,000.0	1,425,589,693.0	50%	59%
001 - Department of Open Distance and Learning	501,221,333.0	501,221,333.0	602,197,441.0	537,705,789.0	120%	89%
002 - MCDE	1,000,000,000.0	1,000,000,000.0	972,804,000.0	750,218,533.0	97%	77%
003 - Teaching Service Commission	250,000,000.0	250,000,000.0	165,807,232.0	126,623,391.0	66%	76%
005 - Supplies Unit	156,600,000.0	156,600,000.0	152,099,992.0	125,150,071.0	97%	82%
Division and Secondary schools	19,544,586,060.7	19,544,586,060.7	14,715,042,191.0	11,845,377,979.0	75%	80%
Sub Totals	26,782,836,063.7	26,782,836,063.7	19,445,035,113.0	15,158,807,006.0	73%	78%

Source: Ministry of Education HQs

Overall disbursement for higher education program is at 85% with MK 4.6 billion of the MK 5.4 billion disbursed as of 8th March 2025. Only 34% (MK 120 million of MK 350 million) of funds have been disbursed for Department of Higher Education, a concern considering the coordinating role that the Department plays and also the new role that it now has of facilitating the establishment of the Ministry of Higher Education. Nalikule and Domasi Colleges have received 87%

and 89%, respectively. Overall utilization is at 80% with MK 3.7 billion of MK 4.6 billion so far disbursed. Disbursement of funds for Domasi College is at 75% (MK 1.8 of MK 2.4 billion) whilst that of Department of Higher Education is at 53% (MK 64 million of MK 120 million) – see table below.

Table 5: Allocation, disbursements and expenditures (MK) for higher education program

Cost Centres	2024-25 Approved	2024-25 Revised	Disbursement	Expenditure	Disbursement (%)	Utilization (%)
001 - Department for Higher Education	350,040,000	350,040,000	119,779,496	63,731,303	34%	53%
026 - Domasi College	2,700,000,000	2,700,000,000	2,417,921,488	1,763,193,603	90%	73%
040 - Nalikul College of Education	2,300,000,000	2,300,000,000	2,038,975,317	1,835,642,068	89%	90%
Sub Totals	5,350,040,000	5,350,040,000	4,576,676,301	3,662,566,974	86%	80%

Source: Ministry of Education HQs

Management and support service program which covers for allocations for administration, finance, EMIS, Human Resource Management, SWAP, staff development, monitoring and evaluation, internal audit, ICT, budget office, policy and planning, Minister's Office, supplies and procurement unit, EIMU and Department of Science and Technology was allocated MK 4.2 billion. Of the amount, MK 2.4 billion has been disbursed representing a 59% disbursement rate. Administration is the least funded with its disbursement at 45% (MK 610 million of MK 679 million). On the contrary, EMIS is the most funded with its disbursement rate at 86% (MK 310 million of MK 360 million). Overall utilization is at 86% with utilization for most of the cost centres or departments under the program above 80% - see table below.

Table 6: Allocations, disbursements and expenditures for the administration and support services program

Cost Centres	2024-25 Approved	2024-25 Revised	Disbursement	Expenditure	Disbursement (%)	Utilization (%)
001 - Administration	1,500,000,000.00	1,500,000,000.00	678,563,400.00	609,614,661.00	45%	90%
001 - Budget Office	108,000,000.00	108,000,000.00	60,445,350.00	43,983,148.00	56%	73%
001 - EMIS	360,000,000.00	360,000,000.00	310,156,774.00	294,384,690.00	86%	95%
001 - Finance	200,000,000.00	200,000,000.00	139,525,000.00	94,831,236.00	70%	68%
001 - Human Resource Management	228,051,966.67	228,051,966.67	166,911,600.00	144,801,284.00	73%	87%
001 - ICT	150,000,000.00	150,000,000.00	94,763,594.00	71,791,332.00	63%	76%
001 - Internal Audit	110,000,000.00	110,000,000.00	59,340,000.00	54,070,352.00	54%	91%
001 - M&E	160,800,000.00	160,800,000.00	122,077,000.00	113,329,931.00	76%	93%
001 - Minister's Office	216,072,000.00	216,072,000.00	142,010,545.00	120,860,760.00	66%	85%
001 - Policy & Planning	109,700,000.00	109,700,000.00	80,451,070.00	50,448,016.00	73%	63%
001 - Staff Development	50,000,000.00	50,000,000.00	29,500,000.00	29,019,375.00	59%	98%
001 - Supplies and Procurement Unit	79,770,000.00	79,770,000.00	48,175,000.00	43,820,799.00	60%	91%
001 - SWAP	380,000,000.00	380,000,000.00	235,180,340.00	203,999,847.00	62%	87%
006 - Department of Science and Technology	501,221,333.00	501,221,333.00	281,620,210.00	233,442,524.00	56%	83%
Total	4,153,615,299.67	4,153,615,299.67	2,448,719,883.00	2,108,397,955.00	59%	86%

Source: Ministry of Education, Budget Division.

3.1.2 Achievements

The sector, as reported through the Ministry Headquarters and other MDAs, managed to successfully implement a number of interventions and projects. Below are some of the achievements reported:

- Revised students' upkeep loans by 60% (MK350,000 to K560,000) and the number of loan beneficiaries increased by 19% (31,000 from 26,000);
- Recruited 4,200 auxiliary teachers under MERP;
- Procured 116,066 tablets which were distributed to 681 primary schools;
- Constructed 668 classrooms in 334 primary schools under the MERP;
- Procured 15,000 desks for distribution to primary schools;

- Established TCM and over 80,000 teachers have been registered to date;
- Constructed 4 new CDSSs (SEED);
- Completed & handed over 59 cost-effective classroom blocks in various CDSSs across the country (EQUALS).
- Trained 155 secondary school teachers who have obtained a UCE;
- Procured various TLMS including 84,000 science and mathematics textbooks, 244,177 textbooks and 1,895 computers for ICT laboratories;
- Procured and distributed 27,100 desks to secondary schools across the country;
- Constructed 75 smart ICT laboratories in CDSSs in partnership with MACRA;
- 44,603 vulnerable secondary students benefited from bursaries;
- Commenced construction of 3 new Lecture Theatres at MUST;
- Developed and implemented an e-selection and placement system for secondary schools;
- Constructed the University Innovation Pod (UNIPoD) at the MUBAS;
- MoGCDSW revised the school curriculum to include gender issues;
- MoGCDSW adopted the School Readmission policy in secondary schools to promote girls' education;
- MoGCDSW supported 278 learners with albinism in secondary schools and provided assistive devices to 508 learners;
- MoGCDSW reviewed the Integrated Early Childhood Development Policy (ECD);
- MoGCDSW increased the enrolment of children into ECD to 53.6% population of children between 3-5 years; and
- Ministry of Labor improved enrolment to 1300 in community skills development centres, 1900 in Community Technical Colleges and 7834 in National Technical Colleges.

3.1.3 Challenges

The various MDAs implementing education related interventions reported a number of challenges that affected the effective implementation of their planned interventions. The following are some of the reported challenges:

- Large disparities in deployment of teachers among and within schools, and rural allowances have not been effective;
- Shortage of TLMS;
- Pupil Classroom Ratio (PCR) is high;
- Enrolment is below target because of limited intake capacity;
- Low female to male ratios;
- Very few (331) students with disabilities in higher education institutions – infrastructures not disability-friendly.
- School-aged SN population in primary at 4% and secondary at 2.8% only.
- Loans Board facing challenges in tracing and locating former beneficiaries.
- Unharmonized higher education institutions calendars affecting loan disbursement processes making the process costly and time consuming.
- Pupil-Specialist Teacher Ratio for special needs students still high at 93:1.
- Demand for students' loans in Universities remain high.
- Difficulties to recover all outstanding loans from former loan beneficiaries.
- About 60% of pre-school age population with access to ECD

- Only 5% increase in digital literacy among teachers in secondary and primary schools.
- Only 47% of schools offering daily school meal to learners.
- Average months of delay in procurement and supply of TLMs at 6 from 3 in 2023.

3.2 District Case Studies

3.2.1 Performance of overall ORT

Central Government Fiscal Transfers for the education sector amounts to MK 641 billion with MK 26 billion for ORT and MK 615 billion for PE. The MK 26 billion for ORT is solely for core sector activities as the Covid-19 response budget line for the sector was removed in the 2023/24 financial year. An analysis of budget data collected from the nine education districts' budget revealed a number of critical issues worthy signalling. On disbursement, the study established that about 80% of ORT funds had been disbursed to the education sector in the nine sampled districts at the time of data collection. However, delays in disbursing the funds is a major challenge that affected progress of various interventions. Funding inconsistencies was also another challenge with monthly cash-flow not matching with the approved cash flow. Utilization of ORT is at 100% (refer to table below) which is commendable as it implies that most of the planned interventions were implemented, though not at the planned time.

