

FIVE YEAR BUDGET ANALYSIS OF EARLY CHILDHOOD CARE AND DEVELOPMENT (ECCD) IN LESOTHO (2020-2025)

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MINISTRY OF EDUCATION AND TRAINING

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Executive Summary

This report analyses Lesotho's budget allocations and expenditures for Early Childhood Care and Development (ECCD) from 2020/25. Key findings include:

- ECCD funding grew from 1.14% to 4.80% of MoET's budget but remains 78.44% donor-dependent
- Recurrent government spending stagnated at 1.45%, threatening program sustainability
- Lesotho outperforms regional peers (Eswatini: 1.8%, Malawi: 1.2%) but trails Kenya (5.6%)
- Only 35% of ECCD centers have adequate learning materials (MoET, 2024)
- Recommendations: Legislate 7% minimum ECCD allocation by 2026, establish Donor Coordination Unit, and launch Expenditure Tracker

1. Introduction

Early Childhood Care and Development (ECCD) is the foundation for lifelong learning and national productivity. The Ministry of Education and Training (MoET) of Lesotho is responsible for formulating policies, allocating resources, and overseeing the implementation of education programs across all levels, including Early Childhood Care and Development (ECCD). MoET strives to ensure inclusive and equitable quality education in alignment with national development priorities and global commitments such as SDG 4. Through strategic planning and budget allocation, the ministry aims to enhance access, quality, and sustainability of education services, particularly for young learners, recognizing ECCD as a foundational stage for lifelong learning and socio-economic development.

Globally, it is recommended that Ministries of Education allocate at least **10% of their total budget** to Early Childhood Care and Education (ECCE). In November 2022, UNESCO member states pledged to meet this target, emphasizing the importance of equitable salaries and working conditions for ECCE personnel. Similarly, UNICEF has advocated for low- and middle-income countries to allocate at least **10% of education aid** to ECCE to improve access and quality.

