COUNTRY COMMITMENTS TO EDUCATION DOMESTIC FINANCING

Education Financing Campaign

"Education Multiplies Possibilities: Investing in our future"

Education is essential to achieve national development goals. Domestic finance is the backbone of education

Country Partner Identification

Country name:	**Malawi**
Ministry/Institution:	**Ministry of Education, Science and Technology**
Date:	12th **February, 2026**

1.Volume commitment

1.1. Please select your areas of commitment by checking relevant boxes below (select all that apply):

☐ Increase or maintain education expenditure level as a share of national budget (excluding. debt services)

☒ Increase or maintain education expenditure as a share of GDP

☐ Other (please specify)

1.3. Description of education budget perimeter

Please list all line ministries responsible *for elements included in the calculation of education expenditures. Ideally this description should identify where in the national budget relevant elements are recorded:*

The budget allocation to the education sector consists of allocations to the Ministry of Education, Science and Technology under Vote 250, Local Councils (these all allocations to all primary schools in Malawi) under Vote 900 series, Education Subventions under Vote 275, Early Childhood Development (ECD) under Ministry of Gender Community Development and Social Welfare Vote 320, and Technical, Entrepreneurial and Vocational Education and Training (TEVET) under Ministry of Labour, Skills and Innovations Vote 370.

1.5. Historical and projected expenditure

2025	**2026**	**2027**	**2028**	**2029**	**2030**
Percentage (as a share of national budget) :**22.8**	Percentage (as a share of national budget): **21.7**	Percentage (as a share of national budget): **23.0**	Percentage (as a share of national budget): **24.3**	Percentage (as a share of national budget): **25.4**	Percentage (as a share of national budget): **26.4**
Percentage (as a share of GDP) : **4.8**	Percentage (as a share of GDP) : **4.3**	Percentage (as a share of GDP) : 5**.4**	Percentage (as a share of GDP) :6**.6**	Percentage (as a share of GDP) : 7**.8**	Percentage (as a share of GDP) : 9**.0**
Percentage (Other):	Percentage (Other):	Percentage (Other):	Percentage (Other):	Percentage (Other):	Percentage (Other):
Monetary value - *Currency*: *MWK* *-Amount*: ***895,488,024,363***	Monetary value - *Currency*: *MWK* *-Amount*: ***1,115,769,966,552***	Monetary value - *Currency*: *MWK* *-Amount*: ***1,456,346,963,207***	Monetary value - *Currency*: *MWK* *-Amount*: ***1,830,981,659,528***	Monetary value - *Currency*: *MWK* *-Amount*: ***2,243,079,825,481***	Monetary value - *Currency*: *MWK* *-Amount*: ***2,696,387,808,029***

The projected trend indicates a growing share of the national budget allocated to the education sector, which reflects sustained political commitment to advancing education priorities. An increasing or consistently protected budget share demonstrates the government's recognition of education as a strategic investment in human capital development.

To ensure that adequate resources are allocated to the sector, the Government has intensified efforts to strengthen domestic resource mobilization. This includes improving tax administration, broadening the revenue base, and enhancing public financial management systems. These measures aim to expand fiscal space and safeguard funding for key social sectors, including education, even in a constrained macroeconomic environment.

Do you have plans to increase ***education expenditure per child*****:** ☒ *Yes* ☐*No*
If Yes, please provide
Currency: ***MKW***
-Baseline: *- Target*:
- Year: ***2025*** ***2026*** ***2027*** ***2028*** ***2029*** *-Year*: ***2030***

- Amount per child: ***60,523 77,057 90,576 104,270 118,169 132,305***

(These unit costs are calculated in the context of primary education and only the recurrent component of the expenditure was used.)

