



2014

This report brings key information publicly available in the State Budget Law 2014.

Photo: © UNICEF/Mozambique

# Budget Brief

## Education Sector in Mozambique



### KEY MESSAGES:

- ▶ The 2014 Education Sector has been allocated MT 37.7 billion (USD \$1.26 billion), representing a 15.7% share of the total State Budget. While allocation signifies a 17% increase from the 2013 Education Budget, it represents the smallest proportion held by the Sector in at least the past seven years.
- ▶ Since 2007, the Education Sector budget has grown, on average, MT 3.7 billion in order to accommodate an average yearly growth of 198.1 thousand students, 5.8 thousand teachers, and 861 schools.
- ▶ The Education Sector has budgeted a per capita share of MT 1,204 (USD \$40) for each primary school student, MT 6,538 (USD \$218) for each secondary school student, and MT 84,420 (USD \$2,814) for each university student. Sector allocations, when categorized by province, reveal that Maputo City, the wealthiest province, receives per student funding 2.7 times greater than Zambézia, one of the poorest provinces.
- ▶ The total share of Investment has decreased 10 percentage points relative to Recurrent Expenditure over the past seven years. Out of every 100 Meticaís destined for the Education Sector in 2014, 72 Meticaís go to Recurrent Expenditure, while 28 Meticaís go to Investment.
- ▶ The Education Sector has managed to execute, on average, 90.2% of its budget over the past seven years, nearly five per cent more than the average State Budget execution of 85.4% over the same time period. Nevertheless, MINED has managed to execute, on average, just 76.3% of its own budget since 2007.
- ▶ Contradictory, MINED is the Education institution that consumes more budget than any other single institution – counting 20% of the 2014 Education budget.
- ▶ Education allocations and expenditure since 2007 demonstrate considerable decentralization from the Central and Provincial levels to the District level. Whereas the District level accounted for just 8% in 2010, it represented 45% of the Education budget in 2013, and is budgeted at 37% in 2014. Although, in 2014 budget, the decentralisation is observed from the province to district level. While the central level budget rises.
- ▶ The 2014 allocations do not proportionally target the provinces exhibiting the lowest performance on indicators measuring attainment of the 2<sup>nd</sup> Millennium Development Goal, “Universal Primary School Education”.

## 1. How is the Education Sector defined?

The Education Sector is one of the “Priority Sectors” of the Action Plan for Poverty Reduction (PARP) in Mozambique. These sectors are considered priorities as they reflect the public services that most affect the lives of the vulnerable groups (i.e. women and children) and most contribute to the country’s development.

In Mozambique, the Education Sector is defined as the institutions that provide, and govern the provision of, public education at the primary, secondary, tertiary, and technical/

vocational levels. Primary education is defined as grades 1-5 (EP1) as well as 6-7 (EP2); secondary education is grades 8-10 (ESG1) as well as 11-12 (ESG2); tertiary education refers to post-secondary university studies; and technical/vocational education concerns practical job training. In the State Budget, the Education Sector’s institutions have historically been divided into two categories: General Education and Higher Education. General Education is composed of the institutions related to primary, secondary, technical/vocational education and sector administration; Higher Education is comprised of higher-learning institutes and universities.



# \$1.26

Billion USD have been allocated to the Education Sector in Mozambique for 2014

## 2. What trends for the Education Sector are observed in the 2014 State Budget?

The Sector's institutions operate at three distinct territorial levels: Central, Provincial, and District. At the Central level, there are eight total institutions, with the Ministry of Education (MINED) being the largest in terms of budget size. At the Provincial level, there are 27 separate institutions, of which, the 11 Provincial Directorates of Education and Culture (DPEC) collect the largest share of the budget. At the District level, there are the 131 District Services for Education, Youth, and Technology (SDEJT). Additionally, MINED is the largest institution under the General Education category and Eduardo Mondlane University is the largest under the Higher Education category.

The composition of the Education Sector, determined by the National Directorate of the Budget (DNO), has changed in terms of the number of institutions considered and the classification of these institutions between the General and Higher Education categories in each of the past seven years. Therefore, the institutional makeup of the Sector today is very different from that of 2007, the earliest year measured in this report.

**The total value of the State Budget for 2014 is MT 240.8 billion (USD \$8.03 billion<sup>1</sup>), of which MT 37.7 billion (USD \$1.26 billion) have been allocated to the Education Sector (Table 1).**

Compared to 2013, this is a 17% increase from the revised initial allocation, or a 20% increase from actual expenditure (see **Glossary** for definition of terms). Though relatively small, this difference demonstrates a reality of public finance management in Mozambique: differences exist between the initial budget allocation, the updated final budget allocation, and actual expenditure. Mindful of this variance, the remainder of this report will compare the 2014 *initial budget allocations* to the 2007-2013 trends in *expenditure*.

**The 2014 Education budget represents the lowest proportional allocation the Sector has received in at least the past seven years.** Despite registering its highest-ever initial allocation, amounting to MT 6.4 billion more than last year's record expenditure, the Education Sector represents just 15.7% of the total State Budget in 2014<sup>2</sup> (**Figure 1**). Having reached a peak of 21.5%

**TABLE 1** Education Sector Budget Allocations vs. Expenditure

(MT, no rounding)	2010 (CGE 2010)	2011 (CGE 2011)	2012 (CGE 2012)	2013 (REO 2013)	2014 (LOE 2014)
Education Sector Initial Allocations	19,881,853,717	22,162,162,640	17,891,016,800	32,192,646,250	<b>37,736,008,670</b>
Education Sector Updated Allocations	23,613,184,310	27,493,810,490	28,605,552,800	33,536,397,146	
Education Sector Expenditure	<b>21,310,364,869</b>	<b>23,992,733,930</b>	<b>26,802,542,000</b>	<b>31,325,519,848</b>	
Year-to-year Percentage Change in Expenditure	+ 27.8%	+ 12.6%	+ 11.7%	+ 16.9%	<b>+ 20.5%</b>
Education Sector Expenditure Corrected for Inflation	30,795,324,956	29,295,157,424	29,038,507,042	33,183,813,398	

Source: CGE 2010, CGE 2011, CGE 2012, REO IV 2013, LOE 2014. CPI estimates: World Bank Data (2010-2012); African Development Bank (2013).

Note: The 2014 percentage change value is an estimate based on the initial allocations. Although SDEJT was not formally included in Education Sector totals until 2012, the above totals for 2010 and 2011 do include the SDEJT initial allocations (MT 1.6 billion in 2010 and MT 9.4 billion in 2011) for sake of consistency. The 2013 total reflects a corrected summing error in DPEC values on the REO IV 2013 Mapa III-3.

1) This report uses an exchange rate of: 30MT = 1USD for 2014 conversions.

2) For 2014, the Ministry of Finance recognizes an 18.1% proportion (LOE 2014, Documento da Fundamentação, Pg. 38) for the Education Sector, however it calculates its proportions using a State Budget total that excludes "Financial Operations" and "Debt Servicing" (MT 210.1 billion). Since Budget Balancing is a political decision, the author believes it to be fair to calculate using the entire State Budget as a denominator.