Table 7: Allocations, disbursements and utilization of ORT funds in the 9 sampled districts

District	Allocated	Disbursed	Spent	Disbursement (%)	Utilization (%)
Lilongwe Rural East	879.1	712.1	712.1	81%	100%
Lilongwe Rural West	974.6	786.6	786.6	81%	100%
Rumphi	507.1	451.3	451.3	89%	100%
Dowa	848.6	848.6	848.6	100%	100%
Dedza	876.0	876.0	876.0	100%	100%
Mchinji	796.0	734.3	710.2	92%	97%
Mangochi	1,230.1	1,143.9	1,143.9	93%	100%
Blantyre Rural	626.0	626.0	626.0	100%	100%
M'mbelwa	918.6	858.9	856.4	94%	100%

Source: Author's own compilation using field data

Despite the impressive absorption on ORT, the districts however lamented that the funds are inadequate thereby affecting implementation of critical interventions. For example, in Lilongwe East, the district has never provided resources for Continuous Professional Development (CPD) in the past 3 financial years; in Mchinji, only 1 CPD session was conducted against the planned 2; Blantyre Rural is also failing to maintain some of the disaster affected schools including planning for next disaster due to inadequacy of funds; Home Grown school feeding is only in few schools and usually done during lean period because districts cannot afford; only few refresher trainings conducted for SNE specialist teacher's against planned trainings e.g. in Lilongwe East; and monitoring of SNE Teachers is hard with some districts providing meagre resources that would not yield the desired results e.g. Rumphi which only provided MK 0.5 million.

3.2.2 Performance on SIG, TLMs, SHN, SNE and CPD

The study established an impressive record on the disbursement and use of funds for SIG, TLMs, SHN, SNE and CPD. About 100% of the funds were disbursed on SIG in all the districts signalling NLGFC's commitments to ensuring that all SIG funds should be disbursed to districts and consequently schools at least by November of every year. 100% of CPD funds were also disbursed in 8 out of the 9 sampled districts with Lilongwe East not allocating any resources for the same sighting inadequate funding, a trend that has been maintained for 3 years. In addition to funding challenges, inflation also affected prices for training materials e.g. at Kapalamula Primary School in Dedza and that teachers are taught on routine trainings with such trainings as sign language not being prioritized.

As regards SNE and SHN, all districts except Lilongwe West, got all their funds as planned. Lilongwe West got 78% and 76% of the funds, respectively – an issue that was sighted as a result of internal re-prioritization and re-allocation due to other competing and equally important needs. Utilization of funds was 100% on all the budget items – see annex 3, this shows the improved level of efficiency in the districts if compared to last year where only 60% of the districts had managed to spend the resources on time.

On SNE, the following key interventions were reported as having been implemented and as successes:

- SNE supervision visits are being done in some districts e.g. BT where MK 3.4 million was allocated and used for the same;
- Assessment of SNE students also being done in schools e.g. Mchinji where MK 1.3 million for assessment of learners in all the 218 schools and Blantyre Rural where MK 1 million was allocated and used;
- Purchase of TLMs for SN Learners is being done e.g. Mangochi where MK 1.8 million was allocated and used and Lilongwe East where MK 1.5 million was used;
- Refurbishment of Resource Centres were done at Malambo & Senga Primary Schools in Dowa where MK 6.4 million was spent on each of the Resource Centre;
- Training of teachers on inclusive education pedagogy was done in Mchinji targeting 30 teachers (15 Male and 15 Female);
- Monitoring & supervision of Inclusive Education practices being done in schools; and
- Zingwanga LEA managed to send 1 SNE Learner to a National Secondary School (Blantyre Secondary School).

These successes were also coupled with challenges as provided below:

- MK 2.4 million for procurement of Push Bikes for SN Learners was reallocated to procure a Laptop in Mchinji.
- Unavailability or inadequate SNE specialist teachers. For example, there are only 25 teachers against 7,958 SNE Learners in Mchinji; 1 Teacher is supporting 25 SNE learners from Standard 1 – 8 at Bolero F.P. School in Rumphi; there's no SNE Teacher at Kazengo (with 432 SNE Learners) and Kaliyeka (with 53 SNE Learners) Primary Schools in Mzimba and Lilongwe, respectively; and there are only 3 Teachers against 447 SNE Learners at St Augustine 3 in Mangochi.
- Inadequate TLMs for SNE.
- Some schools are not prioritizing SNE activities e.g. Kapalamula Primary in Dedza which has 28 SNE Learners.

On SHN, the major successes recorded included the adoption of backyard gardens by most schools and communities to supplement the Home grown School Feeding Program and mainstreaming of WASH interventions i.e. purchasing hand washing buckets in the SHN program despite resources being inadequate.

In terms of challenges, the following were some of the issues reported:

- Inadequate resources to support the procurement of adequate inputs for the Home grown school feeding programs results to some schools only being able to provide meals for only parts of the school calendar (lean season)
- Theft of crops by students and surrounding communities has affected the provision of adequate meals in some schools.
- Inadequate resources to sufficiently provide for WASH interventions particularly menstrual hygiene related interventions targeting adolescent girls.

3.2.3 Implementation of projects

As highlighted in chapter two of the report, the team visited projects being implemented in the sector and in the selected districts to appreciate various issues such as financing, implementation progress and challenges affecting the same. As regards the process, the team first reviewed the Ministry of Education's 2024/25 development budget to identify projects that were funded or were still being implemented in that financial year e.g. using funds from previous financial year. The team then isolated projects involving construction or maintenance of classrooms, teacher houses, change rooms and toilets particularly in the nine pre-determined districts of Dowa, Dedza, Mangochi, Mchinji, Rumphi, Mzimba South, Lilongwe East, Lilongwe West, and Blantyre Rural. From the identified projects, the team then sampled projects to be visited for this expenditure tracking. In line with CSEC and partner's focus areas, interest was placed on the allocations/provisions to those projects and financing arrangements i.e. whether this is centrally controlled or that part of the resources is also channelled through the district councils; disbursements both in terms of resources and timing; utilization of the funds for the projects; gender and disability responsiveness of the projects; status of project implementation and any other transparency and accountability issues thereof.

In view of the process described above, the research team sampled and visited 25 projects in the nine districts. Of the 25 projects visited, the study established that 15 projects were still on-going, 2 projects had stopped, 8 projects were successfully completed and 1 project was yet to start. Major issues from the projects were as follows: in Mangochi district, construction of classroom blocks at Sungusya primary school under the MERP project has been halted for over a year due to delays in funding; in Rumphi district, construction of the Head teachers office at Bumba Primary school financed by CDF has taken over three years to be where it is now (window level) due to lack of funds despite all CDF funds being disbursed to MPs; construction of Mgoni primary school blocks in Lilongwe has been abandoned by the contractor due to late payments by government; and most of the assessed projects are not yet completed due to funding issues. On a positive note, most of the projects are targeting girl learners and are disability friendly i.e. have ramps for wheelchairs accessibility and good lighting for those with poor eye sight.

Table 8: Implementation status of some of the sampled projects

District	Primary School	Name of Project	Implementation Status
Mchinji	St. Dominic	Installing electricity in 3 Teacher houses	On-going
		Rehabilitation of the headteacher office	On-going
	Kawere	Construction of classroom blocks (MEREP)	On-going
Mangochi	Sungusya	Construction of 2 classroom blocks (MEREP)	Stopped
		Rehabilitation of girl's changerooms	On-going
	St. Augustine	Construction of girl's change room	On-going
Rumphi	Chandamale	Construction of Classroom block	Completed
		Construction of Girl's changeroom	On-going
	Bumba	Construction of Head Teacher house	On-going
Mzimba	Chizungu	Construction of classroom block (MEREP)	On-going
	Kazengo	Construction of classroom block	Completed
Dowa	Namatonje	Maintenance of Teacher's House	Completed
	Kafumphe	Construction of a School Block	Completed
		Construction of Toilets	Completed
Lilongwe	Lilongwe School of Excellence	Construction of school	On-going
	Mgona	Construction of primary school blocks	Stopped
	Kaliyeka	Kaliyeka sanitation projection	On-going
Blantyre	Zingwangwa	Girls Change room	Completed
	Naotcha	Classroom block	Completed
		Boys Toilet	On-going
Dedza	Kapalamula	Construction of classroom blocks (MEREP)	On-going
		Construction of boys Urinal	On-going
	Mtendele	Maintenance of borehole and classroom ramp	Completed
		Maintenance of teacher's toilets	On-going
		Construction of boy's Urinal	On-going

Source: Author's own compilation using field data

3.2.4 Implementation of Water Sanitation and Hygiene (WASH) Interventions

The study also assessed the implementation of WASH interventions at council and at primary school level. The team interviewed the SHN Coordinator at council level, head teachers and mother group chairpersons in the sampled primary schools across all districts. WASH interventions are supposed to be implemented using SIG funds. However, due to insufficient funds, these interventions are not prioritized during the planning and implementation of SIG interventions in primary schools. This has put a lot of strain on the WASH situations in most primary schools which is worrisome considering the country is prone to hygiene related diseases which is a recipe for disaster as the schools are also plagued with high enrolment rates. Furthermore, the country has of recent years been at a receiving end of natural disasters such as heavy rains and floods which bring with them various hygiene related challenges. The study team unearthed the following common issues that most of the schools sampled and visited were facing;

- Sanitary pads for female learners: due to the inadequacy of funds, the schools rarely allocated resources for the procurement of sanitary pads for female learners or such activities as sewing of locally made sanitary pads at school. The schools rely on other unpredictable sources such as support from NGOs and other well-wishers. In some schools i.e. Sungusya Full Primary School in Mangochi district have even started small scale businesses (selling vegetables and fruits) led by the mother group committee to help raise funds to complement resources to the same.