-Indicate the policy framework or any other official documents where information on the baseline and targets can be found:

1.4. Basis for commitment to increase funding for education

Please list, and briefly describe, any planned or ongoing actions aimed at increasing resources for education *— for example*:

☒ *Raising additional revenues (e.g., through tax reforms or better tax collection)*: *The Government of Malawi is broadening the domestic revenue base through targeted tax policy and administration reforms in the 2025/26 National Budget and Mid-Year Review Statement to strengthen fiscal space. These measures include: an increase in the Value Added Tax (VAT) rate from 16.5% to 17.5% to enhance indirect tax revenue; the introduction of a bank transfer levy (0.05%) and a mobile money transfer levy (0.05%) on transactions above MWK 100,000; adjustments to PAYE tax bands to increase progressivity in personal income taxation; strengthened enforcement of VAT compliance and penalties for non-issuance of VAT receipts; expanded collection of rental income tax with comprehensive registration of landlords; and stricter customs valuation and enforcement to reduce loopholes in import taxation. These reforms, backed by digital tax administration improvements and increased compliance efforts by the Malawi Revenue Authority, are expected to mobilize significant additional domestic revenue, enabling higher allocations to priority sectors such as education.*

☐*Developing strategies for long-term, sustainable education financing (e.g., earmarked taxes, public-private partnerships, etc.), specify*

☒ *Improving budget execution, specify*:

The Ministry of Education, Science and Technology is committed to improving the efficiency and effectiveness of its budget to enhance learning outcomes and reduce class repetition, particularly at foundational levels. Key strategies include the introduction of a Preparatory (Pre-Standard 1) Class to strengthen school readiness; expansion of remedial and catch-up programmes for learners who are behind; provision of adequate and timely teaching and learning materials (TLMs); targeted teacher recruitment to reduce pupil–teacher ratios; strengthened Continuous Professional Development (CPD) to improve instructional quality; review of the curriculum, and scaling up school meals program through the anticipatory action home grown school meals targeting the lean season to prevent absenteeism, teenage pregnancies and drop out.

To promote inclusivity and gender equity, the Ministry is integrating gender-responsive and inclusive education approaches into planning and budgeting, including improved sanitation facilities for girls, enforcement of re-admission policies for teenage

mothers, targeted support for learners with disabilities, provision of inclusive learning materials, and teacher training on inclusive pedagogies.

Recognizing learning losses due to climate shocks such as cyclones, floods and drought, the ministry is investing in climate-resilient infrastructure, disaster-responsive school grants, and accelerated learning programmes such as the anticipatory action to lean season school meals program. the harvest is stored until the critical lean season when vulnerable learners are at risk of drop out, absenteeism, teen pregnancies and repetitions. since lean seasons are a common annual occurrence which negatively impact continuity of learning, the proactive anticipatory action to home grown school meals targeting the lean season will therefore accelerate learning continuity by transforming learning spaces to including health and nutrition service providers.

To address system bottlenecks in procurement and risks of pilferages, the Ministry is strengthening procurement planning, enhancing compliance with Public Procurement and Disposal of Assets (PPDA) regulations, reinforcing internal audit systems, digitizing procurement processes where feasible, and enforcing transparent tracking of school grants and TLM distribution.
These combined measures aim to improve foundational literacy and numeracy, reduce repetition and dropout rates, enhance equity in learning outcomes, and ensure greater value for money in education spending

☐*Other, specify*

Note: Please ensure that listed actions are supported by the National Development Plan, Education Sector Plan (ESP), Partnership Compact or other officially approved policies.

2. Efficiency commitment

Please list, and briefly describe any planned or ongoing actions to improve the efficiency of education finance and expected results *— for example*:

☒ *Improving public financial management systems for better governance, accountability and delivery. – Specify*

The Government is strengthening public financial management systems to enhance governance, accountability, and service delivery within the education sector through a series of targeted reforms. Central to these efforts is the continued use and strengthening of the Integrated Financial Management Information System (IFMIS) to support the execution and reporting of the education budget. By ensuring that expenditures are recorded and monitored in real time, IFMIS enhances transparency, strengthens budget control, and provides reliable financial reports for oversight and decision-making. This reduces opportunities for off-system spending and improves the traceability of public resources.

In addition, the Ministry of Education is reinforcing internal audit functions and procurement compliance at headquarters, divisional, and council levels. Stronger internal controls help detect and prevent financial irregularities, ensure adherence to procurement regulations, and promote value for money in the acquisition of goods and services. These measures contribute to improved institutional accountability and more efficient implementation of education programmes.