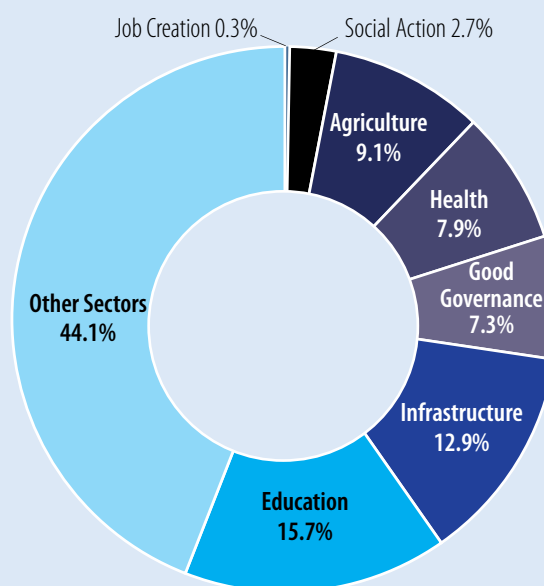
in 2008, the proportional value of the Sector has since decreased, and risks displaying its largest relative decrease from 2013 to 2014, if the budget is fully spent (**Figure 2**). Nevertheless, the same 2014 allocation would denote the greatest proportion of GDP observed over the past seven years of 7.5 per cent. Adjusting total Education Sector spending for inflation, with 2014 as a base year, reveals an increasing trend, however at a much flatter slope than the nominal values. While this trend is important to keep in mind, the remainder of the report will focus on the nominal values (which have not been adjusted for inflation).

**Relative to its SADC peers, Mozambique has demonstrated a strong commitment to Education Sector funding.** Mozambique has consistently outperformed the Southern African Development Community (SADC) “average public spending on Education as a percentage of Government Spending” since 2007<sup>3</sup>. Nevertheless, whereas Mozambique exhibits a decreasing trend in proportional education funding, the SADC average appears to be increasing, and in fact, may have caught up. Mozambique also outpaces the SADC “average public spending as a percentage of GDP” with a 2% difference registered in 2012, the year for which the most recent statistics are available.

### 3. Where do the Education Sector resources come from?

The resources destined for the Education Sector are classified in the Budget as either Internal Resources or External Resources. Internal Resources are those that have been collected through taxes, tariffs, and duties as well as through the loaning of national assets, referred to as “internal credit”. In Mozambique,

**FIGURE 1 State Budget Allocations by Priority Sector in 2014**

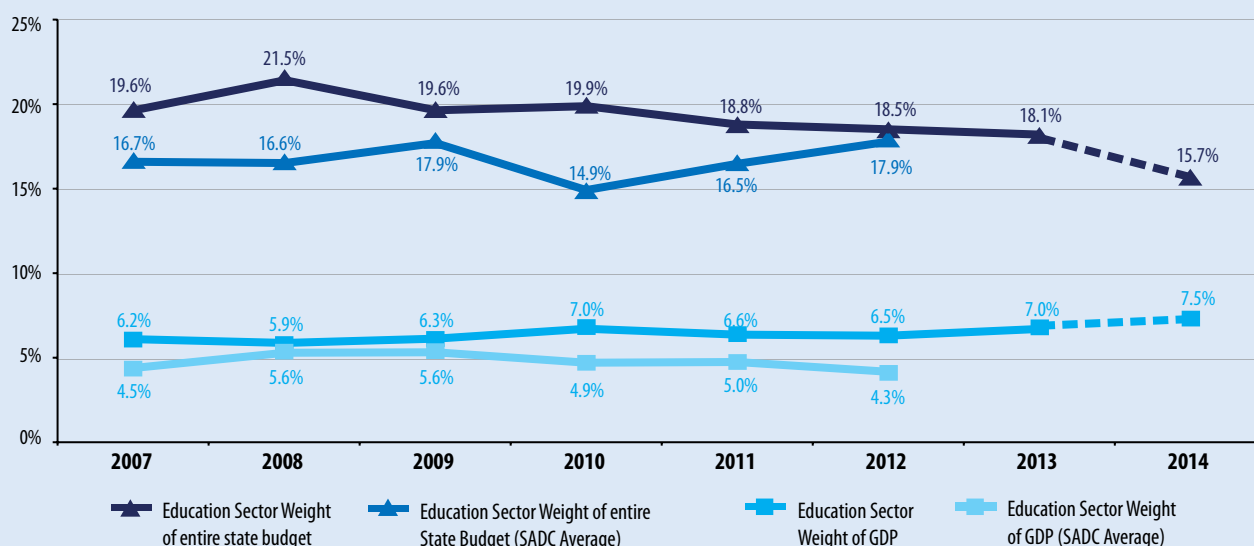


Source: LOE 2014, “Quadro 11”, (pg. 38)

Note: The percentages were calculated as a proportion of the entire State Budget: MT 240,891,431,840. (The “Other Sectors” portion represents non-priority sectors: General Public Services, Defense, Security and Public Order, Economy, Environmental Protection, Housing and Collective Development; and Recreation, Culture, and Religion).

Internal Resources are supplemented by General Budget Support<sup>4</sup>. External Resources concern donations, foreign aid, and external credit. Particular to the Education Sector, External Resources are sub-categorized into “FASE” donations and “Specific Project” funds.

**FIGURE 2 Trends in the Weight of the Education Sector**



Source: CGE 2007, CGE 2008, CGE 2009, CGE 2010, CGE 2011, CGE 2012, REO IV 2013, LOE 2014. GDP values: World Bank Data (2007-2012); African Development Bank Projections (2013, 2014). SADC averages from World Bank Databank.

Note: For all 2014 values, initial allocations were used to show what the tendency would be if 100% of allocations were spent. For years 2007-2009, SDEJT is not represented in the figures.

3) World Bank, Databank. “Public Spending on Education, Total (% of GDP)” and “Public Spending on Education, Total (% of Government Spending)”. 2007 – 2012.

4) General Budget Support (GBS) is un-earmarked aid given to the Mozambican Government, from a group of 19 foreign governments (G19), on the condition that it be utilized for poverty reduction in priority sectors.



Photo: UNICEF/Mozambique

*Resources for education have increased over the past seven years at an average pace of 18% per year.*

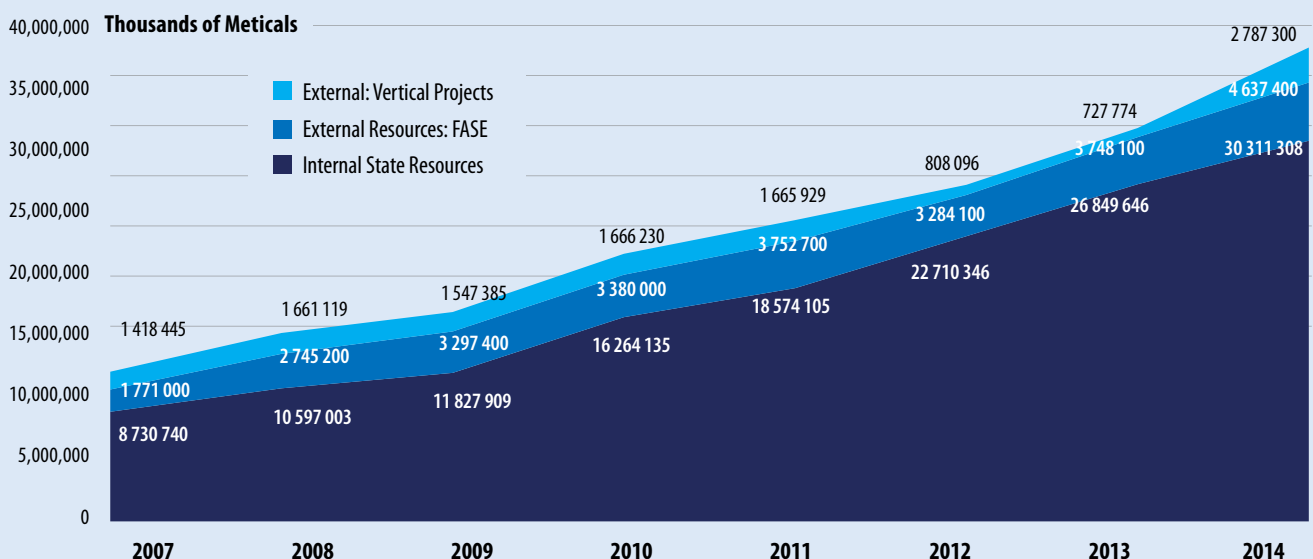
FASE, the Common Fund for education, receives its funding from a group of nine bilateral/multilateral partners in 2014<sup>5</sup>. Specific Project funds are grant and loan money for education-related vertical projects.