- Change room for female learners: inadequacy of change rooms in most of the schools has heavily affected the attendance of adolescent girls mostly during their menstrual period as evidenced by the sentiments shared by the mother group chairperson Kapalamula primary school in Dedza district who attributed increased absent seem among adolescent girls to the lack of modern Change rooms at the school.
- Toilets: Lack of adequate functional toilets in the visited primary schools was also a common issue observed by the research team. Coupled with huge enrolment rates, this therefore pressure on use of such facilities with some learners, especially young ones, forced to use other means of assisting themselves e.g. by going to nearest bush or urinating behind the toilets. This poses health risks to the learners. Furthermore; some schools in disaster prone areas especially Mangochi district have suffered infrastructural damage in primary schools and WASH facilities have not been spared in this ordeal.
- Inadequacy of funds to purchase WASH materials such as; Handwashing buckets, Soap among other things has resulted in the schools not having enough of said materials to accommodate the entire school population. This makes it difficult for the learners to adhere to WASH guidelines such as handwashing and leaves them prone to hygiene related diseases.

3.2.5 Implementation Edu-Tech in Schools

On Edu-tech, the study assessed how schools are implementing interventions related to the same including if there are resources or interventions for capacity building of Teachers in Edu-teach and if the trained Teachers are supported with the Edu-tech devices for them to practically use.

On challenges, the study established the following as hindering factors to effective implementation of Edu-Tech interventions in the sampled schools:

- Some schools are only conducting Ed-Tech sessions when Visited/Inspected.
- Monitoring of implementation of the program is a challenge due to inadequate resources.
- Care of resources e.g. Tablets in most schools is also a challenge.
- Maintenance of Tablets.
- Few teachers are trained in Ed-Tech in most schools e.g. 4 out of 23 at Bolero Primary in Rumphi.
- Stealing of Ed-Tech materials in some schools e.g. tablets were stolen at St. Augustine 3 in Mangochi.
- Unavailability of electricity in some schools e.g. St. Augustine 3.
- Lack of knowledge in new technologies by teachers and therefore failing to effectively deliver.
- Inadequate materials e.g. only 1 tablet against 495 learners at Chizungu F.P. School in Mzimba.
- Slow network affecting smooth implementation of the projects.
- Best schools are also not being rewarded for their effort.

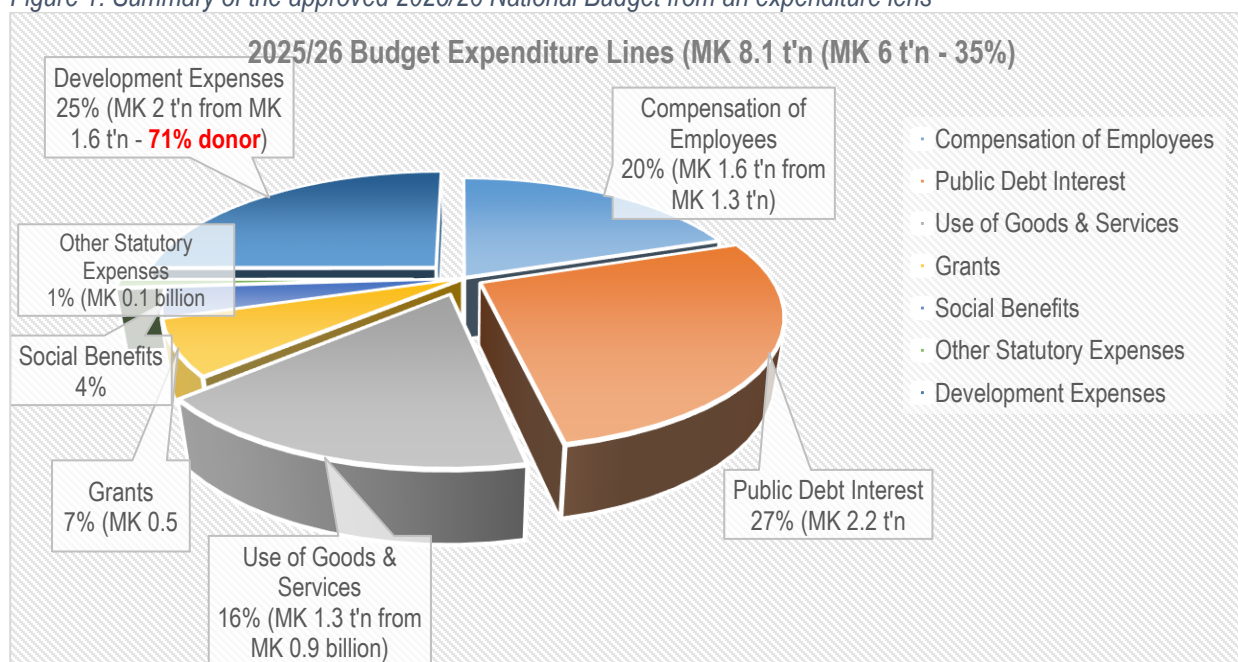
CHAPTER 4: KEY FINDINGS

4.1 Overview of the 2025/26 Draft National Budget

The 2025/26 draft budget is estimated at MK 8,051 billion representing 31% of Gross Domestic Product (GDP) and way above the 25% threshold of national spending as a percentage of GDP as advised by the United Nations Development Programme (UNDP) in its Human Development Report (HDR) of 1991 i.e. If public spending were to play a significant role in human development in any given country, the UNDP recommended setting a minimum GDP threshold of 25%. The amount represents a 35% nominal increase from the MK 6,144 billion revised provision at mid-year in the 2024/25 financial year and 6.7% decrease in real terms. The nominal increase is largely on account of increases on development budget from MK 1,600 billion to MK 2,000 billion in view of increases on both government and donor funded projects; debt servicing from MK 1,456 billion to MK 2,172 billion; and use of goods and services from MK 1,019 billion to MK 1,342 billion due to foreign related budget lines, elections, increase in allocations for maize purchases, provisions for the agriculture sector including mega farms (MK 38 billion) and farm input loan program administered by the National Economic Empowerment Fund (NEEF), and about MK 53 billion for the Agriculture Development and Marketing Corporation (ADMARC).

Recurrent expenses are estimated at MK 6,037 billion (75% - down by 1%), representing a 34% increase from the MK 4,520 billion 2024/25 mid-year provision. About 85% (MK 5,100 billion, up by 35% from MK 3,789 billion) of the recurrent budget cover for payment of public debt interests (MK 2,200 billion), use of goods and services (MK 1,300 billion) and salaries and wages for Civil Servants (MK 1,600 billion). The remaining amount covers for grants to Government Organizations (MK 543.2 billion, up from MK 379 billion) such as Roads Authority, Malawi Revenue Authority, Roads Fund Administration and other Sub-Vented Organizations; Social Benefits (MK 306 billion, down from MK 317 billion) to cover for social programs such as Affordable Input Program (AIP), Pension and Gratuities, Social Cash Transfer; and other statutory expenses (MK 84 billion, up from MK 34 billion) – see figure below.