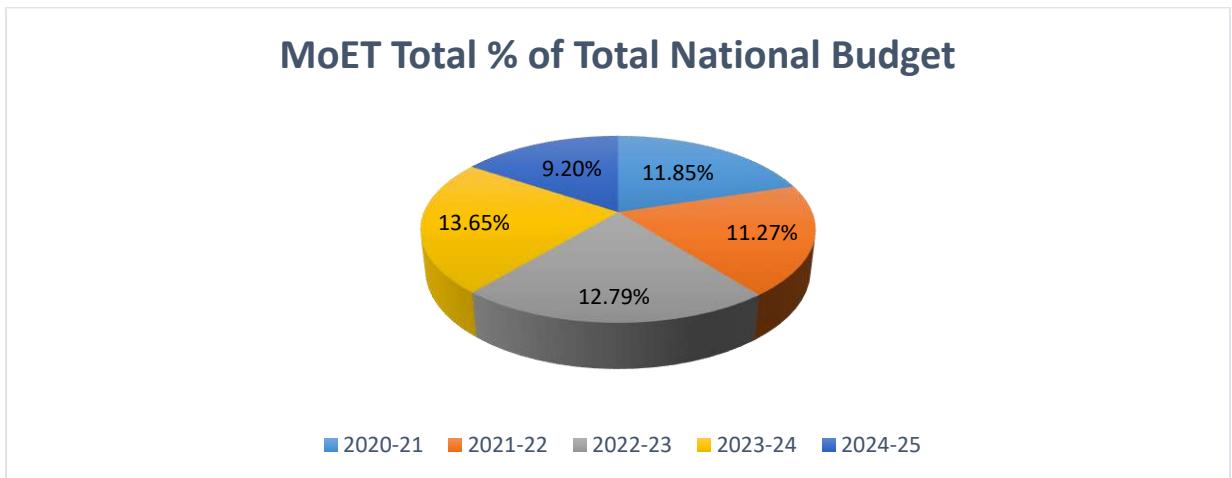
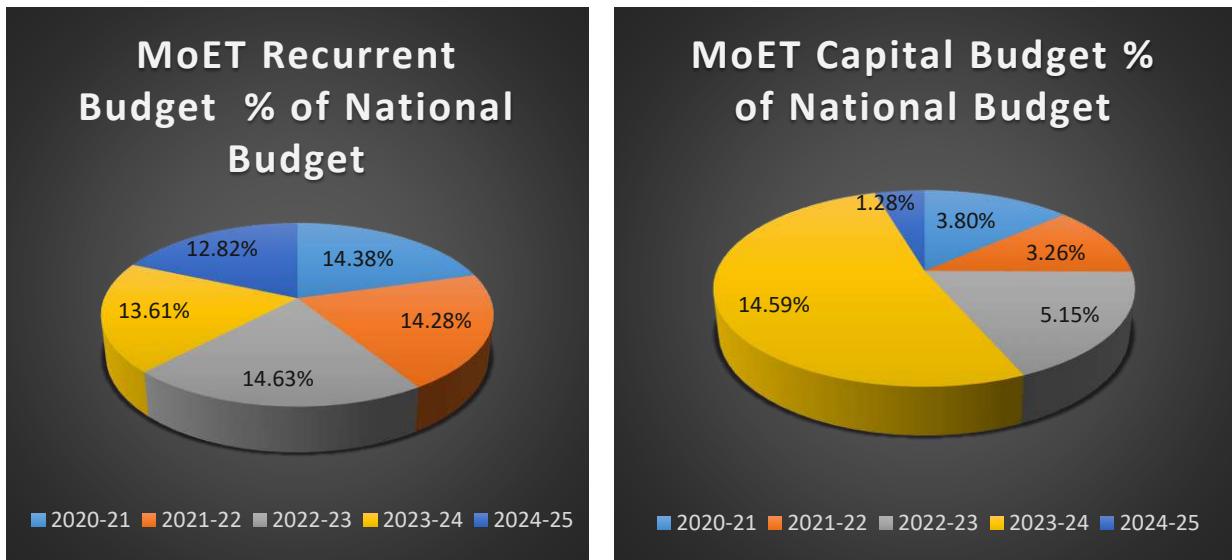
This report analyzes Lesotho's education budget and expenditure to assess its commitment to ECCD funding over recent years. The progress toward this target is analyzed below using **disaggregated recurrent and capital expenditure data** (2020-21 to 2024-25). This report highlights trends, regional/global comparisons, and policy gaps, expenditure efficiency, and policy implications for achieving the 10% target. It also provides actionable recommendations for stakeholders and partners to strengthen ECCD investment in Lesotho.

2. Budget Overview

2.1 National Budget vs. Education (MoET) Budget

Total national budget and education sector allocations split into recurrent (government), capital (development partners), and total components.