**The share of Internal Resources has increased from 71% in 2009 to 86% in 2013 (Figure 3).** Resources for education have increased over the past seven years at an average pace of 18% per year. Compared to other sectors in Mozambique, the Education Sector has traditionally been funded by a large share

of Internal Resources. This share of internal funding has been steadily rising since 2009, with the exception of 2014, when a 283% increase in Specific Project funding (external investment) decreased its relative weight. Nonetheless, this overall trend demonstrates the Government’s increasing commitment to self-financing education.

**FASE has been a stable source of funding for the Education Sector, averaging MT 3.7 billion (USD \$122.8 million) per year, over the past five years.** Nevertheless, in real and proportional terms, its contribution has been declining. In 2009, FASE reached a peak proportional funding level, contributing 20% of total Sector resources, however since 2012, its relative funding contribution has been just 12%. In 2014, donor commitments increased by MT 889.3 million to an all-time high of MT 4.6 billion (USD \$154.6 million), but again representing just 12% of the Sector’s funding.

**FIGURE 3** Education Sector Resources: Internal & External



**Source:** Prosaúde values come from CGE 2007 (Quadro 6, pg.36), CGE 2009 (Quadro 6, pg.48), CGE 2010 (Quadro 8, pg.38), CGE 2011 (Quadro 13, pg.45), CGE 2012 (Quadro 13, pg.44), REO 2013 (Quadro 7, pg.17), and the 2014 Donor Commitment Letter with an exchange rate of MT 30 to USD 1.

**Note:** The 2013 account has yet to be finalized, thus expenditure in the Sector for the year might increase for the release of the CGE 2013. Internal resources include Recurrent Expenditure and the internal component of Investment. For external resources, Specific Projects is derived by subtracting FASE from the total values of External Investment. For years 2007-2009, SDEJT is not represented in the figures.

5) FASE donors include: Germany, Canada, United Kingdom, Finland, World Bank (FTI), World Bank (IDA), Ireland, Italy, and UNICEF.

# 86%

Is the share of Internal Resources has increased in 2013. An increase from the 71% in 2009.

## 4. Where do the education resources go?

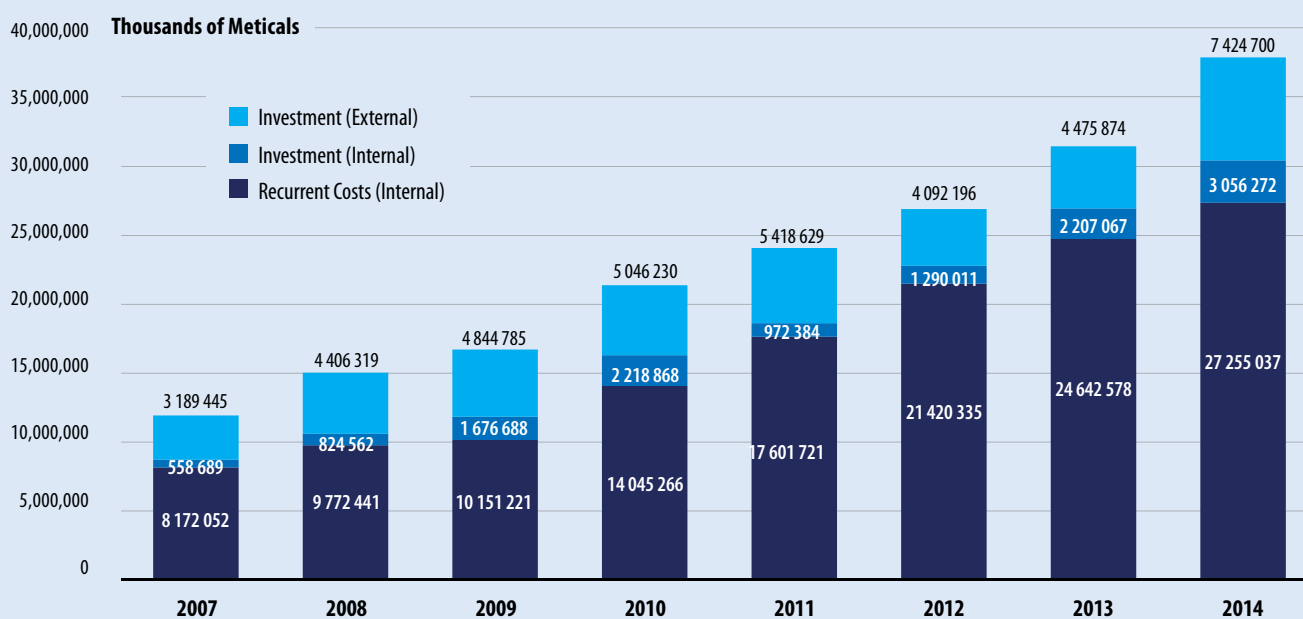
### 4.1 RECURRENT EXPENDITURE COMPARED TO INVESTMENT:

Expenditure of the Education Sector budget is categorized as either Recurrent or Investment. Recurrent Expenditure is sub-classified into salaries/remunerations, goods/services, or financial operation costs. Investment is sub-classified as either Internal or External. Recurrent Expenditure, otherwise known as “operating costs”, purely Internal by source, represents the spending necessary to keep the Sector up and running. Investment, on the other hand, describes the funds used with the intent of increasing future capacity, productivity, and efficiency in the Sector. In the 2014 Education Sector, every institution receives Internal Investment except for SDEJT and the Institute for Education Scholarships, whereas only MINED, DPEC, SDEJT, and Eduardo Mondlane University receive External Investment.



**The share of total Investment has decreased 10% relative to Recurrent Expenditure over the past seven years (Figure 4).** In nominal terms, from 2007 to 2013, total Recurrent Expenditure in the Sector grew three times, Internal Investment grew four times, while External Investment grew just 1.4 times its 2007 value. Proportionally, Recurrent Expenditure grew from a 68.6% share to a 78.7% share, while Investment shrunk from 31.4% to 21.3 per cent. Nonetheless, the 2014 budget, if fully spent, will reverse this trend and represent a proportional increase in the share of investment.

**FIGURE 4** Recurrent Costs vs. Investment



Source: CGE 2007, CGE 2008, CGE 2009, CGE 2010, CGE 2011, CGE 2012 (Mapa I-1-1); REO 2013 (Mapa III-3); LOE 2014.