Figure 1: Summary of the approved 2025/26 National Budget from an expenditure lens

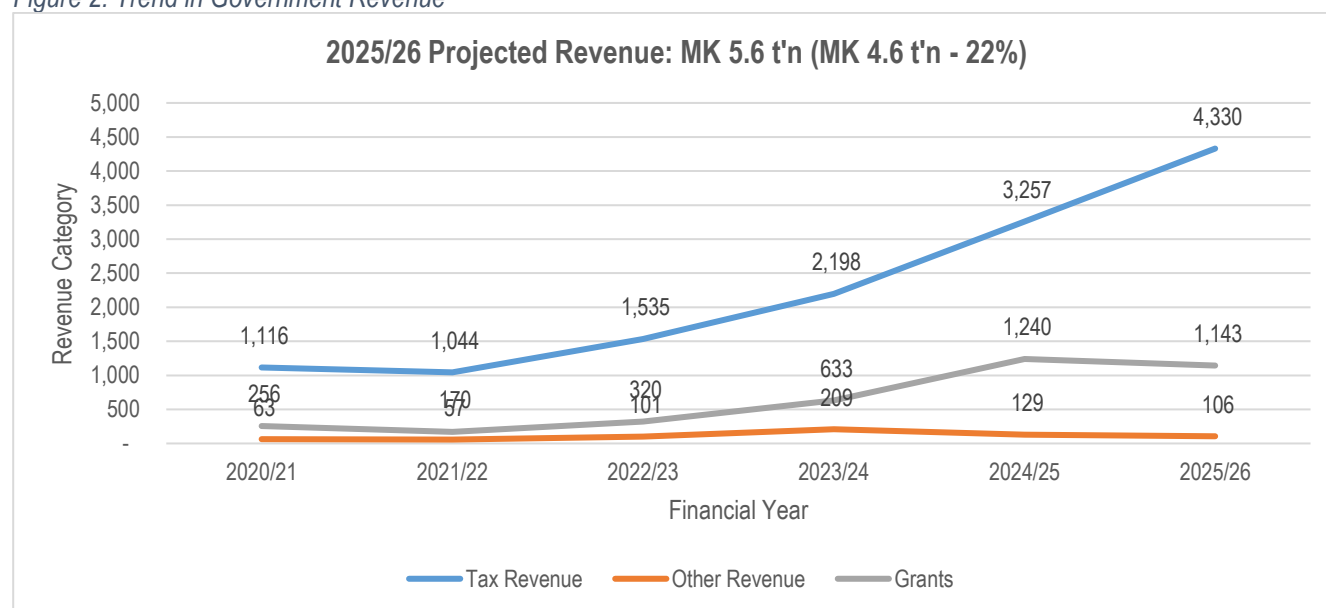


Source: Author's computation based on data from MoF

Development budget is estimated at MK 2,014 billion (25% of national budget, down by 1% from the mid-year provision) – up by 24% when compared to MK 1,624 billion mid-year provision. The 25% provision for development budget remains barely conforms to the estimated 25% share of national budget that investment was supposed to account for in accordance with the MIP-I i.e. under the Governance and Effective Institutions enabler. Donor-funded projects are estimated at MK 1,438 billion (up from MK 1,310 billion), representing 71% (down from 81% - likely due to the withdrawal of USAID support) of total development budget and an increase of about 10% - refer to figure above. Government-funded projects have increased by 84% i.e. from MK 314 billion to MK 577 billion and are claiming 29% of total development budget up from the 19% that they claimed at mid-year implying a steady progression towards taking ownership as regards financing of its own investments.

Total Revenue and Grants are estimated at MK 5,578 billion (up by 28% from the MK 4,352 billion of the revised 2024/25 budget), about 69% of the expenditure/budget. Domestic Revenue is estimated at MK 4,436 billion (80% of total revenue), up from MK 3,111 billion (71% of total revenue) projected in 2024/25 revised budget and commendable as it demonstrates continued Government efforts to generating more resources towards financing its own budget. Of the domestic revenue, tax revenue is estimated at MK 4,330 billion (98% of total domestic revenue) – up from MK 2,986 billion estimated in 2024/25 financial year. Other revenues accounted for the remaining 2% i.e. MK 106 billion down from MK 125 billion. Grants are estimated at MK 1,143 billion (20% of total revenue), representing an 8.5% decrease from the MK 1,240 billion estimated at mid-year likely due to decrease funding from the USAID – see figure below. Of the MK 1,143 billion, MK 86.4 billion - up from MK 72.7 billion will come from foreign Governments whilst MK 1,056 billion (down from MK 1,168 billion) from International Organizations.

Figure 2: Trend in Government Revenue

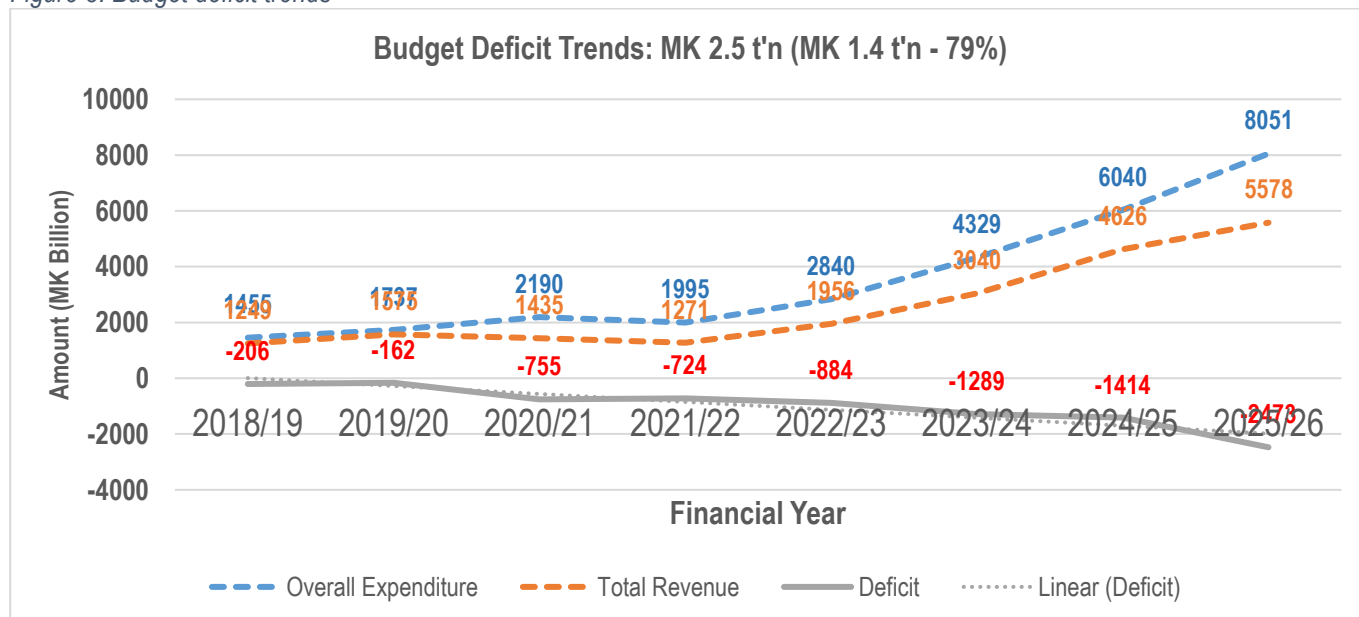


Source: Author's computation based on data from MoF

The overall budget balance for 2025/26 financial year is estimated at MK 2,473 billion (31% of total budget and 9.5% of GDP), up from MK 1,793 billion and is to be financed by net external borrowing amounting to MK 146 billion (6% of total debt – down from 11% of the revised 2024/25 estimate) and domestic borrowing amounting to MK 2,327 billion (94% - up from 89%). The increase in the deficit-to-Government budget ratio from 23% to 31% is unsustainably high

(refer to annex 2) and requires further scrutiny by Government in view of the Country's already souring debts which are currently estimated at over MK 16, 200 billion (MK 8,800 billion domestic and MK 7,400 billion external). Domestic borrowing also continues to increase and if not well managed e.g. if not matched by an increase in investments and production of goods and services, may lead to inflationary pressures, reduced credit availability, crowding out of private investment, among other things thereby further complicating the Country's fiscal stance.

Figure 3: Budget deficit trends



Source: Author's computation based on data from MoF

The debts also have a future tax burden as Government may be forced to introduce new taxes, reduce tax exemptions or raise taxes to generate additional revenue needed to finance such debts thereby reducing disposable income of the citizenry and investors profits. Such perceived tax policies may have implications on Foreign Domestic Investment as investors may move their capital to other investment destinations with a lesser future tax burden. This may increase unemployment, reduce Government revenue and lower productivity key for Malawi's economic recovery and development. Additionally, Government may undertake tax structure changes to ensure sustainability in view of high debt servicing by for example shifting from progressive to regressive taxation or increasing reliance on consumption taxes rather than income taxes which may have devastating effects on the poor. More importantly, financing debts in Malawi has had an enormous impact on Malawi's fiscal space. In the last eight years, for example, Government has committed an average of 20% of the budget to debt servicing with the 2025/26 financial year alone recording a 27% share of total budget, an increasing trend since 2018/19. This therefore compromises allocation of resources to key sectors such as health, agriculture, education, and water including infrastructure projects which currently are largely financed by donors.