**MoET Budget
(Recurrent, Capital, and Total components) share of National Budget**



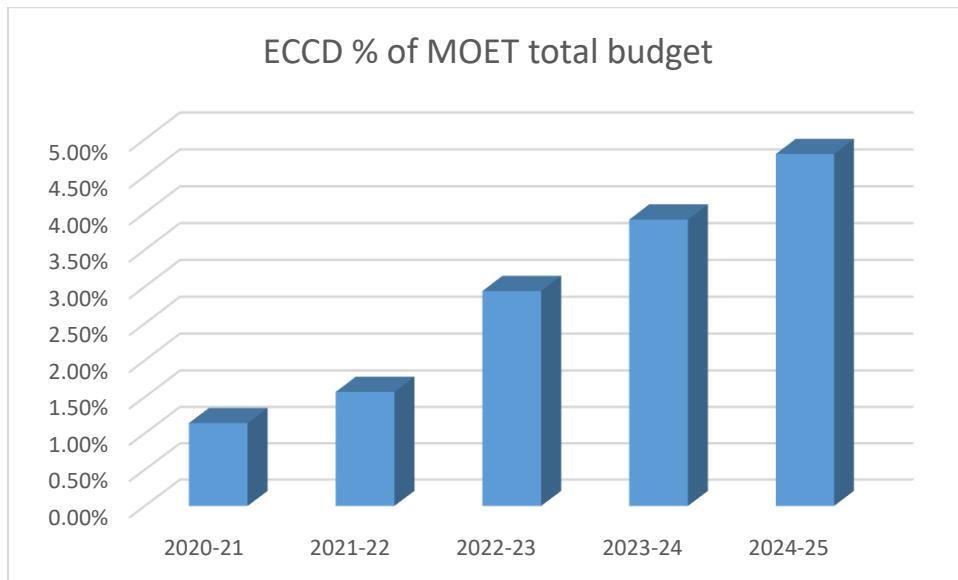
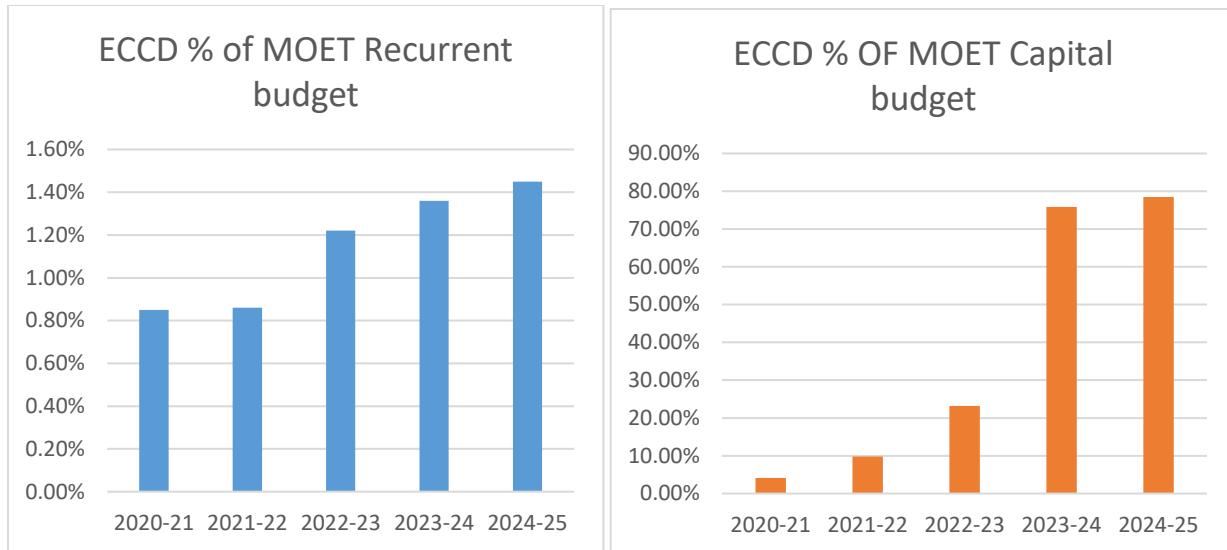
- The MoET's share of the national budget dropped sharply to 9.20% in 2024-25 (from 13.65% in 2023-24)
- Capital funding fell by 98% (LSL 665 million to LSL 9.7billion) increasing donor reliance
- Recurrent allocations to MoET declined steadily, indicating stagnant government investment in core education functions like ECCD program.