The enforcement of budget ceilings and quarterly funding controls through the Treasury further strengthens fiscal discipline. By aligning expenditures with approved allocations and available cash flows, these controls prevent overspending, reduce the accumulation of arrears, and promote prudent financial planning. This enhances predictability in funding flows and supports sustained implementation of priority interventions.

Capacity building for officers in financial reporting and expenditure tracking is also a key reform measure. By improving technical skills in financial management, reporting accuracy and timeliness are enhanced, compliance with financial regulations is strengthened, and decision-making becomes more evidence-based. Stronger financial management capacity at all levels ensures that allocated resources are effectively monitored and utilized.

Finally, the Government is strengthening school-level financial guidelines governing the use of school grants and Other Recurrent Transactions (ORT). Clearer guidance and improved oversight mechanisms enhance transparency in the utilization of funds at the school level, encourage community accountability through School Management Committees, and ensure that resources directly support teaching and learning. Collectively, these reforms improve governance, reduce inefficiencies, and ensure that public resources translate into better education outcomes.

☒ *Streamlining teacher management and remuneration mechanisms. – Specify*
The Government intends to streamline teacher management and remuneration mechanisms through a combination of system reforms, data integration, and strengthened oversight.

The development of the Teacher Management Information System (TMIS) is a central reform aimed at improving the management of the teacher lifecycle. TMIS provides a comprehensive database covering recruitment, deployment, promotions, transfers, leave management, and retirement. By maintaining accurate and up-to-date records, the system enhances transparency, reduces administrative delays, and supports evidence-based decision-making in teacher management.

In addition, the integration of teacher records into the Human Resource Management Information System (HRMIS) and payroll systems ensures better alignment between personnel data and salary payments. This integration reduces discrepancies between approved posts and paid positions, minimizes errors in remuneration, and strengthens internal controls. It also facilitates more efficient processing of promotions, salary adjustments, and benefits.

The Government is further reinforcing accountability through periodic teacher payroll audits. These audits help identify and remove ghost workers, detect irregular payments, and correct inconsistencies in personnel records. By cleansing the payroll system, the Government reduces financial leakages and ensures that public funds are directed only to legitimate employees.

Finally, the rationalization of teacher deployment using pupil–teacher ratio (PTR) data from EMIS aims to improve equity and efficiency in teacher distribution. By aligning deployment decisions with real-time enrolment data, the Government can address imbalances between overstaffed and understaffed schools, particularly in rural and hard-to-reach areas. This data-driven approach improves classroom conditions, enhances learning outcomes, and ensures that teacher remuneration corresponds to actual staffing needs.

☒ *Reduce fragmented financing and implementation mechanisms. – Specify*
First, the Government is reinforcing the Sector Wide Approach (SWAp) coordination under the Ministry of Education (MoEST). As part of this effort, the SWAp has reviewed and streamlined its coordination structures to improve efficiency, clarify roles and responsibilities, and strengthen overall sector coordination. By positioning the Ministry as the central coordinating authority and rationalizing coordination platforms, SWAp promotes joint planning, harmonized implementation, and shared accountability among Government and Development Partners. This reduces duplication of efforts, parallel systems, and fragmented project implementation, while ensuring that all interventions contribute to common sector objectives. Second, the government is reviewing the National Education Sector Investment Plan, which will align with support from development partners. By anchoring financing and technical assistance to nationally defined priorities, the Government ensures that external support complements domestic resources and targets identified sector gaps. This alignment enhances coherence, reduces off-plan projects, and strengthens ownership of the reform agenda.

Third, the use of joint planning and review platforms, such as the Joint Sector Reviews (JSRs), strengthens collective oversight and performance monitoring. These forums provide structured opportunities to assess progress, address bottlenecks, agree on corrective actions, and reaffirm commitments. By promoting transparency and shared accountability, JSRs reduce isolated decision-making and encourage coordinated responses to sector challenges.

Finally, the Government is promoting a gradual shift toward pooled funding and on-budget support, where feasible. Channeling partner resources through national systems enhances predictability of funding, strengthens public financial management, and reduces transaction costs associated with multiple stand-alone projects. It also improves fiscal transparency and ensures that resources are captured within the national budget framework.

