# REPORT

# ON

# EDUCATION BUDGET ANALYSIS IN TANZANIA

# 2016/17 – 2020/21

**July, 2021**

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## List of Abbreviations/Acronyms

| | |
|---|---|
| ASDP | Agriculture Sector Development Programme |
| CAG | Controller and Auditor General |
| CDF | Constituency Development Fund |
| CFS | Consolidated Fund Services |
| CMT | Council Management Team |
| CSOs | Civil Society Organizations |
| DD | Decentralization by Devolution |
| DPs | Development Partners |
| ESDP(s) | Education Sector Development Plan(s) |
| FYDP | Five-Year Development Plan |
| GDP | Gross Domestic Product |
| HIPC | Highly Indebted Poor Countries |
| IFMS | Integrated Financial Management System |
| IMTC | Inter – Ministerial Technical Committee |
| LAAC | Local Authorities Accounts Committee |
| LGAs | Local Government Authorities |
| LGDGS | Local Government Development Grant System |
| MDAs | Ministry, Departments and Agencies |
| M&E | Monitoring and Evaluation |
| MoEST | Ministry of Education, Science and Technology |
| MoFP | Ministry of Finance and Planning |
| MoHCDEC | Ministry of Health, Community Development, Gender, Elderly and Children |
| MPs | Members of Parliament |
| MTEF | Medium Term Expenditure Framework |
| OC | Other Charges |
| O&OD | Opportunities and Obstacles to Development |
| PER | Public Expenditure Review |
| PE | Personnel Emoluments |
| PO-RALG | President's Office - Regional Administration & Local Government |
| PPP | Public Private Partnership |
| RS | Regional Secretariat |
| SC | Street Committee |
| TEN/MET | Tanzania Education Network/Mtandao wa Elimu Tanzania |
| TRA | Tanzania Revenue Authority |
| TZS | Tanzanian Shillings |
| URT | United Republic of Tanzania |
| VC | Village Council |
| WDC | Ward Development Committee |

## Executive Summary

The initiatives for improvement of education in Tanzania started just after independence in 1961. Since then, a number of interventions have been in place to improve the same sector. Of recent, such interventions to the sector have been channeled through Education Sector Development Plans (ESDPs) with the most current one coming to an end in the Financial Year 2020/21. In such initiatives, budget allocation and disbursement to the sector remain the key policy tool in implementation of the laid out plans, policies and objectives. Therefore, TEN/MET has found it necessary to conduct a five years' budget analysis in the Education Sector. The aim of this study was to analyze education budget trends for the period of five financial years 2016/17 to 2020/21. Data for this study was obtained through primary and secondary sources. The study employed a mixed methods research design whereby both qualitative and quantitative methods were adopted in the analysis and presentation of findings. The findings revealed that education sector has been ranked the second priority sector after infrastructure and transport sector in budget allocation during the reviewed period. Although there was an increase of 4.6 percent in budget allocation from 2019/20 to 2020/21 the trend to the rest of the period indicated a decrease in budget allocated to the sector by 5.4 percent from 2016/17 to 2019/20. The overall trend shows a one percent decrease in allocated budget during the entire period under review. Gross Domestic Product (GDP) percentage allocation to the sector was 3.6 percent while percentage allocation of national budget to the sector was 14 percent, this implies unattained international standard agreement of 6 percent and 20 percent respectively. The study unveiled that despite an increase in disbursement of development budget on average, just a small proportion of 24 percent of the total budget was allocated to development projects contrary to national standard which calls for a minimum allocation of 40 percent. Similarly, despite the fact that the government implements capitation grant scheme on annual incremental based allocation in order to improve education quality, on average during the period under review, per capita allocation trend failed to meet policy requirements especially to primary education. On improvement of academic quality through inspectorate activities, the allocation trend

revealed a substantial increase of 28 percent of budget allocated during the period under review. Similarly, there was a significant increase in the trend of budget allocated to inclusive education by 77 percent especially to people with special needs. The findings further revealed that although loanable funding to higher education students increased by 7.4 percent, more allocation is recommended because the allocated amount could not complement the increase in higher education enrolment which prevents many eligible students from getting access to higher education. The inception of fee free education scheme started by adequate allocation followed by a sharp decline in the next year by 93 percent, then it continued decreasing thereafter by 52 percent to 2020/21 with an overall decrease of 90 percent during the entire period under review. Although the scheme provides equitable access to basic education, based on this allocation trend the quality of education remains questionable.

It is recommended that the government should adhere to its commitment to international benchmark of 20 percent allocation of the national budget to education sector and 6 percent of GDP to the education sector. In the same vein the government should comply with a national requirement of 40 percent allocation of the sector's budget to development projects. This may be achieved through transparency and effective engagement of private sector through PPP, society and CSOs in the budget process. Improvement of recovery system on higher education student's loans to revamp revenue collection to higher leaning loanable funds, diversify sources of revenue including foreign sources and request for public debt relief; all these are deemed necessary in order to achieve the international standard and national allocation benchmarks.

# CHPATER ONE
# INTRODUCTION

## 1.0 Background information

Since 1997, the Government of the United Republic of Tanzania (URT) set out its vision, overarching policy and strategic objectives for the education sector in a series of five or ten-year Education Sector Development Plans (ESDPs). The latest implemented ESDP covers the five-year period from 2016/17 to 2020/21, which is aligned with the outgoing National Five-Year Development Plan (FYDP) 2016/17-2020/21. The financial implications of the strategic choices and plans set out in the ESDP required the Government's high level of commitments to achieve intended goals. The ESDP was built on the priorities of the Tanzanian Government as set out in the Tanzania Development Vision 2025, the National Five-Year Development Plan 2016/17-2020/21 and the Education and Training Policy of 2014.