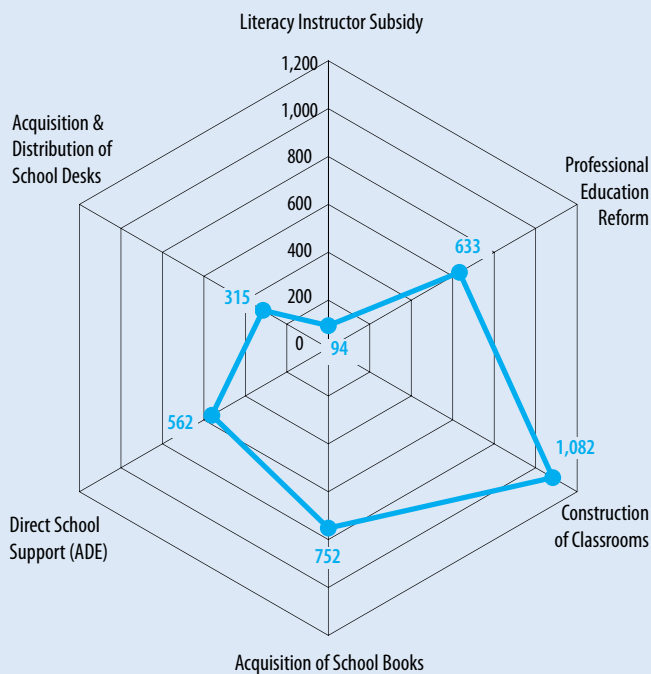
Note: For 2007-2009, SDEJT allocations were not included.



Photo: ©UNICEF/Mozambique

**In 2014, the largest proportion of Investment will go towards the construction of classrooms followed by the acquisition of school books (Figure 5).** Approximately MT 1.1 billion will go towards the construction of classrooms, MT 752 million for the purchase of school texts, and MT 633 million for professional education reform<sup>6</sup>. A year ago, in 2013, the largest share went to the construction of classrooms, followed by Islamic Development Bank specific projects, followed by the construction of two technical institutes.<sup>7</sup>

**FIGURE 5 Investment by Selected Activity Area (in million MT)**



**Source:** LOE 2014 Documento da Fundamentação, Quadro 9. Amostra das despesas de investimento por áreas de atividade seleccionadas, pg. 33

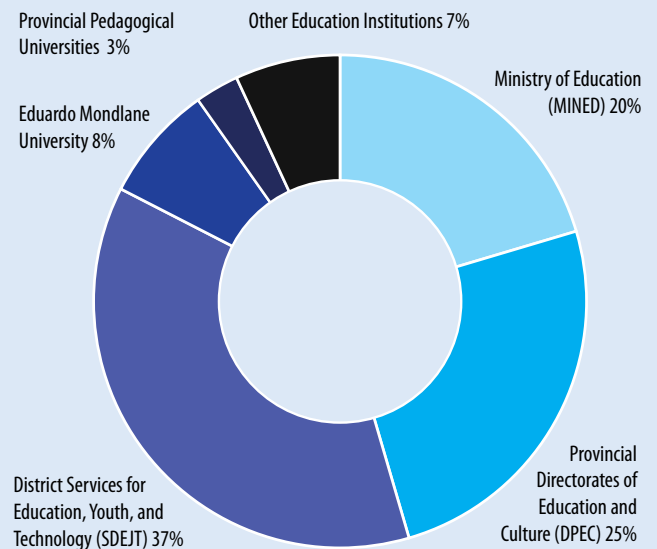
**Note:** The figure depicts sums in hundreds of thousands of Meticals (10<sup>6</sup> MT). Only approximately one-third of 2014 total investment is represented in the figure.

*In 2014, the largest proportion of Investment will go towards the construction of classrooms followed by the acquisition of school books*

#### 4.2 DISTRIBUTION AMONG THE EDUCATION INSTITUTIONS:

**In 2014, the three largest allocation-receiving education institutions are the District Services for Education, Youth, and Technology (SDEJT); the Provincial Directorates of Education and Culture (DPEC); and the Ministry of Education (MINED).** These three institutions correspond to the three levels of education direction in the country at the District, Provincial, and Central levels (Figure 6). The 131 SDEJT receive a total MT 14 billion (USD \$466 million), the 11 DPEC receive a total of MT 9.5 billion (USD \$315.5 million), MINED receives MT 7.7 billion (USD \$256.6 million), and the Eduardo Mondlane University receives MT 2.9 billion (USD \$96.7 million) in the 2014 State Budget. This hierarchy has been constant since 2011 when SDEJT first took top spot after receiving an initial allocation six times greater than its 2010 initial allocation.

**FIGURE 6 Principle Institutions of the Education Sector**



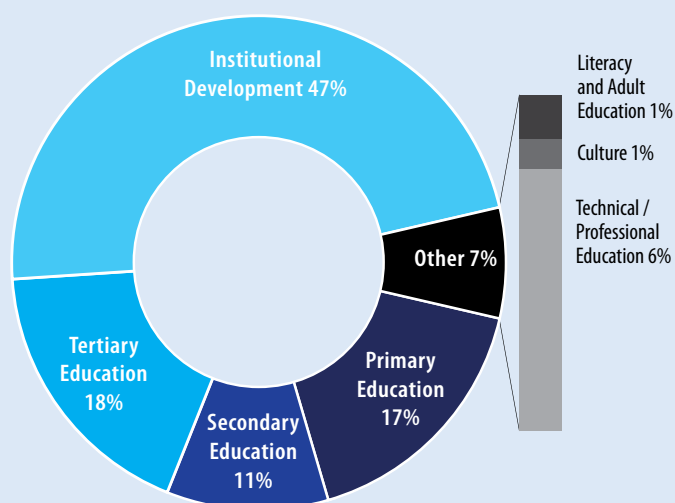
**Source:** Initial allocation from the LOE 2014.

**Note:** The 17 institutions not shown in the figure comprise 7% of the sector weight and are reflected in the "Other Education Institutions" category. All territorial classifications were made based on the LOE 2014 UGBs.

6) LOE 2014, Documento da Fundamentação, Quadro 9, pg. 33. "Amostra das despesas de investimento por áreas de actividade seleccionadas".

7) LOE 2013, Documento da Fundamentação, Quadro 10, pg. 25. "Amostra das despesas de investimento por áreas de actividade seleccionadas".

**FIGURE 7** Education Sector Funding by Functional Area



Source: PdA 2014: Total do Sector, Resumo por Províncias e Programas (Plano de Actividades, Ministry of Education/Ministry of Finance Spreadsheet)

### 4.3 DISTRIBUTION AMONG PROGRAM AREAS:

When breaking down the budget according to program area, **Tertiary Education receives the largest share of non-administrative education funding, followed by Primary Education and Secondary Education<sup>8</sup> (Figure 7).** Tertiary institutions receive MT 6.8 billion (USD \$225.1 million), Primary schools receive MT 6.4 billion (USD \$211.9 million), and Secondary schools receive MT 4.0 billion (USD \$133.1 million). Institutional Development, which characterizes the management of the Sector, is the program area receiving the greatest allocation, MT 17.9 billion (USD \$596.4 million).

When comparing this level of funding with school enrollment

by education level, **the per capita funding for each public primary school student is MT 1,204 (USD \$40); the per capita for each secondary school student is MT 6,538 (USD \$218); and the per capita for each university student is MT 84,420 (USD \$2,814).**<sup>9</sup> According to the Purchasing Power Parity, a primary school student is funded USD \$67, a secondary school student is funded USD \$363, and a university student is funded USD \$4,690<sup>10</sup>.

## 5. How has the Education Sector fared executing its budget?

As mentioned in *Section 2*, differences are often observed between the initial allocation, updated allocation, and final expenditure in the Education Sector. A ratio of the latter two categories gives the “Budget Execution”.