☒ *Enhancing education and financial data tracking systems and availability. – Specify*
First, the Government is strengthening the Education Management Information System (EMIS) and the annual school census to ensure the collection of accurate, timely, and comprehensive education data. By improving data collection tools, standardizing reporting templates, and enhancing system reliability, EMIS will provide credible statistics on enrolment, staffing, infrastructure, and key performance indicators. This strengthens sector monitoring and supports more informed policy decisions.

Second, the integration of EMIS with planning and budgeting processes ensures that data directly informs resource allocation and priority setting. By linking enrolment trends, pupil–teacher ratios, infrastructure gaps, and performance indicators to budget formulation, the Government promotes evidence-based budgeting. This alignment improves efficiency, reduces misallocation of resources, and ensures that funding responds to actual needs on the ground.

Third, improving district-level data validation and utilization enhances the quality and ownership of data. Strengthening verification processes at district level reduces inaccuracies before data is consolidated nationally. At the same time, building capacity among district education offices to analyze and use data encourages localized planning, targeted interventions, and better monitoring of school performance.

Finally, the expansion of digital data collection tools is modernizing the education data ecosystem. The use of tablets, online reporting platforms, and automated dashboards reduces delays, minimizes manual errors, and improves real-time access to information. Digital systems also strengthen data security and transparency, allowing stakeholders to track progress more effectively.
☒ *Adopting innovative budgeting approaches oriented towards education outcomes (e.g. results-based budgeting). – Specify*

First, the continued implementation of Programme-Based Budgeting (PBB) in the education sector shifts the focus from line-item expenditures to programme objectives and expected outputs. Under PBB, resources are allocated according to clearly defined programmes aligned with sector priorities, such as access, quality improvement, teacher development, EVIDENCE-BASED HIGH-

IMPACT INTERVENTIONS and governance. This approach enhances transparency by showing how public funds contribute directly to specific education outcomes, rather than merely covering administrative costs.

Second, the Government is strengthening the linkage between budgets and education sector performance indicators, including measures of access, quality, and equity. By aligning allocations with key indicators—such as enrolment rates, pupil–teacher ratios, learning outcomes, and retention rates—budget decisions become evidence-driven. This ensures that funding is directed toward interventions that yield measurable improvements, particularly for underserved and vulnerable groups.

Third, performance monitoring is being reinforced at both cost center and program levels. Ministries, divisions, and councils are expected to track expenditure against planned outputs and outcomes, improving accountability for results. Enhanced monitoring enables early identification of implementation bottlenecks, supports corrective action, and strengthens reporting within the sector's monitoring and evaluation framework.

☒ *Enhancing service delivery to improve learning, retention, and completion. – Specify*
The Ministry of Education is expanding Direct School Grants (DSG) to ensure predictable and needs-based financing at school level. increased allocations will prioritize essential teaching and learning materials, minor rehabilitation, anticipatory action to emergency lean season home grown school meals program and implementation of school improvement plans. Strengthened school-level financing improves responsiveness to local needs, reduces procurement delays, and enhances value for money. Improved availability of textbooks and instructional materials will reduce pupil-to-textbook ratios, increase effective instructional time, and strengthen foundational learning outcomes.

The Ministry is scaling up classroom construction in high-enrolment and underserved districts to reduce congestion and improve the learning environment. High pupil-classroom ratios limit effective curriculum delivery and contribute to repetition and dropout. Targeted infrastructure expansion will reduce overcrowding, improve learner engagement, and support smoother progression and completion.

Procurement and distribution systems for teaching and learning materials are being strengthened to ensure timely delivery of curriculum-aligned textbooks and resources. Improving access to textbooks is a cost-effective way to raise learning outcomes. Progress toward a 1:1 pupil-to-textbook ratio in core subjects will improve instructional quality and reduce disparities across schools.