Year	National Budget (LSL)			MoET Budget (LSL)			MoET % of National Budget		
	Recurrent	Capital	Total	Recurrent	Capital	Total	Recurrent	Capital	Total
2020-21	18,184,778,704	5,719,887,708	23,904,666,412	2,616,763,297	217,321,000	2,834,084,297	14.38%	3.80%	11.85%
2021-22	18,044,195,603	6,783,830,817	24,828,026,420	2,577,190,976	221,504,980	2,798,695,956	14.28%	3.26%	11.27%
2022-23	17,818,186,377	4,298,189,678	22,116,376,055	2,607,640,835	221,504,980	2,829,145,815	14.63%	5.15%	12.79%
2023-24	20,055,664,043	665,303,662	20,720,967,705	2,730,081,522	97,030,223	2,827,111,745	13.61%	14.59%	13.65%
2024-25	21,221,871,682	9,695,159,296	30,917,030,978	2,720,872,150	123,979,671	2,844,851,821	12.82%	1.28%	9.20%

2.2 ECCD Budget Trends

The ECCD budget further split into recurrent (government) and capital (development partners) allocations.

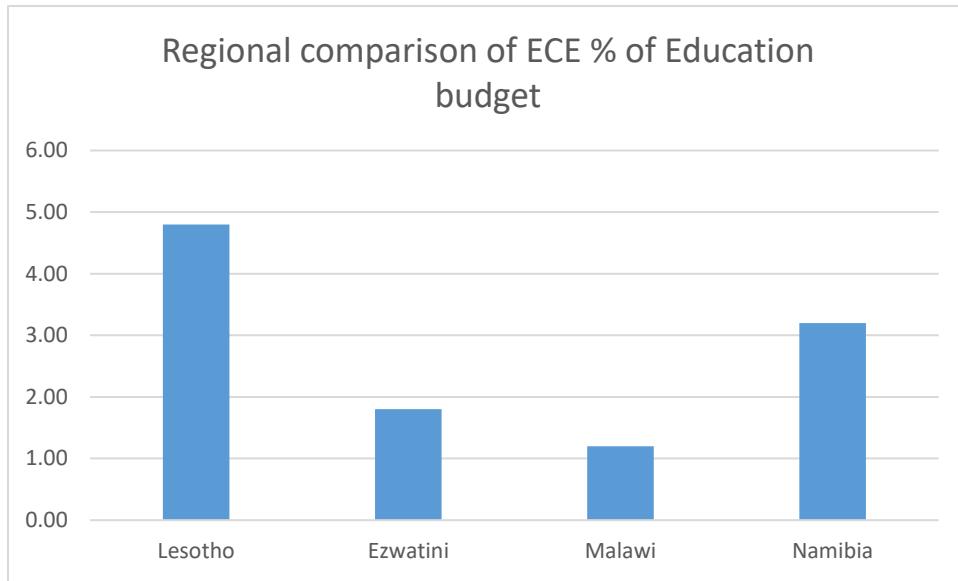
Year	MoET Budget (LSL)			ECCD Budget (LSL)			ECCD % of MoET Budget		
	Recurrent	Capital	Total	Recurrent	Capital	Total	Recurrent	Capital	Total
2020-21	2,616,763,297	217,321,000	2,834,084,297	22,361,563.8	8,989,363	28,168,741	0.85%	4.14%	1.14%
2021-22	2,577,190,976	221,504,980	2,798,695,956	22,135,124.4	21,673,286	40,337,456	0.86%	9.79%	1.57%
2022-23	2,607,640,835	221,504,980	2,829,145,815	31,815,291	51,251,871	79,694,265	1.22%	23.14%	2.94%
2023-24	2,730,081,522	97,030,223	2,827,111,745	37,057,868.4	73,598,812	107,157,180	1.36%	75.85%	3.91%
2024-25	2,720,872,150	123,979,671	2,844,851,821	39,443,927.6	97,245,299	131,096,929	1.45%	78.44%	4.80%



- ECCD allocation rose to 4.80% of MoET budget (2024-25) but remains 78.44% donor-funded
- Government recurrent spending only increased from 0.85% to 1.45% (2020-2025)
- While total ECCD allocation rose to **4.8% of MoET's budget in 2024-25**, it falls short of UNESCO's **10% target**, limiting programme expansion.