4.1.1 Opportunity Cost of Debt Financing

The Analysis of the impact of debt financing on the Country's recovery focused on the forecasted burden on attainment of SDGs and the Country's long-term development agenda, Malawi 2063. The SDGs of interest captured by this model included SDGs 4 (Quality education), and 6 (clean water and sanitation). This scope is a key reflection of Malawi's progress towards achieving the MIP 1 as they contribute to the three pillars through the following enablers: a) human

capital development, b) economic infrastructure, and c) environmental sustainability. Based on the using the Government Revenue and Development (GRADE) model, the study has established that due to the debt financing, there is an increase in the burden on human capital development through increased forecasted reduced primary school attendance, and reduced secondary school attendance. This affects the recovery of Malawi's economy through the lens of the Malawi Vision 2063. As presented in the table below, On SDG 4, for example, debt financing takes away resources that would have covered for 21,493 additional child school years, put 142, 487 additional children (71,309 females and 71,178 male); and put 253,756 additional children (126,088 females and 127,668 male) in Primary education. On SDG 6 the impacts entails that 855,349 more people would have had access to basic water, 133,659 more children under 5 would have had access to basic water 212,098 and that more females (15-49) would have increased access to basic water.

Table 9: Impacts of debt financing on Malawi's economy

Modelling Impacts of debt financing on Education in Malawi			
Performance and Development (2015-2024)			
SDG	Name	Modelled estimates of opportunities lost	
6	Access to basic water	855,349 more people would have had access to basic water	
		133,659 more children under 5 would have had access to basic water	
		212,098 more females (15-49) would have increased access to basic water	
	Access to safe sanitation	25,357 more people would have accessed to safe sanitation	
		3,962 more children under 5 would have accessed to safe sanitation	
		6,288 more females (15-49) would have increased safe sanitation	
4	Child school years	6,986 additional child school years	
4	Upper secondary school attendance	77,020 additional children in upper secondary education	38,546 female
			38,475 male
	Primary school attendance	197,811 additional children in primary education	98,289 female
			99,521 male
	Lower secondary school attendance	162, 735 additional children in lower secondary school	81,220 female
			81,515 male

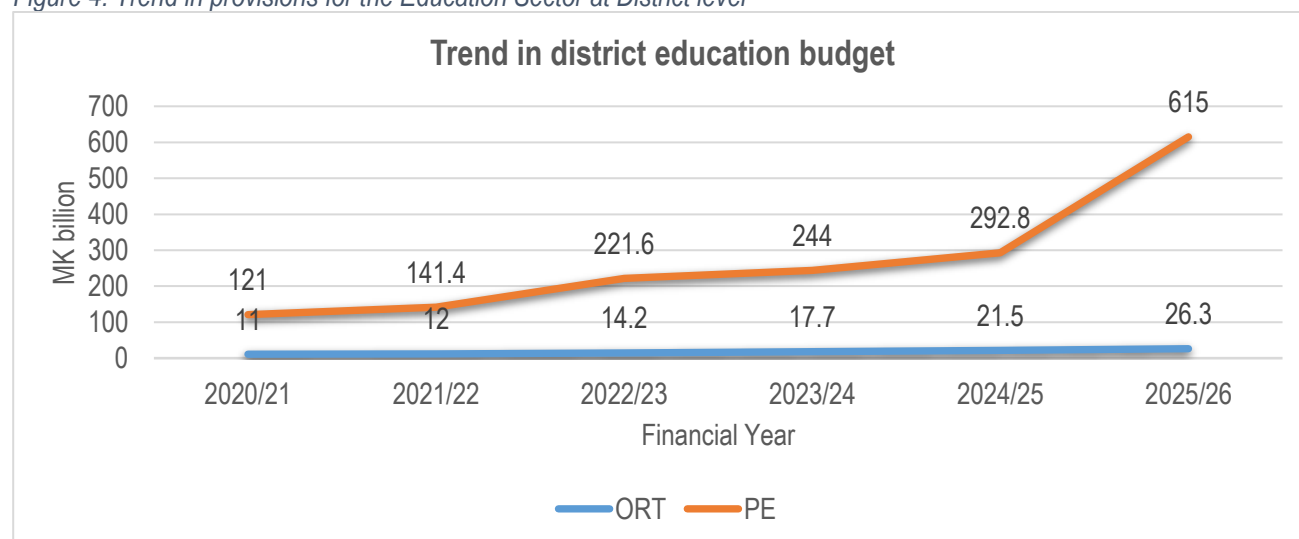
Source: Author's own computation using GRADE Model

4.1.2 Central Government Fiscal Transfers

The 2025/26 total Central Government fiscal transfer estimates are at MK 1,086 billion, up from MK 993 billion mid-year provision, representing a nominal increase of about 9.4% and a decrease of about 22% in real terms. Amount covers MK 615 billion for PE (56%) – up from MK 599 billion; MK 102.4 billion for ORT (9%) – up from MK 84 billion and MK 368 billion (35%) for development projects – up from MK 309 billion. The increase is largely on account of increases on some of the donor and government-funded projects namely Governance to Enable Service Delivery funded by the World Bank which has seen its provision move from MK 37 billion to MK 44 billion; Malawi Social Support for Resilient – from MK 187 billion to MK 222 billion; Employment and Income to Rural Areas – from MK 711 to MK 844 million; City Roads – from MK 23 billion to Mk 35 billion and Rehabilitation of District Hospitals from MK 14 billion to MK 17 billion.

Education, Health and Agriculture remain the most funded sectors at local level with the three sectors claiming over 84% (MK 86 billion) of ORT, up from 82% (MK 68 billion) claimed in the 2024/25 revised budget. Education has received MK 26 billion (26% - up from MK 21.5 billion) for core sector activities. The MK 3.2 billion ring-fenced funds for Covid-19 response which was removed in the 2023/24 financial year has not been included despite several calls to reinstate the budget line and serve as a “WASH in Schools” budget line. A total of MK 615 billion has been provided for salaries and wages for Teachers, this is a 105% increase from the MK 300 billion provided in the 2024/25 financial year – see figure below. The increase is due to the expected increase in salaries for civil servants and additional 10,000 primary teachers that will be recruited in the 2025/26 financial year. Despite the nominal increases in ORT provisions, the resources are inadequate to implement the various programs including education. For example, SIG funds and provisions for such programs as School Feeding are significantly low and therefore cannot make meaningful impacts. The report therefore recommends that the central government, particularly Ministry of Education, should consider devolving other small-scale projects to districts in order to allow the districts implement the same and consequently improve the various education related indicators and address the challenges being experienced in the sector at district level.

Figure 4: Trend in provisions for the Education Sector at District level



Source: Author's own computation based on data from Ministry of Education

Health sector on the other hand has received a total of MK 56.5 billion (up from MK 44.2 billion) covering MK 23 billion (down from MK 19 billion) for core ORT activities, MK 3 billion for blood products (same as last FY), MK 2.5 billion (same as last FY) for drugs directly provided to Councils, MK 0.34 billion (same as last FY) for vaccine and MK 31 billion (up from MK 22 billion) for drugs under NLGFC. Agriculture has received MK 3.3 billion, an increase from the MK 2.7 billion provided in the 2024/25 budget.