The Ministry is prioritizing teacher recruitment, equitable deployment, and continuous professional development, particularly in rural and hard-to-reach areas. High pupil-teacher ratios and uneven distribution reduce system efficiency and learning outcomes. Strengthened teacher management and training will improve classroom practice, reduce repetition and dropout, and enhance progression and completion rates.

the ministry is scaling up home grown school meals program towards a 100% coverage by 2030 through various models including anticipatory action to emergency lean season school meals program. this is where the ministry will directly support schools with farm inputs such as seeds and fertilizer for timely use in school gardens. direct support to schools will facilitate timely utilization of farm inputs leading to accelerated harvest for targeted school feeding in the lean season. the direct school support cuts procurement delays as well as resource misallocation at district level. such targeted social support programmes are being expanded in vulnerable and food-insecure districts to address barriers to attendance and retention. these programmes increase attendance, reduce absenteeism, and improve equity, particularly for girls and learners from poor households, supporting sustained participation and progression.

Inspection and advisory services are being strengthened to improve accountability, instructional supervision, and performance monitoring. Capacity building for inspectors, improved coverage, and digitized reporting will enhance oversight and data-driven decision-making. Stronger supervision will improve teaching quality, identify learning gaps early, and improve internal efficiency by reducing repetition and dropout.

☐*Other, specify.*

Note: Please ensure that listed actions are supported by the National Development Plan, Education Sector Plan (ESP), Partnership Compact or other officially approved policies.

3.Equity commitment

Please list, and briefly describe any planned or ongoing actions to promote equitable resource allocation *— for example*:

☒ *Strengthening redistributive policies and mechanisms (including needs-based funding formulas for schools or teachers' allocation).*

First, the Ministry will systematically use Pupil–Teacher Ratio (PTR) benchmarks and verified enrolment data from EMIS to guide annual teacher deployment and mid-year re-deployment. Schools exceeding national PTR thresholds will be prioritized for additional teacher postings, while overstaffed schools will be rationalized. Regular data reviews at central and district levels will ensure that teacher distribution reflects actual enrolment patterns and emerging pressures.

Second, the Government will prioritize hard-to-reach and remote schools in classroom construction plans. Annual infrastructure plans will be developed using pupil-classroom ratio data, enrolment growth trends, and remoteness classifications. Capital investments will be weighted toward districts and schools with the highest congestion levels and weakest infrastructure coverage to reduce geographic disparities in learning conditions.

Third, the Ministry will apply and refine a needs-based formula for allocating school grants, incorporating enrolment size, access to Early Childhood Development (ECD), and remoteness indicators. The formula will be embedded within the budgeting cycle to ensure predictable and transparent disbursements. Schools serving larger populations, operating in remote areas, or lacking adequate ECD access will receive proportionally higher allocations to address structural disadvantages.

Fourth, the Government will implement targeted recruitment and posting of teachers to rural and underserved districts. Recruitment quotas will prioritize high-need areas, and deployment decisions will be aligned with district-level staffing gaps identified through EMIS data. Teachers assigned to rural and hard-to-reach schools will continue to receive monthly hardship allowances to support attraction and retention in these areas.

Finally, the Ministry will prioritize girls' education, inclusive education, and special needs schools within resource distribution frameworks. Budget ceilings and programme allocations will explicitly earmark resources for sanitation facilities for girls, bursary schemes, re-admission support, inclusive teaching and learning materials, assistive devices, and capacity building for teachers in inclusive practices. Performance monitoring tools will track expenditure and outcomes for these priority groups to ensure that redistributive objectives are achieved.

☒ *Tracking of equitable resource distribution*

First, the Ministry will strengthen the Education Management Information System (EMIS) to capture accurate and timely school-level data on enrolment, infrastructure, teacher distribution, classroom availability, and essential facilities. Data collection tools will be updated to improve completeness and reliability, and validation mechanisms will be reinforced at district level to ensure data accuracy. EMIS outputs will be systematically linked to planning and budgeting processes to allow real-time identification of disparities in resource allocation.

Second, the Government will institutionalize the use of disaggregated data by gender, geographic location, and disability status where available—in annual planning, budgeting, and performance monitoring. Sector planners and district officers will be required to analyze disparities using disaggregated indicators before finalizing allocation decisions. Monitoring frameworks will track progress in reducing gender gaps, rural-urban disparities, and barriers affecting learners with disabilities.