**The Education Sector has outperformed the State Budget, in terms of Budget Execution, in each of the past seven years (Table 2).** The Education Sector has done well relative to the other priority sectors in spending the resources that arrive at its disposal. Over the past seven years, the Education Sector has executed, on average, 90% of its budget, which is nearly five percentage points greater than the total State Budget average. Nevertheless, there is always potential for improvement. For example, in 2013, the Sector failed to spend MT 2.2 billion (USD \$73.7 million) that it was allotted, and thus was required to return those funds to the Ministry of Finance at the end of the year instead of applying them to key education interventions.

The Education Sector entity displaying the poorest average budget execution over the time series is, ironically, the Higher Institute for Accounting and Auditing at a mere 64.2 per cent. MINED has not performed much better, recording a 76.3% execution rate over the past seven years.

**TABLE 2** Education Sector Budget Execution Compared to Total State Budget Execution

	2007 (CGE 2007)	2008 (CGE 2008)	2009 (CGE 2009)	2010 (CGE 2010)	2011 (CGE 2011)	2012 (CGE 2012)	2013 (REO 2013)
State Budget Execution Rate	83.2 %	78.3 %	86.5 %	87.2 %	86.4 %	87.8 %	88.1 %
Education Budget Execution Rate	87.4 %	88.0 %	91.5 %	90.2 %	87.3 %	93.7 %	93.4 %
Education Sector's Relative Budget Execution Performance	+ 4.2 %	+ 9.7 %	+ 5.0 %	+ 3.0 %	+ 0.9 %	+ 5.9 %	+ 5.3 %

Source: The State Budget execution rates come from CGE 2007 (Quadro 2, pg.23); CGE 2008 (Quadro 2, pg. 21 | Quadro 8, pg. 42); CGE 2009 (Quadro 2, pg.28); CGE 2010 (Quadro 2, pg. 22); CGE 2011 (Quadro 7, pg. 27); CGE 2012 (Quadro 6, pg. 28); REO 2013 (Quadro 2, pg.9). The Education Sector execution rates come from computations made with CGE 2007-2012, REO 2013.

Note: The relative budget execution performance is the Education Budget less the State Budget execution rate. The State Budget Execution Rate includes the Education Sector.

8) PdA 2014: Total do Sector, Resumo por Províncias e Programas (Plano de Actividades, BAG Spreadsheet). Last Updated: 20 May 2014.

9) Primary and Secondary School Enrolment from MINED “Annual School Survey 03 March 2012”. Tertiary School Enrolment from “Dados Estatísticos sobre o Ensino Superior em Mocimboa 2011” Pg. 11 (Quadro 1.1).

10) PPP (Current USD) Conversion Factor 2012, World Bank Data for Mozambique. The 2012 conversion factor was used for calculations as it is the most recent available figure.



Since 2007, the Education Sector budget has grown, on average, MT 3.7 billion in order to accommodate an average yearly growth of 198.1 thousand students, 5.8 thousand teachers, and 861 schools.

The Provincial level share decreased from a 59% share to a 32% share, a decline of 27 per cent, while the District level increased from 8% to 45%, representing a 37% increase in its share.

The principle Education Institution at each territorial level mirrors this phenomenon: MINED (Central) reduced its share from 24% in 2007 to 13% in 2013; DPEC (Provincial) decreased 54% to 26%; and SDEJT (District) increased 8% to 45 per cent. If the 2014 budget is fully executed, then the Central level proportion will gain 8% at the expense of the District level proportion due to a large increase in the MINED allocation from 2013 to 2014.

## 6. To what extent has the Education Sector decentralized?

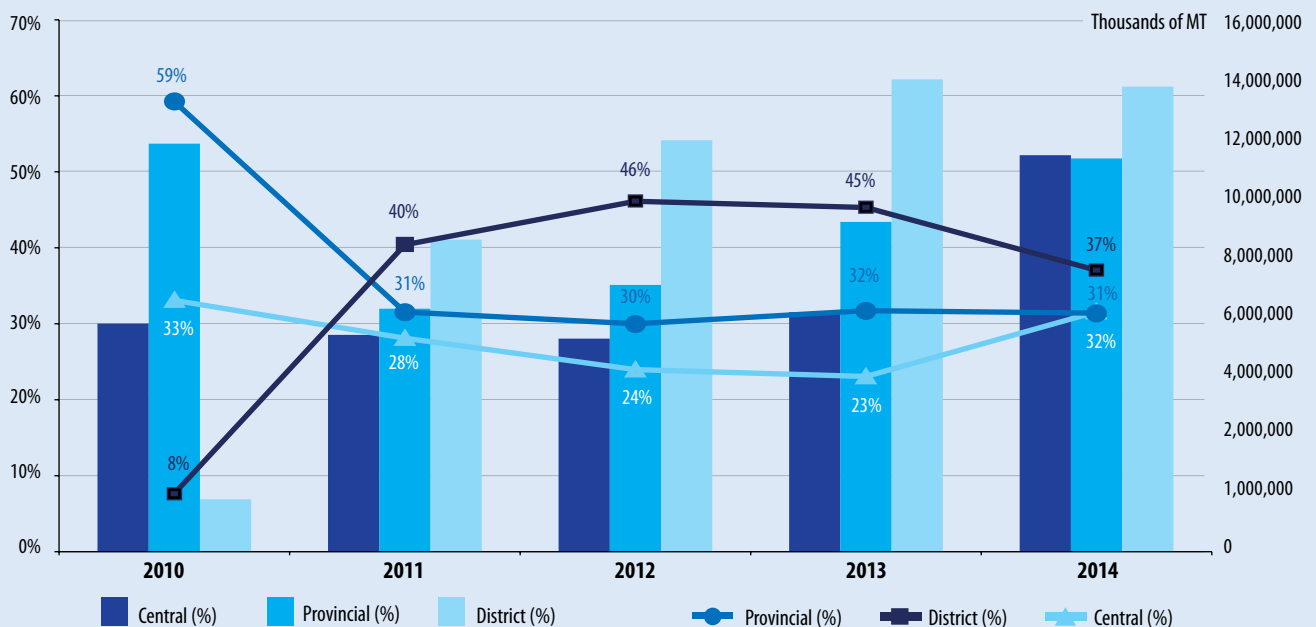
Decentralization in the context of public finance management means the redistribution of public finance authority away from the central level. In the Mozambican budget, there are four different territorial levels: central, provincial, district, and municipal. For the Education Sector, only the first three are relevant.

**The empirical evidence from 2007 through 2013 clearly demonstrates a large degree of decentralization from the Central and Provincial levels to the District level (Figure 8).** Analysis carried out by grouping institutions by territorial level<sup>11</sup> exhibits how the Central level moved from occupying a 33% proportion of total Education Sector expenditure in 2007 to a 23% proportion in 2013, a decrease of 10 percentage points.

## 7. How does the Education Budget fare on measures of equity?

Since 2007, the Education Sector budget has grown, on average, MT 3.7 billion in order to accommodate an average yearly growth of 198.1 thousand students, 5.8 thousand teachers, and 861 schools. In fact, while the Sector budget,

**FIGURE 8** Expenditure by Territorial Level



Source: CGE 2010, CGE 2011, CGE 2012, REO IV 2013, LOE 2014.

Note: The 2014 values are budget allocations and not expenditure. In order to analyze territorial weight across the five-year time series, the composition of institutions was maintained consistent according to the 2014 definition of the Sector.