3. Comparative Analysis

- **Global Comparison:** Globally, countries like **Kenya (5.6%)** and **South Africa (4.5%)** have made significant strides in ECCD funding, resulting in higher enrollment rates and better learning outcomes
- **Regional Comparison:**
 - Lesotho's **4.8% ECCD allocation** shows progress but reveals systemic challenges:
 - Outperforms:** Eswatini (1.8%), Malawi (1.2%), Namibia (3.2%)
 - Lags Behind:** Kenya (5.6%), UNESCO 10% target
 - Regional Gap:** Southern Africa averages just 2.3% ECCD allocation



- Lesotho outperforms Eswatini (**1.8%**), Malawi (**1.2%**) and Namibia (**3.2%**) but trails Kenya (**5.6%**). However, all regional peers lag behind UNESCO's **10%** benchmark, underscoring systemic underfunding of ECCE in Southern Africa.

4. Impact of Underfunding

Documented Consequences:

- **Enrollment:** Only 35.2% national coverage (22% rural vs 48% urban)
- **Quality:** 60% of centers operate in inadequate facilities.

- **Economic Loss:** Estimated LSL 420 million annual productivity loss from poor ECCD investment.
- **Long-term Socio-economic Impact:** Insufficient investment in ECCD contributes to **low literacy rates, poor school readiness, and reduced economic productivity** in the long term.

5. Expenditure Analysis

5.1 ECCD Expenditure Trends

- **Underspending vs. Full Utilization:** Data gaps exist, but preliminary observations suggest that ECCD funds are often **not fully utilized** due to administrative delays and procurement bottlenecks.
- **Spending Priorities:** A large portion of the ECCD budget is allocated to teacher salaries and training, with limited investment in infrastructure and expansion programs.
- **Year-on-Year Variations:** Expenditure fluctuates based on donor funding availability and government priorities, affecting consistent program implementation.

6. Case Studies, Success Stories and Innovations

Local Success Story: Due to different engagements by civil society organizations such as NECDOL supported by Roger Federer Foundation, Global Partnership for Education under Education Out Loud project and UNICEF Lesotho. There are encouraging results in improving ECCD access to quality early childhood education in rural Lesotho through the School Readiness Initiative.

Civil society organizations—including NECDOL, supported by the Roger Federer Foundation, the Global Partnership for Education’s Education Out Loud project, and UNICEF Lesotho—have contributed to encouraging results in improving access to quality early childhood care and development through various programs such as School Readiness Initiative, Foundation Literacy and Numeracy initiatives and many others.

Key achievements include:

- **15,000 rural children** enrolled in structured ECCE programs, with **85% demonstrating improved literacy and numeracy skills** after one year.
- **Community-driven model:** Local volunteers trained as ECCE facilitators, fostering ownership and sustainability.
- **Strategic partnerships:** Collaboration with NGOs and the Roger Federer Foundation (RFF) provided critical funding for teacher training and learning materials. This initiative also catalyzed broader investment of **\$5 million grant** from the Global Partnership for Education (GPE), demonstrating the multiplier effect of aligning grassroots efforts with private-sector and global partnerships.

International Case Study: Rwanda increased its ECCD budget from **1.5% to 4.8%** over five years through **policy reforms, donor support, and community mobilization**. This led to a **40% increase** in ECCD enrollment and improved learning outcomes.

7. Private Sector and Community Contributions

While comprehensive statistics on private sector and community contributions to ECCD are not systematically tracked, qualitative evidence highlights their critical role in bridging gaps. The private sector has supported infrastructure and learning materials through initiatives like **RFF's solar-powered tablets** and **Book Dash's literacy resources**, while communities contribute through volunteer staffing and local fundraising for classroom repairs. These efforts, though often informal and underreported, demonstrate the untapped potential of collaborative partnerships. Formalizing these contributions through structured frameworks—such as corporate social responsibility (CSR) policies or community grant programs—could amplify their impact and ensure sustainability. Acknowledging and scaling such grassroots engagement is vital to complement government and donor efforts in achieving equitable ECCD access.

