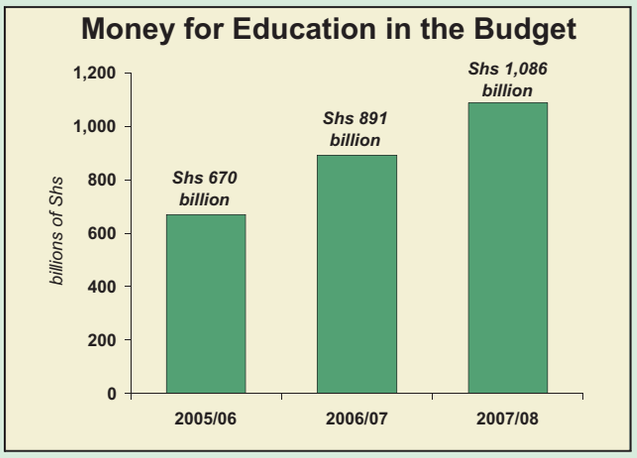
Following the Money for Education

How Much is Spent on Education?

Expanding access to primary and secondary education has been a clear Government priority in recent years. In the 2007/08 budget speech presented to Parliament on 14 June 2007, the Minister of Finance identified education as the sector that will receive the most money - *over one trillion shillings,* or 18% of total expenditure.[i]



Where does the money come from?

Government resources for education are comprised of domestic and foreign revenue. In the past, donor funds for education were more clearly specified, through an education sector basket fund and other more direct mechanisms. However, the current shift to general budget support means that development partners give more money directly to Government, which then decides how to allocate it across various priorities, including education. This makes it difficult to determine precisely how much of the education budget is donor-funded.[ii]

Who manages education?[iii]

The Ministry of Education and Vocational Training (MOEVT) is at the center of most debates around education policy. However, MOEVT manages less than half of the budget for education.[iv] A number of other ministries and departments are involved, including the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG), the Ministry of Higher Education, Science, and Technology (MoHEST), the Ministry of Community Development, Gender and Children (MoCDGC), the Ministry of Finance (MoF) and the 21 regional secretariats.

One of the main reasons for the involvement of these different bodies is that much of the responsibility for primary education has been devolved to the local government level. While MOEVT continues to direct education policy, the bulk of primary education funds are meant to be under the jurisdiction of PMO-RALG and the regions[v]. However, there is no mechanism for compiling budget information for the entire sector. This presents a serious obstacle to strategic allocation of resources.[vi]

Who Makes the Budget?

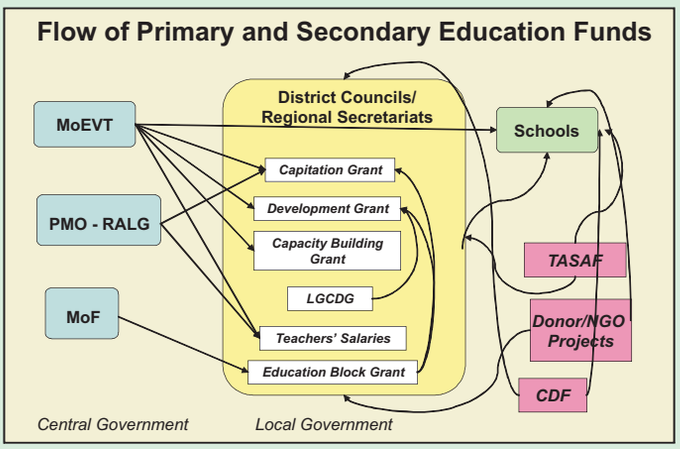
Parallel planning and budgeting processes make it difficult to follow the money for education. A bottom-up planning and budgeting process begins at village level and eventually leads to an approved budget at District Council level. At the same time, a top-down planning and budgeting process begins at Central Government Ministry level, resulting in another official budget prepared by Ministry of Finance and approved by Parliament. The two levels do not connect well and are not effectively reconciled. The resulting different budgets and plans create confusion and hamper implementation and timely disbursement. Furthermore, districts and schools receive money with detailed conditions and instructions for how to spend it, which often do not reconcile with local plans and priorities.

How does the money flow?