In terms of allocation to Government-funded projects at local level, the MK 101.5 billion will go towards maintenance and upgrading of city roads (MK 35 billion – up from MK 23 billion); Constituency Development Fund (MK 38.6 billion – same as last FY) translating to MK 200 million per constituency with 5% of the funds (MK 10 million) going towards education bursaries; construction of water structures (MK 2.3 billion – same as last year); District Development Fund (MK 7.6 billion – up from MK 6.2 billion); Infrastructure Development Fund (MK 1 billion – up from MK 0.9 billion); and Rehabilitation of District Hospitals (MK 17 billion – up from MK 14 billion). Construction of Teachers' Houses, an

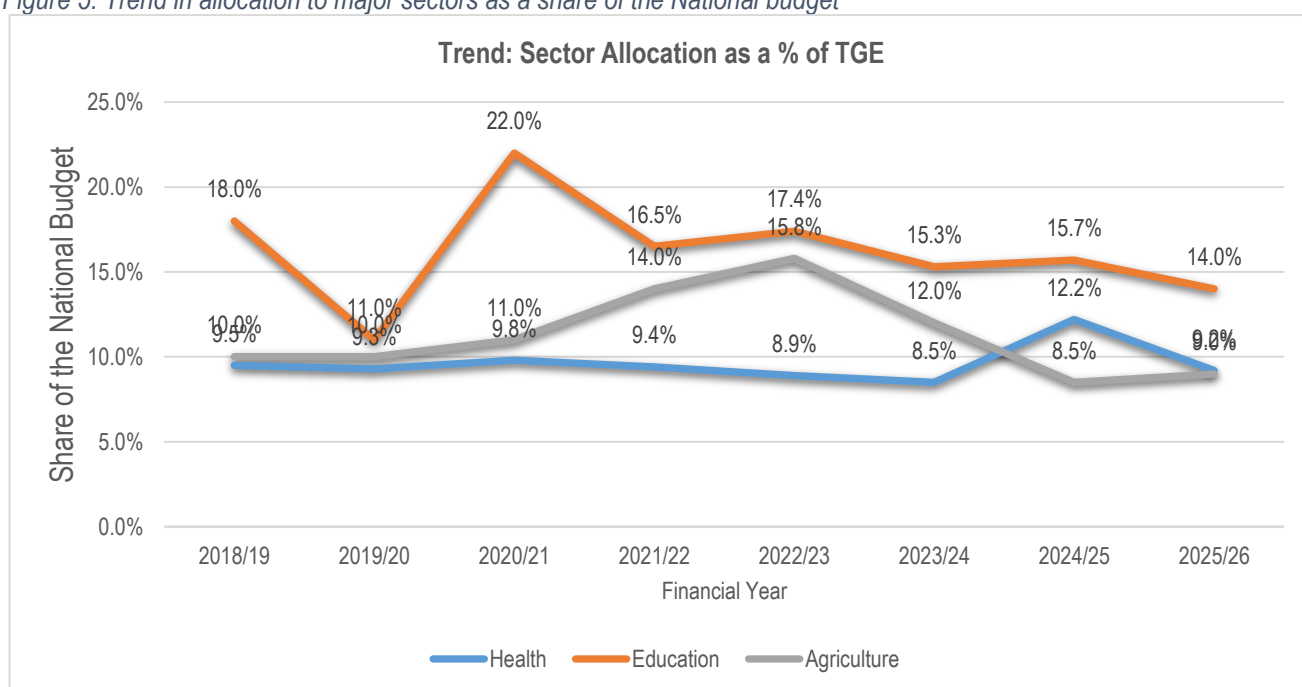
education project, which was devolved in the 2023/24 FY has for the second year running not been allocated any resources as resources have been centralized again.

4.2 The 2025/26 Education Sector Budget

4.2.1 Overall Sector Budget

The sector has been allocated MK 1.3 trillion (5% of GDP - lower than the 6% GDP global average), a 41% nominal increase from the MK 946.5 billion mid-year revised allocation. In real terms, the sector budget has however increased by only 1% to MK 956 billion. The sector budget is 16.6%, up from 15.7% at mid-year, of the National budget and slightly within the 15% – 20% UNESCO target. On the positive note, real budget for the sector is above the MK 638 billion NESIP target for 2025 though the NESIP was not inclusive of the emerging issues in the education sector including Ed-Tech. Though the sector remains most prioritized if compared to health (9.2%) and agriculture (9%) – see figure below, its functions are huge and the provisions are inadequate in real terms.

Figure 5: Trend in allocation to major sectors as a share of the National budget



Source: Authors own computation using data from various sources

Ministry Headquarters budget has been split between Vote 250 (Basic & Secondary) and Vote 251 (Higher). Overall allocation for Vote 250 is MK 301.2 billion, down by 13% from MK 345 billion provided in the 2024/25 financial year. PE is at MK 120 billion, an increase by 13% from MK 106 billion. Of this amount, MK 8.5 billion is for recruitment of 10,000 primary school teachers; and MK 1.5 billion for recruitment of 5,000 secondary school teachers. ORT has been allocated MK 45.3 billion, down by 10% from MK 50.5 billion allocated in 2024/25. Of the total ORT, TLMs has been allocated MK 4.6 billion, a decrease from the MK 8.8 billion provided in the previous financial year. Of this amount, TLMs for Primary is allocated MK 0.3 billion, 89% down from the MK 3 billion provided in the last financial year and lower than the MK 12.4 billion that the Ministry requested whilst MK 4.3 billion has been provided for TLMs for Secondary, a decrease of about 11% from MK 4.8 billion provided in the 2024/25 FY. The amount for secondary TLMs is lower than the MK 6.1 billion that the Ministry requested in its strategic issues submission. SNE (basic) has seen a

44% decrease in its allocation i.e. MK 1.1 billion to MK 0.6 billion. ODeL has been allocated MK 1.7 billion an increase from the MK 1.3 billion provision in 2024/25 but lower than the MK 3.3 billion that was requested for EDU-SPACE, computers for schools, smart learning centers, ODeL and inspection. MK 2 billion provided for bursaries targeting 47,000 orphans and vulnerable children but remains inadequate if compared to demand. MK 8.4 billion has also been provided for CBE, curriculum review, capacity building, inspection and sporting activities against the MK 19 billion that the Ministry of Education requested, representing a 56% gap. On the other hand, there has been a 66% increase (MK 17.5 billion to MK 29 billion) in allocations for Divisions and Secondary Schools partly due to EU budget support targeting the same.

On development, about MK 135.8 billion has been provided by both government and donors, a 28% decrease from the MK 189 billion provided in the 2024/25 financial year. Donor-funded projects have been allocated MK 115 billion, representing 85% of total development budget, down by 36% from MK 180.1 billion since some of the projects have now been moved to the newly established Ministry (Higher Education). The dominance of donors in financing investments is worrying considering the recent effects that USAID withdrawal had on the sector. Government-funded projects have been allocated MK 21 billion (15% of total), up by 133% from MK 8.9 billion – see table below. The amount is however 46% lower than the MK 39 billion that the Ministry required to effectively implement the projects. Four projects that were initially under Vote 250 have now been moved to the Ministry of Higher Education. They include: Skills for a Vibrant Economy, Construction of 3 TTCs for Primary School, Rehabilitation of TTCs and expansion and upgrading of Domasi College of Education.

Table 10: Projects under Vote 250 in the 2025/26 financial year

Project	2024/25 Approved	2024/25 Revised	2025-26 Budget	% Change
Education Service Joint Fund	8,039,421,839	8,039,421,839	9,550,833,145	19%
Skills for a Vibrant Economy	48,907,614,974	48,907,614,974		-100%
Equity with Quality and Learning at Secondary	37,976,361,570	37,976,361,570	4,319,198,591	-89%
Malawi Education Reform Project	85,178,334,780	85,178,334,780	101,191,861,719	19%
Total Development Budget Part I	180,101,733,163	180,101,733,163	115,061,893,455	-36%
Construction of Girls' Hostels	3,000,000,000	377,529,110	2,000,000,000	430%
Rehabilitation of Secondary Schools	1,500,000,000	183,639,161	1,000,000,000	445%
Construction of Primary Schools and Rehabilitation of Education Facilities	1,500,000,000	1,405,279,873	1,500,000,000	7%
Construction of 3 TTCs for Primary School	1,500,000,000	1,305,836,630		0%
Construction of Science Laboratories and Libraries	2,000,000,000	46,916,811	2,000,000,000	4163%
Construction of Inclusive Education Resource Centres	1,500,000,000	-	1,250,000,000	100%
Construction of Thumbwe Secondary School	1,500,000,000	738,274,109	1,500,000,000	103%
Construction of Luranga Secondary School	2,000,000,000		1,500,000,000	100%
Gwanda Chakwamba Centre of Education Excellence	500,000,000	110,700,000	500,000,000	352%
Rehabilitation of Infrastructure of Disaster Affected Schools	2,000,000,000		1,000,000,000	100%
Rehabilitation of TTCs	1,000,000,000			0%
Expansion and Upgrading of Domasi College of Education	500,000,000	17,945,044		-100%
Construction of teachers houses and classrooms	1,000,000,000	1,000,000,000	1,500,000,000	50%
Construction of 34 Secondary Schools of Excellence Programme	10,000,000,000	3,711,916,774	7,000,000,000	89%
Total Development Budget Part II	29,500,000,000	8,898,037,511	20,750,000,000	133%
Grand Total Development Part I and II	209,601,733,163	188,999,770,674	135,811,893,455	-28%

Source: Ministry of Education

Based on the analysis of Vote 250's government-funded projects budget, the following gaps were identified:

- Construction of Inclusive Education Resource Centres, a project that started in April 2024, has been allocated MK 1.25 billion lower than the Mk 1.5 billion that was removed at mid-year. The project is still at preparation stage.
- Rehabilitation of Infrastructure in Disaster-affected schools has been allocated MK 1 billion. The amount is lower than the MK 2 billion provided last year which was also removed at mid-year.
- Construction of Girls Hostels allocation is at MK 2 billion against the MK 6 billion that the Ministry required to effectively implement the project. The project was one of the project whose 87% of the MK 3'b was cut at mid-year. The project which started in July 2007 and was expected to end by March 2023 is also delaying with average progress at 50% with sites such Ekwendeni and Mwansambo at 20% progress, and Thekerani at 10%. Delayed funding and non-performance of contractors among some of the reasons affecting progress. The project is now in phase III which will involve constructing additional 14 Hostels.
- Construction of Teacher Houses which started in April 2023 to March 2027) has been allocated MK 1.5 billion against MK 2.3 billion required. Only MK 0.2 billion of the MK 15 billion has so far been spent. The project is still at preparatory stage.
- Construction of Primary Schools and Rehabilitation of Education Facilities has been allocated MK 1.5 billion, an increase of about 7%. The project which started in July 2012 and was expected to be completed by March 2025 is now at 57% level of completion. Progress at Chinamwali, one of the sites, is at 15% whilst Chilobwe and Chapima heights is at 0%. Funding delays, compensations issues and devaluation are some of the reasons affecting progress.
- Construction of 34 Schools of Excellence has been allocated MK 7 billion against the MK 14 billion required.
- Programme of Rehabilitation of Conventional Secondary Schools (Phase 2) has been allocated MK 1.5 billion against MK 3.6 billion required.
- Construction of Thumbwe Secondary Schools has been allocated MK 1.5 billion against MK 4 billion required.
- Construction of Science Laboratories and Libraries has been allocated MK 2 billion against MK 3.6 billion required.

The Ministry of Higher Education has been allocated MK 78.6 billion. Of this amount, 17.5 billion is for recurrent expenses covering MK 16.6 billion for ORT and MK 0.96 billion for PE; and MK 61.1 billion for development. 95% (MK 58.1 billion) of the development budget is from donors. The amount will be used to implement the Skills for a Vibrant Economy project, the only part I project. 5% (MK 3 billion) is for part II projects and will be used to implement three projects namely construction of 3 TTCs which has been allocated MK 1.5 billion against the MK 2.5 billion required; rehabilitation of TTCs which has been allocated MK 1 billion; and upgrading of Domasi College of Education allocated MK 0.5 billion. MK 1 billion of ORT has been provided for Department of Higher Education, a 100% increase from MK 350 million allocated in the previous financial year under Vote 250. Allocation for Montfort College has increased by

10% i.e. from MK 488 to MK 536 million whilst MK 100 million has been provided for SNE. The Department of Science and Technology has been allocated MK 39.5 billion and MK 517 million is for ODeL.

In the remaining votes, Education Subventions have been allocated MK 253 billion, an increase of 46% from the MK 174 billion allocated last FY. Of the subventions budget, MK 56 billion is for development, a 126% increase from the MK 25 billion provided in the previous FY. In line with the Government's Agriculture, Tourism and Mining (ATM) strategy, Government has provided MK 1 billion for Mining University under the Malawi Universities Development Programme. However, the amount is against the MK 3.8 billion that was requested. Loans for students have increased by 44% from MK 25 billion to MK 36 billion targeting 33,000 beneficiaries. ECD has been allocated MK 20.2 billion and TVET MK 3.2 billion, a 19% and 10% increase, respectively. MK 880 billion under TVET is for establishment of Community Colleges, an amount which is lower than the MK 4 billion requested.

Table 11: Breakdown of the 2025/26 Education Sector Budget in MK

Cost Centre/Budget Category	2024/25 Approved	2024/25 Revised	2025/26 Estimate	% Change
Vote 250				
Personal Emoluments Total	77,223,827,352.0	106,294,650,562.4	120,021,135,412.0	13%
Personal Emoluments (PE)			110,021,135,412.0	
Recruitment (10,000 primary school teachers)			8,469,645,446.0	
Recruitment (5,000 secondary school teachers)			1,530,354,554.0	
Other Recurrent Transactions (ORT)	51,531,609,365.8	50,525,080,599.1	45,338,660,248.7	-10%
Of which TLMs	8,800,428,670.0	8,800,428,670.0	4,576,691,454.0	-48%
Vote 250 Recurrent Total	128,755,436,717.8	156,819,731,161.5	165,359,795,660.7	5%
Development				
Development Part I	180,101,733,163.0	180,101,733,163.0	115,061,893,455.0	-36%
Development Part II	29,500,000,000.0	8,898,037,511.5	20,750,000,000.0	133%
Development Budget Total	209,601,733,163.0	188,999,770,674.5	135,811,893,455.0	-28%
Vote 250 Total	338,357,169,880.8	345,819,501,836.0	301,171,689,115.7	-13%
Vote-900 Series: Local Councils				
Personal Emoluments (PE)	357,230,596,301.7	357,230,596,301.7	614,807,683,265.0	72%
Other Recurrent Transactions (ORT)	21,528,554,112.0	21,528,554,112.0	26,264,836,017.0	22%
Total Local Councils	378,759,150,413.6	378,759,150,413.6	641,072,519,282.0	69%
Vote 275: Education Subventions				
Recurrent	156,078,075,214.0	148,642,471,531.0	197,046,614,120.0	33%
Development	39,382,501,697.0	24,875,010,971.0	56,198,439,848.0	126%
Total Education Subventions	195,460,576,911.0	173,517,482,502.0	253,245,053,968.0	46%
Vote 251-Ministry of Higher Education				
Personal Emoluments (PE)			959,312,721.0	100%
Other Recurrent Transactions (ORT)	-	-	16,575,102,235.2	100%
Development Part 1	-	-	58,102,246,590.0	100%
Development Part 2	-	-	3,000,000,000.0	
Total Vote 251	-	-	78,636,661,546.2	100%
Vote 320: ECD - MGCD SW	20,200,395,600.0	20,200,395,600.0	23,998,069,973.0	19%
Vote 370: TVET - Ministry of Labour	3,190,271,181.0	3,190,271,181.0	3,500,000,000.0	10%
Students' Loans	25,000,000,000.0	25,000,000,000.0	36,000,000,000.0	44%
Total Education Sector	960,967,563,986.5	946,486,801,532.6	1,337,623,993,884.9	41%

Source: Ministries of Education and Finance

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The report presented findings of the 2025/26 National and district education budget analysis and 2024/25 budget tracking. The analysis is an annual undertaking of CSEC and its partners and aims at advocating and lobbying for increased financial resource support towards the education sector. The analysis also aims at identifying gaps in the financing of the education sector with the view to determine remedial measures where necessary. Findings from the review will support key stakeholders such as Members of Parliament, development partners and Civil Society Organizations working in the education sector to engage with evidence on budget scrutiny, support, monitoring and tracking for attainment of improved education and WASH outcomes at both national and district levels. Below are some of the key findings emanating from this review:

- The 2025/26 education budget is below 6% of GDP and 20% of UNESCO target.
- 85% of Vote 250 budget is from donors and only 15% from Government making the sector's budget unsustainable.
- The 2024/25 education sector budget saw a 70% cut on Government funded projects at mid-year.
- Only 41% of resources for centrally-procured TLMS was disbursed as of 5th March 2025.
- Only 38% was disbursed for donor-funded projects.
- Despite the slow disbursements on some budget lines, utilization of funds for the sector in the 2024/25 financial year was impressive as 99% of the funds were used as of March 2025.
- Low access to higher education by Children with disabilities remains one of the critical challenges requiring MoE's action.
- There are also less or no SNE qualified teachers in most of the schools visited.
- There are delays in some of the gender related projects e.g. Hostels for Girls.
- Government plans to recruit 15,000 teachers – 10,000 in primary schools and 5,000 in secondary schools.

5.2 Recommendations

To address these gaps and ensure effective utilization of resources, CSEC and its partners recommends the following:

- MoFEA should provide an extra MK 500 billion to education to meet the 20% UNESCO threshold.
- MoFEA/NLGFC should disburse funds as per the cash flow and on time to ensure smooth implementation of planned activities e.g. procurement of TLMS.
- Ministry of Education and Malawi Government must reduce reliance on donor funding and ensure long-term sustainability of education initiatives.
- MoFEA must sustain and fully implement fiscal consolidation or governance and other debt management reforms to ensure the economy recovers within the shortest period possible.
- MoFEA/MRA must also enhance its revenue generation efforts to ensure that it adequately finances its fiscal obligations. DRMS must therefore be adhered to and be adequately financed.