Third, district education offices will strengthen monitoring of school grants and Other Recurrent Transactions (ORT) allocations to ensure that funds are disbursed according to approved formulas and utilized for intended purposes. District-level financial reviews, periodic compliance checks, and reporting requirements will be reinforced to track whether allocations reflect equity criteria and reach targeted schools.

Fourth, the Ministry will incorporate explicit equity indicators into Education Sector Reviews, Joint Sector Reviews, and annual performance reports. Indicators such as pupil–teacher ratios by district, pupil–classroom ratios, per-learner expenditure, gender parity indices, and allocation differentials for remote schools will be used to assess whether redistributive objectives are being met. Findings from these reviews will inform corrective actions in subsequent planning cycles.

Finally, the Government will update and utilize geographic mapping of schools based on remoteness and accessibility categories to guide allocation decisions. Spatial analysis tools will be applied to identify hard-to-reach and underserved communities, and this mapping will directly inform teacher deployment, infrastructure planning, and grant allocation processes.

☒ *Adopting pro-poor budgeting mechanisms, gender-based or disability-based budgeting approaches.*
First, the integration of gender-responsive budgeting principles within sector planning and the PBB framework ensures that gender disparities in access, retention, and learning outcomes are explicitly identified and addressed. Through gender analysis during budget formulation, programmes are designed with clear outputs that respond to the specific needs of girls and boys. Financial allocations are increasingly linked to gender-related performance indicators, improving transparency and accountability in tracking progress toward gender equity goals.

Second, the Government is strengthening support to programmes that promote girls' retention and completion, particularly at upper primary and secondary levels where dropout rates are more pronounced. Investments in adequate and safe sanitation facilities for girls help address attendance barriers related to menstrual hygiene management. Enforcement of re-admission policies for adolescent mothers ensures continuity of education, while bursary and scholarship support reduces financial constraints for learners

from low-income households. These targeted measures reduce socio-economic barriers and improve progression and completion rates for girls.

Third, disability-inclusive budgeting is being advanced through increased investment in inclusive education. This includes procurement of specialized teaching and learning materials such as braille textbooks, assistive devices, and adapted instructional resources for learners with special educational needs. Budget allocations also support teacher training in inclusive pedagogies and improvements in school infrastructure accessibility. By directing resources toward inclusive inputs and support systems, the Government aims to reduce exclusion, improve participation of learners with disabilities, and strengthen equity within the education system.

☒ *Directing resources to reduce gaps in school access*
The Government intends to improve the direction of resources toward reducing gaps in school access by strengthening and consistently applying an equity-based resource allocation formula that prioritizes need over uniform distribution. This approach ensures that funding decisions are guided by measurable disparities in access and service provision.

The allocation formula assigns additional resource weightings to schools located in rural and hard-to-reach areas. These schools often face structural disadvantages, including limited infrastructure, higher operational costs, long travel distances for learners, and difficulties in attracting and retaining qualified teachers. By deliberately allocating higher per-school or per-learner funding to these locations, the Government aims to address geographic inequities, improve infrastructure and learning conditions, and expand access for underserved populations.

The formula provides additional resources to schools with lower enrolment and limited access to Early Childhood Development (ECD) services. Smaller schools in remote communities typically face higher unit costs and risk underfunding under standard per-capita models. Through adjusted allocation coefficients that consider enrolment size and ECD coverage gaps, the Government ensures that these schools receive adequate operational support. Increased investment in areas with weak ECD access strengthens early learning foundations, improves school readiness, and enhances progression and retention in later grades.

☐Other, specify
Note: Please ensure that listed actions are supported by the National Development Plan, Education Sector Plan (ESP), Partnership Compact or other officially approved policies.

4.Endorsement of the commitments

Please indicate all the institutions that endorsed the commitment as relevant

☐Head of State Office ☐ Prime Minister Office ☒ Ministry of Finance ☒ Ministry of Education ☒Other Ministries or agencies (please specify) *[Ministry of Gender, Children, Disability and Social Welfare]*