Money for education is spent at many different levels – by central government ministries (MOEVT, PMO-RALG) as well as agencies responsible for examinations (NECTA) and curriculum (TIE), and then at the regional, district, and school level. The number of different levels and Government bodies involved means there are often multiple channels to fund the same thing. For instance, districts receive money for the capitation grant (which provides money for books and other teaching and learning materials) from a recurrent transfer called the Education Block Grant, which passes through MoF and PMO-RALG. Districts have also received additional money for the capitation grant directly from MOEVT in recent years[vii].

Funding for secondary education is somewhat more straightforward, as the money has been transferred directly from MOEVT to secondary schools. However, this often leaves local councils in the dark.

Apart from these main channels, other financial flows are less clearly demarcated for education but are still significant sources of funding for the sector. For instance, the Local Government Capital Development Grant (LGCDG), is a transfer to qualified districts[viii] for capital investment in new infrastructure and rehabilitation. LGCDG funds can be used for a variety of things, at each district's



discretion, but have largely been spent on school infrastructure to date.

In addition, the Constituency Development Fund (CDF), expected to be established in 2007, will give each MP a set amount of public money to spend on projects in his or her constituency. This could be another source of funds for school infrastructure.

Finally, there are "off-budget" funds, such as the Tanzania Social Action Fund (TASAF), which provides discretionary grants to districts for building, or improving physical infrastructure. To date, a significant amount of TASAF money has been used for education infrastructure.[ix] Other donor- and NGO-funded initiatives also transfer resources directly to schools.

As indicated in the diagram above, this complex system makes it very difficult to follow the money for education.

Conclusion

Education is a clear priority in the 2007/08 budget, and the sector appears set to receive a substantial increase in resources. However, given the complexity of the education budget process, it is unclear whether this increase will translate into improving the quality of education. The recommendations below could help ensure that the increase in funds will have a greater impact.

What Should Be Done?

1. ***Simplify the education budget process***
   There should be a more comprehensive framework for education funding. That is - one main source of money, one main plan (budget) for spending the money, and one main report on how the money was spent.

2. ***Clarify Roles and Responsibilities***
   The division of roles and responsibilities between the various Ministries should be clear and logical. MOEVT should direct policy and coordinate things such as student examinations and pre-service teacher training. Given the move to decentralize education, PMO-RALG should be the source of all funds that get spent at the school level.

3. ***Enhance transparency***
   Education budget information should be presented in a clear and understandable way, so that parents and teachers are empowered to follow up. The current practice of publishing transfers in newspapers is commendable, but these adverts should be more comprehensive and provide more explanation. This information could also be transmitted through more popular means such as radio or TV spots, and could also be posted on school noticeboards.

---

[i] *Previous year budget figures shown in chart from 2006/07 Budget Digest*

[ii] *Overall, donor funds (including debt relief) are projected to contribute 42% of the total budget in 2007/08, according to the Minister's budget speech.*

[iii] *This brief refers to mainland Tanzania only. Zanzibar's education system is separate and not considered here.*

[iv] *Based on 2007/08 budget estimate for MOEVT compared with total sector allocation announced in budget speech*

[v] *DEGE Consult (2007), "Study on Local Level Service Delivery, Decentralisation and Governance for JICA"*

[vi] *2007 Public Expenditure and Financial Accountability Review (PEFAR), coordinated by World Bank*

[vii] *2007/08 Local Government Budget Guidelines (PMO RALG)*

[viii] *Conditions are meant to demonstrate district's capacity to effectively carry out development projects, provide counterpart funding and account for the use of funds. Districts are not eligible for these funds if they receive an Adverse opinion from the Controller and Auditor General. (2007/08 Local Government Budget Guidelines)*

[ix] *N.M. Lenneiye, (2005) "Who has the yam, and who has the knife: Social Action Funds and decentralization in Malawi, Tanzania, and Uganda", Social Protection Discussion Paper No. 0518, Social Protection Network, World Bank.*

PO Box 79401 • Dar es Salaam • Tanzania
Tel. (255 22) 2151852/3 • Fax (255 22) 2152449
info@hakielimu.org • www.hakielimu.org