11) The groups of institutions by territorial level were consistent across the time series and based on the 2014 composition of the Education Sector.



in nominal terms, has grown at an exponential rate over the past seven years, the numbers of students, teachers, and schools have grown at a slightly declining rate (**Figure 9**). The symmetrical increase in resources/students/teachers/schools bodes well for future Sector performance. The student-to-teacher ratio decreased from one teacher for every 65 matriculated students in 2007, to one teacher for every 54 students in 2014.<sup>12</sup> The student-to-school ratio also decreased from one school for every 423 students in 2007 to 356 students in 2014. This suggests that school access has improved, as with each new school that is built, the commute has shortened and convenience increased for a community of students. Finally, the teacher-to-school ratio has sustained an average of six to seven teachers, meaning the new teacher hires have kept pace with the building of new schools.

**The highest per capita funded province, Maputo City, is funded 2.7 times more than the lowest per capita funded province, Zambézia (Figure 10).** When analysing the non-Central level Education Institutions on a per capita basis, one can easily observe the unequal distribution between the 11 provinces. Whereas a student attending school in Zambézia receives an education worth MT 2,907 (USD \$97) per year, a student attending school in Maputo City receives an education valued at MT 7,808 (USD \$260) per year, a difference of MT 4,901 (USD \$163)<sup>13</sup>. It can be argued that the Government is attempting to redress the inequality having allocated the largest absolute "Institutional Development" allocation to Zambézia. This means that of all the provinces, Zambézia receives the most funding for administration, planning, monitoring & evaluation, and capacity building. Nevertheless, when the wealthiest province is the most funded and one of the poorest provinces is the least funded it is difficult to claim the Education Budget is equitable.

## 8. How does the 2014 Education Budget contribute to realizing Millennium Development Goals two and three?

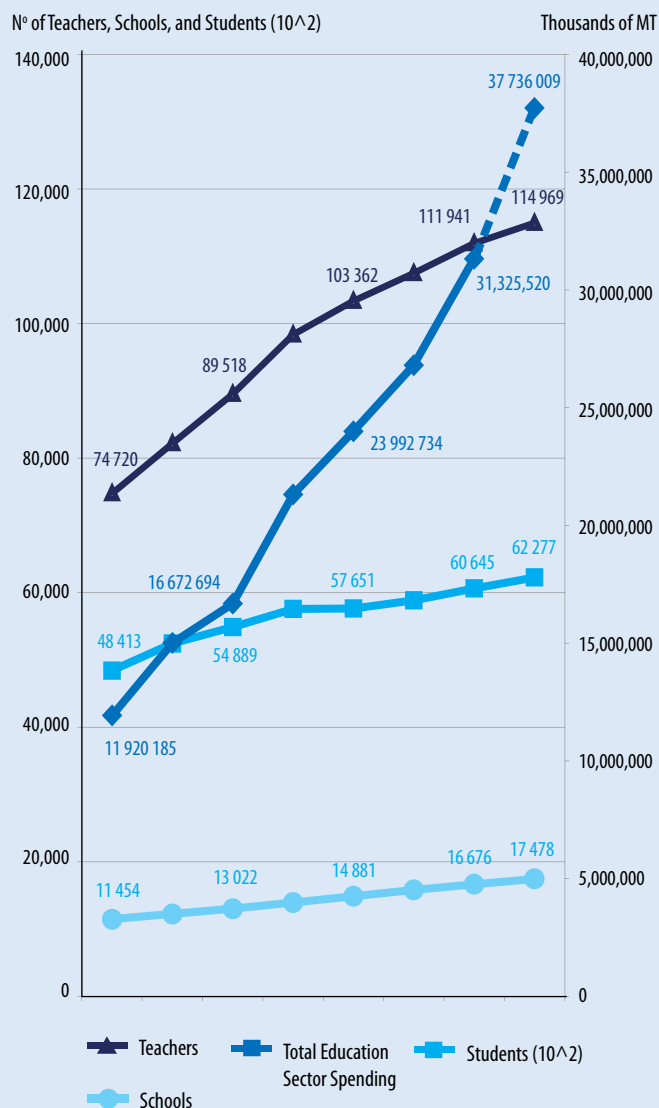
### 8.1. MILLENNIUM DEVELOPMENT GOAL #2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

In 2013, a United Nations Development Programme (UNDP) assessment placed Mozambique just eight percentage points away from attaining 100% net enrolment in Primary Education.<sup>14</sup> Given such proximity to the target, it is expected that the Government would devote increased scrutiny and greater funding to the 2014 budget allocations in order to achieve the goal.

# 54/1

Is the student-to-teacher ratio in 2014. An improvement compared to the 65/1 ratio measured in 2007.

**FIGURE 9** Growth in Expenditure, Students, Teachers, and Schools



**Source:** For "Students" - "Numero de Alunos por Classe, Sexo, Distrito, Provincia e Nivel de Ensino". For "Teachers" - "Numero de Professores por sexo, tipo de formação, provincia". For "Schools" - "Lista Nominal e Resumo de Escolas por Distrito, Provincia e Nivel de Ensino". All three available at: [<http://www.mec.gov.mz/STATS/Pages/3Marco.aspx>].

**Note:** The "Students" curve represents hundreds of students. The number of "Students" includes the total number of public primary & secondary school students, attending class during the daytime, in 2014. The number of "Teachers" includes the total number of public primary & secondary school teachers, teaching during the day, in 2014. The number of "Schools" includes the total number of public primary & secondary schools offering daytime classes.

12) This statistic is not to be confused with the ratio of students-to-teacher in the classroom. It is rather an average across all primary and secondary schools throughout the country.

13) This calculation tells average per student funding irrespective of primary, secondary, tertiary, technical/vocational matriculation. It should not be confused with the per capita funding figures of Section 4.3 which consider the education levels separately.

14) UNDP. Assessing Progress in Africa towards the Millennium Development Goals, 2013. Table 2.1 (pg. 24).