8. Financial Modeling and Projections

- **Scenario Analysis:**
 - **7% Allocation:** For MOET to achieve 7% ECCD budget allocation would require additional **LSL 68 million annually**.

- **10% Allocation:** Achieving the UNESCO target would require **LSL 2 billion annually**, resulting in **universal ECCD access** and **higher-quality education**.
- **Cost-Benefit Analysis:**
Investing in ECCD yields a **7:1 return on investment** through improved educational outcomes, reduced dropout rates, and higher future earnings. That is, every LSL 1 invested in ECCD yields LSL 7 in long-term economic returns via improved literacy and productivity

9. Key Findings and Trends

- ECCD funding is at about **5%** of MoET's budget which is higher than most regional peers.
- Donor dependency creates volatility in capital expenditure.
- While still low, the ECCD budget has grown significantly from **2020-21 to 2024-25**.
- Funds are often underutilized, reducing the impact on improving ECCD access and quality.
- Compared to UNESCO's **10%** benchmark, Lesotho's investment remains insufficient, limiting access and quality improvements.

10. Policy Implications

- Additional resources from **development partners, private sector, and community-based funding** can help bridge the gap.
- Stronger policy discussions and advocacy are required to emphasize the **long-term benefits** of investing in ECCD.
- Implementing better **expenditure tracking mechanisms** to ensure funds are spent as planned and in a timely manner.

11. Conclusion

Lesotho's ECCD funding progress is commendable but insufficient. While the current ECCD budget is closer to 5% of the education budget, it is donor dependent hence volatile. Strategic reallocation is needed to accelerate investment in early childhood education, donor coordination, and community engagement are critical to achieving the 10% funding target and ensuring equitable access. Aligning with global commitments will not only improve education outcomes but also

contribute to long-term socio-economic growth. There is a need for government to explore more sustainable financing mechanisms in order to improve ECCD provision and services in Lesotho.

12. Recommendations

1. Integrate ECCD into **national budget priorities** to reduce donor dependency for consistent program implementation.
2. Develop a roadmap to gradually raise ECCD funding to at least **7% within 5 years**, working towards the **10% target**.
3. Fully track contributions from **GPE, UNICEF, the World Bank**, and other stakeholders to complement government allocations.
4. Launch real-time **ECCD Expenditure Tracking System** to ensure funds are efficiently utilized.
5. Develop a detailed costed plan for ECCD expansion, including **infrastructure, teacher training, and curriculum improvements**.
6. Address delays in procurement processes to ensure timely implementation of ECCD programs.
7. Prioritize **rural and marginalized communities** to ensure all children have access to quality early childhood education