- MoE must explore innovative financing mechanisms, such as PPPs or education bonds, to diversify funding sources and reduce dependence on external assistance.
- MoE must complete delayed or halted infrastructure projects e.g. rehabilitation of disaster-affected schools, girls' hostels, teacher houses, and inclusive education resource centers.
- MoE should increase allocations for SNE and specialist teachers to address critical gaps, ensuring equitable access to education for learners with disabilities.
- MoE must fast-track the recruitment of the planned 15,000 teachers to address teacher shortages and deployment disparities.
- MoE/MoFEA must scale up Ed-Tech programs by addressing resource gaps, training more teachers, and ensuring the maintenance and security of digital devices.
- MoE must allocate resources in a manner that reflects the diverse needs of the education sector, ensuring adequate funding for critical areas such as ECD, SNE, and vocational training.
- Parliament must fast track development and passing of a budget law, creating an independent office for reviewing budgets to enhance its oversight role targeting loan authorization. This includes ensuring that the bills are submitted with supporting documentation such as loan agreements and memorandums.
- MoE/MoGCDSW should solve issues to do with restricted spaces for ECD, Primary, Secondary and Tertiary education by among other things ensuring equitable distribution of infrastructure projects.
- ECD as a foundation of education needs to be prioritized both through financing, investing in key infrastructures and incentivizing personnel such as Care Givers.
- MoE/NLGFC must decentralize fully resources for bursaries and TLMs for special needs education. This also includes ring-fencing all resources for SNE.

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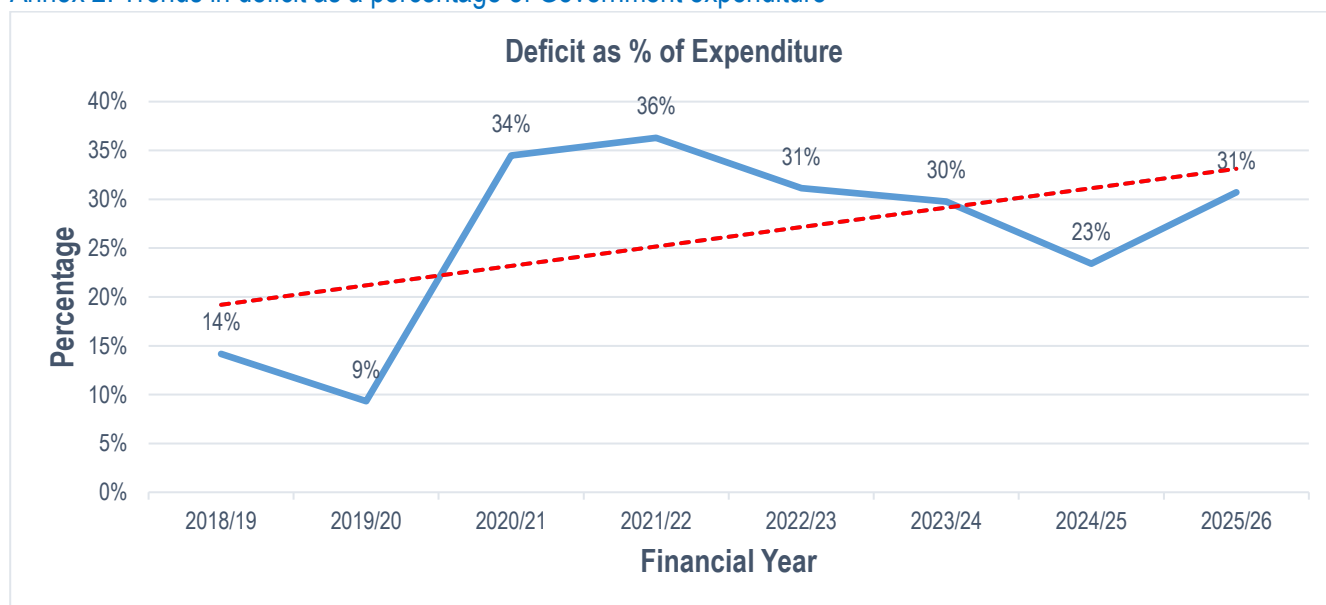
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ANNEXES

Annex 1: Performance of the Ministry of Education Headquarters development budget

Project	2024/25 Approved	2024/25 Revised	Disbursement	Expenditure	Disbursement (%)	Utilization (%)
Education Service Joint Fund	8,039.40	8,039.40	0	0	0%	-
Skills for a Vibrant Economy	48,907.60	48,907.60	11,666.00	11,666.00	24%	100%
Equity with Quality and Learning at Secondary	37,976.40	37,976.40	21,267.00	21,267.00	56%	100%
Malawi Education Reform Project	85,178.30	85,178.30	35,694.00	35,694.00	42%	100%
Total Development Budget Part I	180,101.70	180,101.70	68,627.70	68,627.70	38%	100%
Construction of Girls' Hostels	3,000.00	377.5	359.5	359.5	95%	100%
Rehabilitation of Secondary Schools	1,500.00	183.6	82.5	82.5	45%	100%
Construction of P. Schools & Rehabilitation of Edu Facilities	1,500.00	1,405.30	1,184.40	1,176.80	84%	99%
Construction of 3 TTCs for Primary School	1,500.00	1,305.80	899	877	69%	98%
Construction of Science Laboratories and Libraries	2,000.00	46.9	15.3	15.3	33%	100%
Construction of Inclusive Education Resource Centres	1,500.00	0	0	0	-	-
Construction of Thumbwe Secondary School	1,500.00	738.3	738.3	738.3	100%	100%
Construction of Luranga Secondary School	2,000.00	0	0	0	-	-
Gwanda Chakwamba Centre of Education Excellence	500	110.7	0	0	0%	-
Rehabilitation of Infrastructure of Disaster Affected Schools	2,000.00	0	0	0	-	-
Rehabilitation of TTCs	1,000.00	0	0	0	-	-
Expansion and Upgrading of Domasi College of Education	500	17.9	0	0	0%	-
Construction of teachers houses and classrooms	1,000.00	1,000.00	200	169	20%	85%
Construction of 34 Secondary Schools of Excellence	10,000.00	3,712.00	3,709.00	3,708.00	100%	100%
Total Development Budget Part II	29,500.00	8,898.00	7,188.00	7,126.00	81%	99%
Grand Total Development	209,601.70	189,000.00	75,816.00	75,754.10	40%	99.90%

Annex 2: Trends in deficit as a percentage of Government expenditure



Annex 3: District performance on SIG, TLMs, SHN, CDP and SNE

District	Budget Category	Allocated	Disbursed	Spent	Disbursement (%)	Utilization (%)
Dowa	TLMs	126	126	126	100%	100%
	SIG	357.5	357.5	357.5	100%	100%
	SNE	17.5	17.5	17.5	100%	100%
	SHN	23.6	23.6	23.6	100%	100%
	CPD	16.1	16.1	16.1	100%	100%
Blantyre	TLMs	91.1	91.1	91.1	100%	100%
	SIG	223.8	223.8	223.8	100%	100%
	SNE	7.1	7.1	7.1	100%	100%
	SHN	12	12	12	100%	100%
	CPD	7.7	7.7	7.7	100%	100%
Mchinji	TLMs	91.2	91.2	91.2	100%	100%
	SIG	313.5	313.5	313.5	100%	100%
	SNE	10.4	10.4	10.4	100%	100%
	SHN	21.7	21.7	21.7	100%	100%
	CPD	4.1	4.1	4.1	100%	100%
Mangochi	TLMs	160.1	160.1	160.1	100%	100%
	SIG	510	510	510	100%	100%
	SNE	21.9	21.9	21.9	100%	100%
	SHN	39.4	39.4	39.4	100%	100%
	CPD	23.1	23.1	23.1	100%	100%
Dedza	TLMs	137.2	137.2	137.2	100%	100%
	SIG	308.3	308.3	308.3	100%	100%
	SNE	20	20	20	100%	100%
	SHN	26	26	26	100%	100%
	CPD	5.6	5.6	5.6	100%	100%
LL East	TLMs	145.4	145.4	145.4	100%	100%
	SIG	351.1	351.1	351.1	100%	100%
	SNE	14.5	14.5	14.5	100%	100%
	SHN	21	21	21	100%	100%
	CPD	0	0	0	-	-
LL West	TLMs	153.6	153.6	153.6	100%	100%
	SIG	439.4	439.4	439.4	100%	100%
	SNE	9	7	7	78%	100%
	SHN	20.9	15.9	15.9	76%	100%
	CPD	5	5	5	100%	100%
Rumphi	TLMs	54.7	54.7	54.7	100%	100%
	SIG	184	184	184	100%	100%
	SNE	4	4	4	100%	100%
	SHN	7.9	7.9	7.9	100%	100%
	CPD	4	4	4	100%	100%