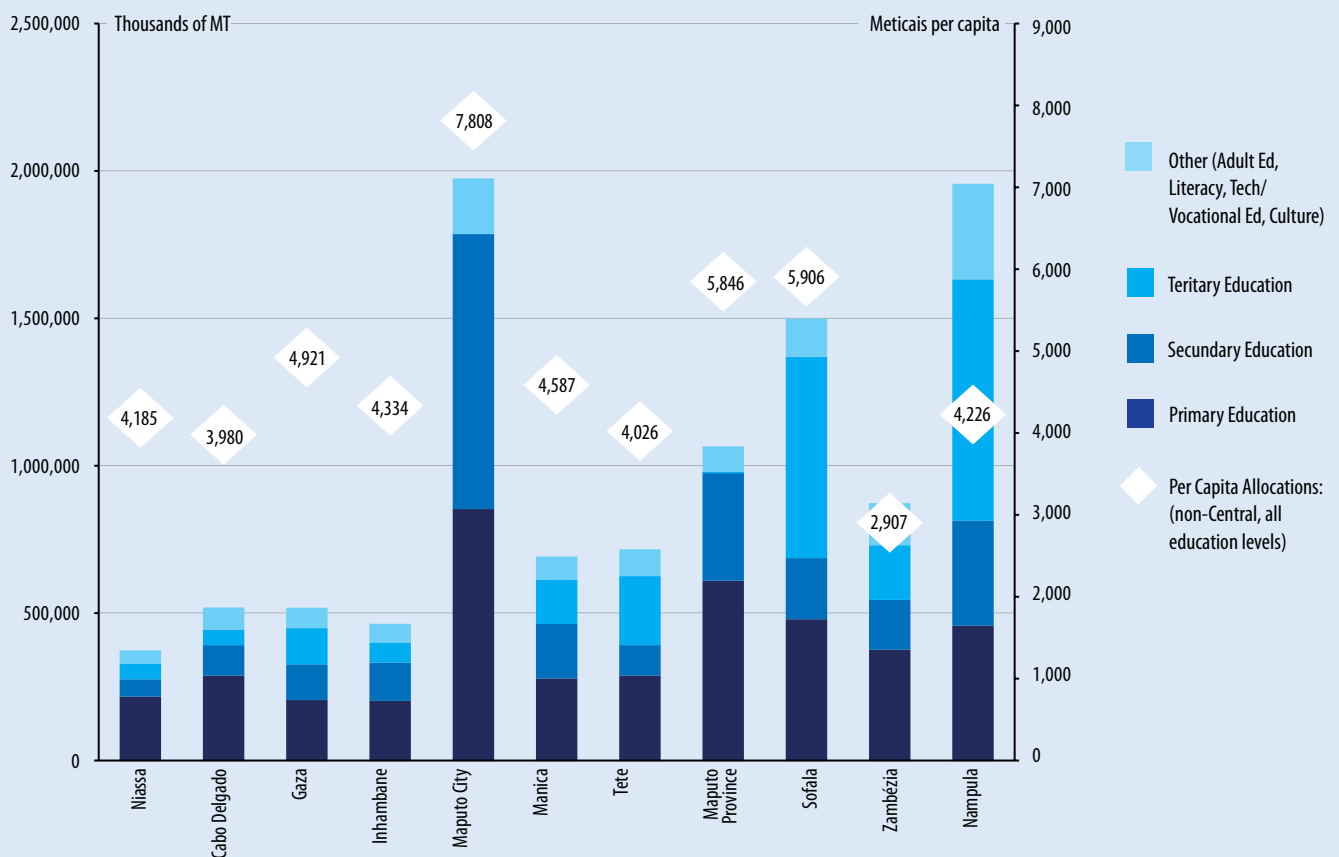


The 2014 Education Sector allocations show that the Government has not allocated proportional funding to the provinces posing the greatest challenges to attaining MDG 2.

The 2014 Education Sector allocations show that the Government has not allocated proportional funding to the provinces posing the greatest challenges to attaining MDG 2. The second Millennium Development Goal is principally measured by the “primary school attendance rate” and “primary school completion rate”. Figure 11 graphs these indicators against the average per-primary-school-student funding

by province. Incidentally, the two provinces exhibiting the highest percentage of primary school-age children attending primary school (Maputo City and Maputo Province) are the two most funded provinces, while the two provinces with the least percentage (Tete and Nampula) are among the three worst funded provinces. Beyond attendance, the ultimate goal is completion. Once again, the two provinces with the highest completion rate are the two most funded (Maputo City and Maputo Province). But the two provinces with the lowest primary school completion rates (Tete and Cabo Delgado) are among the lower-funded provinces, exhibiting rates far from the sub-Saharan Africa average of 71 per cent.

**FIGURE 10** Program Area Funding & Per Capita Allocations (non-Central, all education levels) by Province



Source: PdA 2014: Total do Sector, Resumo por Provincias e Programas (Plano de Atividades, Ministry of Education/Ministry of Finance Spreadsheet)

Note: To calculate “Per Capita Allocations” it was included all non-central levels of education and Institutional development - which refers to management, planning, monitoring & evaluation, and capacity building in the Education Sector. Tertiary education in Maputo City is registered at the Central level, thus it is not reflected in the above figure.

**Education Sector resources seem to favour the provinces demonstrating the best education performance.** Nonetheless, it is important to point out that FASE, which funds the external investment component of DPEC, allocates the most funding to Zambezia, Nampula, Tete, and Cabo Delgado<sup>15</sup>, clearly addressing the equity issue, and signalling that it is the Recurrent Expenditure and Internal Investment components that most create the imbalance. This yields two possible conclusions: (1) the historical marginalization of the poorest funded provinces has created a situation where the preferred provinces have more education infrastructure and thus require more funds for operating costs and upkeep, and/or (2) the current resource allocation formula for Recurrent Expenditure and Internal Investment does not consider the Universal Primary Education indicators.



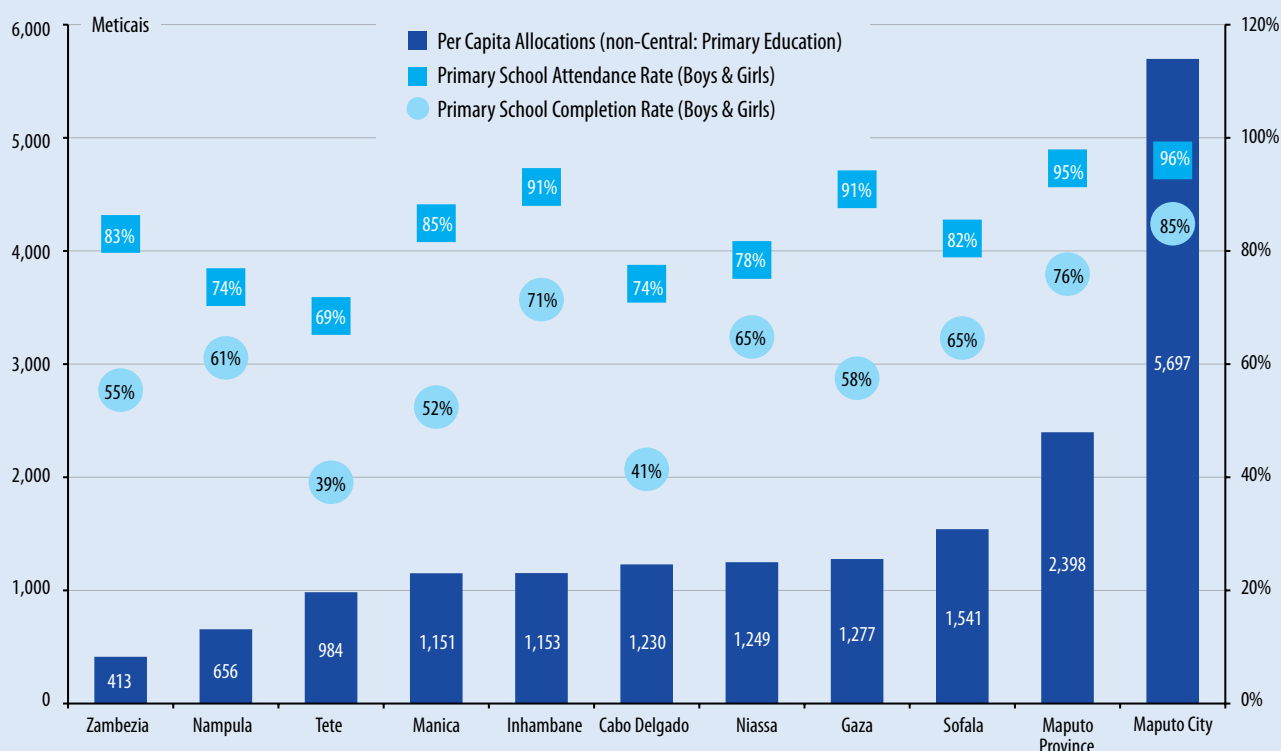
### 8.2 MILLENNIUM DEVELOPMENT GOAL #3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

In the same 2013 UNDP report, Mozambique ranked in the lower third of African countries on a measure of gender parity in primary school enrolment, and in the lower half on the same measure in secondary school enrolment<sup>16</sup>.