Annex 1: Detailed Data Tables

ECCD budget (Government)				BUDGET BY YEARS			
Budget Items	Source of information	2020-21		2021-2022		2022-2023	
		BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
Staff salaries (HQ)	Budget books 2020/21 pg 82, 2022/23 pg 124, 2023/24 pg 320, 2024/25 pg 293	1,889,103	1,951,245	1,951,245	2,112,698	1,959,052	
NTTs & HBRTs salaries (districts)	Budget books 2020/21 pg 82, 2022/23 pg 124, 2023/24 pg 320, 2024/25 pg 294	1,017,936	1,048,320	1,080,144	1,112,400	1,582,416	
Teacher salaries (Wages)	Budget books & budget records	3,299,400	1,330,344	1,225,572	0	-	
Teacher salaries (granted)	Teacher salary structure & TSD Records	12,928,595	13,890,003	23,733,600	29,903,168	29,921,806	
Travel & transport (subsistance t	Budget books 2020/21 pg 82, 2022/23 pg 124, 2023/24 pg 320, 2024/25 pg 294	16,970.00	38,952.00	38,952.00	252,840.00	254,067.00	
Operating costs	Budget books 2020/21 pg 82, 2022/23 pg 124, 2023/24 pg 320, 2024/25 pg 295	27,383	405,432.00	405,432.00	177,260.00	134,289.00	
School Feeding (Reception classes)	School Feeding Policy, Education Bulletin & School Calendar	3,182,177	3,470,828	3,380,346	3,499,502	5,592,298	
		22,361,563.80	22,135,124.40	31,815,291.00	37,057,868.40	39,443,927.60	
MOET Recurrent							
Compensation of Employees	Budget books	2,183,208,941	2,101,764,766	2,213,527,383	2,273,689,539	2,262,024,116	
Travel and Transport	Budget books	17,329,040	13,773,129	14,832,333	14,724,805	17,567,205	
Operating Costs	Budget books	44,296,115	46,554,332	33,293,538	31,439,065	29,510,091	
Transfers	Budget books	372,002,001	322,194,777	345,969,181	409,873,129	409,903,284	
Acquisition of Non Financial Assets	Budget books	0	0	18,400	354,984	1,867,454	
Total		2,616,836,097	2,484,287,004	2,607,640,835	2,730,081,522	2,720,872,150	

PARAMETER	ACTIVITIES/PROJECT	2020-21		BUDGET BY YEARS					
		BUDGET	EXPENDITURE	2021-2022		2022-2023		2023-2024	
				BUDGET	EXPENDITURE	BUDGET	EXPENDITURE	BUDGET	EXPENDITURE
NATIONAL	RECURRENT	18,184,778,704	14,977,019,906	18,113,051,083	14,845,182,089	17,818,186,377	16,483,417,270	20,055,664,043	21,221,871,682
NATIONAL	CAPITAL	5,719,887,708	1,585,570,839	6,783,830,817	1,585,570,839	4,298,189,678	665,303,662	1,068,949,542	9695159296
NATIONAL	Total	23,904,666,412	16,562,590,745	24,896,881,900	16,430,752,928	22,116,376,055	17,552,366,812	20,720,967,705	30,917,030,978
MOET	RECURRENT	2,616,763,297	2,642,450,494	2,577,190,976	2,463,938,291	2,607,640,835	2,552,099,526	2,730,081,522	2,720,872,150
MOET	CAPITAL	141,166,829	19,161,762	221,504,980	20,000,000	221,504,980	6,567,935	97,030,223	9607810
MOET Total	Total	2,757,930,126	2,661,612,256	2,798,695,956	2,483,938,291	2,829,145,815	2,558,667,461	2,827,111,745	9,607,810
ECCD	Gov (Recurrent)	22,361,564	16,351,392	22,135,124	18,611,680	31,815,291	28,154,235,00	37,057,868	39,443,928
ECCD	Development Partners (Capital)	8,989,363	4,507,608,97	21,673,286	13,966,815,49	51,251,871,22	23,014,469,37	73,598,811,84	16,051,396,09
ECCD	Total	31,350,926,52	20,859,000,97	43,808,410,71	32,578,495,49	83,067,162,22	51,168,704,37	110,656,680,24	16,051,396,09
% Share of Education budget against the national		11.54		11.24		12.79		13.64	
									9.20
ECD budget as	Recurrent	0.85		0.86		1.22		1.36	
ECD budget as	Capital	6.37		9.78		23.14		75.85	
ECD budget as	Recurrent & capital	1.14		1.57		2.94		3.91	
Average ECCD budget		10.51							

References and Sources

Data Sources

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 - Benchmark data on ECCD funding targets.
3. **UNICEF Lesotho:**
 - Reports on ECCD access and quality in rural areas.
4. **World Bank Education Statistics:**
 - Comparative data on ECCD funding in Southern Africa.
5. **NECDOL (National ECCD Development Organization, Lesotho):**
 - Case studies on successful ECCD programs.

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