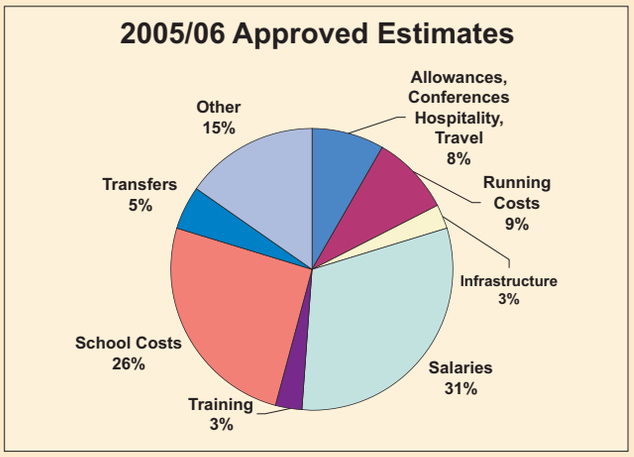
How is Money for Education Spent?

An Analysis of Recent Ministry of Education and Vocational Training (MOEVT) Expenditure[i]

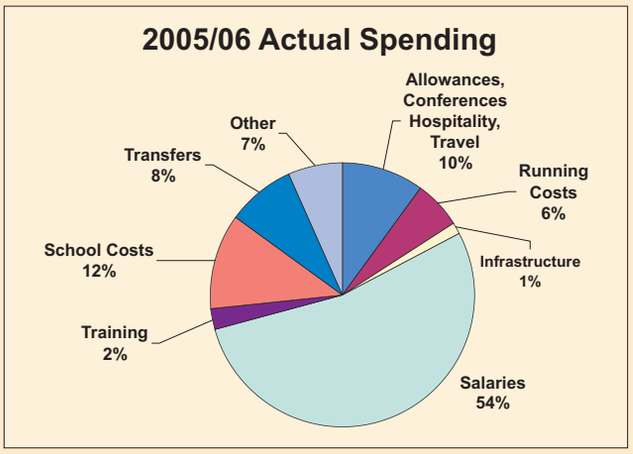
Budgets are about making choices – what to prioritize and what to leave out. This brief examines expenditure by the Ministry responsible for education in 2005/06. It also compares actual expenditure against the budget approved by Parliament, and tracks the timing of when the money was spent.

What Makes Up the Education Budget?

Budget speeches highlight important priorities, but often leave out the details. A closer look at the detailed budget figures for 2005/06 reveals that the priorities set at the beginning of the year for MOEVT were salaries, school costs, and running costs.



How was the money actually spent? In 2005/06, there were large differences between the budget approved by Parliament and how it was spent by the Ministry.



Whereas the approved budget was TZS 178 billion, actual spending was only TZS 103 billion, or only about 58% of the total. Salaries and school costs remained a priority, but allowances, conferences, hospitality and travel were also prioritized, taking up a larger share of the budget.

What were the major differences?

A lot of money authorized by Parliament, amounting to 75 billion shillings, was not spent. A closer look at the data reveals:

- TZS 14.6 billion was approved for the SEDP capitation grant, but no funds were allocated or spent
- TZS 12.4 billion was approved for "Schools" but no funds were allocated or spent
- Less than half the money authorized for school meals was spent.

Top 10 Underspends, by detailed account

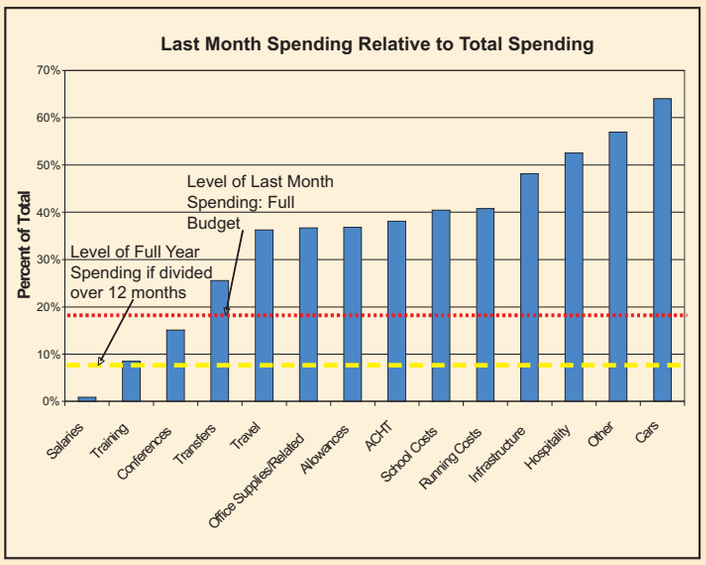
Account Description	Budget Balance (Bns of TZS)	Budget Balance (% of Budget)
1. SEDP Capitation Grant	14.6	100%
2. Institutional	13.5	97%
3. Schools	12.4	100%
4. Fees	6.0	59%
5. School Meals	4.6	45%
6. Equipment	4.3	94%
7. Buildings	3.3	70%
8. Training Materials	3.0	58%
9. Printing	2.4	90%
10. Stationery Supplies	2.1	67%

A few items were spent over the amounts authorized by Parliament. A closer examination of the top five areas of over spending reveals the type of activities that were apparently prioritized. Most significantly, the budget for catering was overspent by more than half a billion shillings. This is particularly interesting, in the light of the fact that less than half of the approved amount was spent on school meals. Other areas of over-spending included allowances, offices, services and repairs, all items that are arguably not priorities for improving education at the community level.

Top 5 Overspends, by detailed account		
Account Description	Budget Balance (Mns of TZS)	Budget Balance (% of Budget)
1. Catering	(515.0)	132%
2. Service and Repair	(138.7)	47%
3. Extra Duty	(2.9)	0.5%
4. Leave Travel	(2.7)	1.1%
5. Office Accommodation	(2.2)	N/A

What About the Timeliness of Spending?

The question of when money is spent is also important in determining the quality of expenditure, as delayed releases can disrupt plans and cause major problems at school level. While some need to be paid according to the '1/12 rule' (that is, an equal proportion of the total annual budget each month) others will sometimes need to be paid in lump sums. While this is understood, MOEVT appears to have spent considerable sums in the last month of the financial year.



Overall, in 2005/06, 18% of the total budget was spent in the final month, significantly more than 1/12, or 8.3% of total expenditure.

Notably, while spending on salaries has been consistent and timely, spending on items such as cars (63%), hospitality (52%), allowances (38%) and travel (37%) occurred largely in the last month of the year.

What Does the Education Ministry Need to Do Better?

Education is a clear priority in the 2007/08 budget, and MOEVT is set to receive more money. However, the analysis of 2005/06 demonstrates that the Ministry finds it difficult to budget for quality education, and manage actual expenditure. In particular, the Ministry needs to:

- Prepare budgets that better prioritize aspects that will improve quality of education at the school level.
- Ensure its actual spending is in line with budgets approved by Parliament. In particular, fully disburse items such as the capitation grant that can dramatically improve the school learning environment.
- Reduce budgets and overspends of items that are not essential for school level, such as catering and allowances for Ministry personnel.
- Increase transparency of budgets and actual expenditures by making this information available on the MOEVT website, in district offices and public libraries countrywide.

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[i] *Note MOEVT is responsible for less than half of total education expenditure, since a significant amount of the money for primary education flows through the Prime Minister's Office – Regional Administration and Local Government. (PMO-RALG). All information used in this brief is sourced from the 2007 Public Expenditure and Financial Accountability Review (PEFAR), which is coordinated by the World Bank*

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