More resources are needed to address gender imbalances in secondary education (Figure 12). Concerning primary

education, boy/girl enrolment is nearly at parity in the 11 provinces, however there are great imbalances for secondary education enrolment. In Tete and Manica there are twice as many boys enrolling in secondary school than girls and in Gaza and Maputo Province there are one-fifth more girls enrolling than boys. As there is little observable correlation between per capita funding and gender parity in the Figure, resources and programs should target those provinces demonstrating ratios furthest from the 1.0 benchmark.

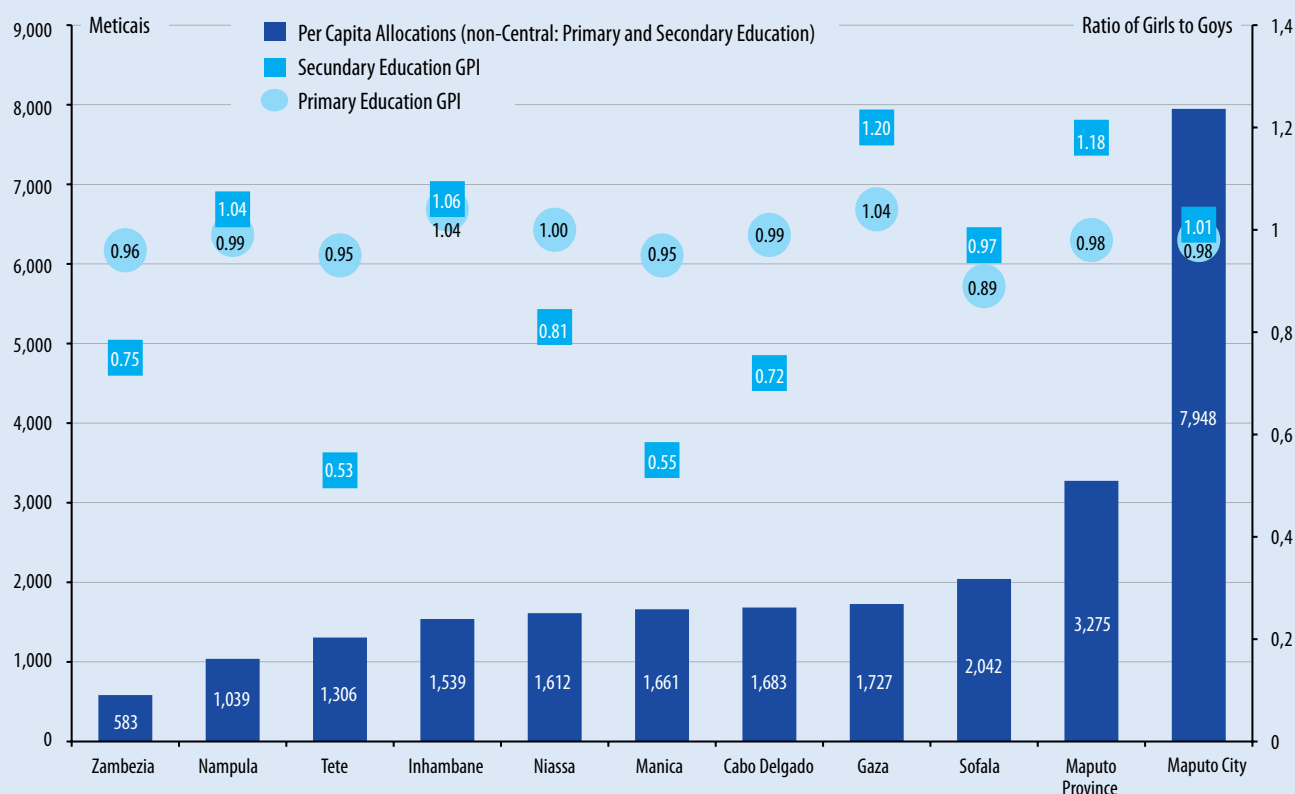
**FIGURE 11 Per Capita Allocations (non-Central, primary education) Compared to MDG #2 Indicators**



Source: PdA 2014: Total do Sector, Resumo por Provincias e Programas (Plano de Actividades, Ministry of Education/Ministry of Finance Spreadsheet). "Primary School Attendance Rate" Table 10.2a (pg.86) Measures percentage of children primary school age attending primary school; "Primary School Completion Rate" Table 10.7b (pg.98) Measures the percentage of children who reached the final grade of primary school of those who entered 1st grade. Multiple Indicators Cluster Survey 2008, INE.

15) Relatório Financeiro e de Progresso do FASE – Fundo de Apoio ao Sector da Educação (Março de 2014). (pg. 6).  
 16) UNDP. Assessing Progress in Africa towards the Millennium Development Goals, 2013. Table 2.1 (pg. 33,35).

**FIGURE 12** Per Capita Allocations (non-Central, primary & secondary education) Compared to MDG #3 Indicators



Source: PdA 2014: Total do Sector, Resumo por Provincias e Programas (Plano de Actividades, Ministry of Education/Ministry of Finance Spreadsheet). "Gender Parity in Education" Table 10.6 (pg.95). MICS, 2008, INE.

Note: GPI stands for Gender Parity Index. The goal, a ratio of 1.0, means equal enrolment by girls and boys. If the ratio is 0.90 then there are more boys enrolled than girls (i.e. for every 10 boys in the classroom, there are just 9 girls). Correspondingly, if the ratio is 1.10 then there are more girls enrolled than boys.

## Glossary of Budget Terms:

**Initial Allocation (Dotação Inicial):** The first allocation of funds, approved by Parliament

**Revised Initial Allocation (Dotação Rectificativa):** A revised allocation of funds, approved by Parliament

**Updated Allocation (Dotação Actualizada):** The total funds that arrive at the disposal of a given education institution

**Expenditure (Despesa Realizada):** Allocated funds spent on education investment, services, and products

**Budget Execution (Execução do Orçamento):** Percentage of allocated funds spent out of the total allocation

**Nominal Values:** Numbers not corrected for the effect of inflation over time

**Real Values:** Numbers corrected for inflation

**Per Capita:** Per person

## Acronyms

CGE	General State Account (Conta Geral do Estado)
DNO	National Directorate of the Budget (Direção Nacional do Orçamento)
DPEC	Provincial Directorates of Education and Culture (Direção Provincial de Educação e Cultura)
EP1	Primary School Grades 1-5 (Ensino Primário do 1º Grau)
EP2	Primary School Grades 6-7 (Ensino Primário do 2º Grau)
ESG1	Secondary School Grades 8-10 (Ensino Secundário do 1º Grau)
ESG2	Secondary School Grades 11-12 (Ensino Secundário do 2º Grau)
GBS	General Budget Support
GDP	Gross Domestic Product
G19	Group of 19 General Budget Support donating countries
LOE	State Budget Law (Lei do Orçamento do Estado)

MDG	Millennium Development Goal
MINED	Ministry of Education (Ministério da Educação)
MT	Mozambican Metical (Local Currency)
PARP	Action Plan for Poverty Reduction (Plano de Ação para Redução da Pobreza)
PPP	Purchasing Power Parity
FASE	Education Common Fund (Fundo de Apoio ao Sector da Educação)
REO	State Budget Execution Report (Relatório de Execução Orçamental)
SADC	Southern African Development Community
SDEJT	District Services for Education, Youth, and Technology (Serviços Distritais da Educação, Juventude e Tecnologia)
UGB	Beneficiary Management Unit used to designate a funds-receiving institution (Unidade Gestora Beneficiária)
UNDP	United Nations Development Programme
USD	United States Dollar (Currency)