The ESDP focuses on ensuring equitable access to education and training for all, including the most disadvantaged. The ESDP also sets out the need for an enhanced effort on improving the quality of education at all levels. This is necessary in order to ensure that children and young people do not merely pass through a universalized education system but that they also acquire knowledge, attitudes and life skills that will equip them to become productive, loyal and fulfilled citizens. This requires greater investment in the teaching profession, in the adoption of modern pedagogical principles, in a revamped quality assurance system and in a rigorous attention to constantly measure and improve the competencies being attained by students.

Various studies have confirmed that the provision of quality of education depends very much on the amount of budget allocated for education through ESDP and other policies. Governments around the world have committed themselves to improve the quality of education in line with the Sustainable Development Goal 4 which calls to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. In

subscribing to this goal, in the past five financial years, the Government of Tanzania committed itself to invest enough in education by increasing public spending to the sector as one of the key priority sectors for the state budgeting.

## 1.1 Problem Statement

In achieving the above said initiatives, the Government of Tanzania further committed itself to adhere to the international standards of allocating 20 percent of the annual national budget and six percent of its total GDP to the education sector. Despite the aforesaid initiatives, there has been an inconclusive debate on whether such commitments and efforts have been adequately achieved in improving access, quality and equity to boost the level of education performance in the country for the past five years in Tanzania. Specifically, following the increased demand for education at all levels, it is not yet clear on whether the budget allocated to education sector in the past five years has been sufficiently enough to enable the provision of expected quality education. It is on these grounds that TEN/MET decided to conduct a trend analytical study on education sector budget in Tanzania for the past five years (2016/17 to 2020/21). Since budget is key policy tool, the intent of the study is to establish advocacy platform for holding the government accountable for its policy commitments, budget allocations and expenditure with a positive goal to revamp realization of expected quality and equitable access to all levels of education for future developments.

## 1.2 Objectives of the Study

### 1.2.1 Overall Objective

The overall objective of the study is to analyze education budget trends for the past five years, identify ways in which civil societies and citizens can be engaged in the budget cycle, budget tracking and advocacy for increasing budget allocation in the education sector.

### 1.2.2 Specific Objectives

i. To conduct a trend analysis of Tanzania's budget and education budget for the past five years 2016/17 to 2020/21;
ii. To find out why the government of Tanzania has been failing to achieve both local and international budgetary commitments in the education sector; and
iii. To develop effective strategies for CSOs and citizens to advocate for education budget increase from the current figure to 20 percent national budget and 6 percent of GDP.

### 1.2.3 Study Analytical Questions

i. To what extent has the government allocated funds in the education sector from 2016/17 and the initiatives of budgetary increase in 2021/22?
ii. What is the proportionate trend of national budget allocated to education sector in compliance to the international benchmark of 20 percent of national budget and 6 percent of GDP to the education sector allocation requirement from 2016/17 and the initiatives of budgetary increase in 2021/22?
iii. What are the effective strategies for CSOs and citizens to advocate for education budget increase?

## 1.3 Significance and Scope of the Study

The findings of this study shall provide a clear understanding on relevant ways in which civil societies and citizens can engage in the budget cycle, budget tracking and performance review. This shall allow them to play their advocacy role on appropriate education sector budgetary improvements. Consequently, the Government should adhere to its basic budgetary commitments stipulated in education based policies and plans, in order to improve the sector's performance in Tanzania. The study was conducted in Mainland Tanzania focusing on education sector budget analysis from 2016/17 to 2020/21.

## 1.4 Organization of the report

The remainder of this report is presented as follows: chapter two highlights on the budget process in Tanzania, chapter three focuses on methodology and data used, chapter four presents the discussion of findings while chapter five highlights on conclusions and recommendations.

# CHAPTER TWO
# THE NATIONAL BUDGET PROCESS IN TANZANIA

## 2.0 Overview

The Government budget is a plan which identifies how the government will collect and spend its revenues to implement different activities for socioeconomic development in a particular fiscal year. Some of the activities include provision of social services in health, education, water and sanitation as well as implementation of development projects with the aim of promoting economic growth and improving quality of life for its citizens. A sound budget serves as a tool for economic and financial management accountability. Also, the budget serves as a mechanism for allocation of resources among different needs and priorities as well as bringing economic stability and growth. According to the Principal - Agent Theory, the Government stands as an agent to the public to collect and allocate financial resources to various socioeconomic activities on behalf of the people who vested the Government with such powers on their behalf.

Revenues as an element of government budget framework consist of domestic and foreign funds. Domestic revenues are made up of tax and non-tax revenues. Tax revenues are primarily collected by the Tanzania Revenue Authority (TRA). The main categories are income taxes, excise duty on domestic sales and on imports, Value Added Tax (VAT) and miscellaneous taxes. Non-tax revenues are collected by Ministries, Departments and Agencies (MDAs); Regions and Local Government Authorities (LGAs). These include dividends, royalties, user fees and charges. Foreign funds comprise of loans and grants provided through budget support, basket arrangement, and project support by foreign countries as well as multinational institutions. They also include grants provided through the Highly Indebted Poor Countries (HIPC) relief initiatives.

The expenditure framework consists of recurrent and development expenditures. The recurrent expenditure is made up of Consolidated Fund Services (CFS) which is broken down into domestic and foreign interest payments, amortization of foreign and domestic

debts and other expenditures; Personnel Emoluments (PE) and Other Charges (OC). Development expenditures are outlaid on programmes and projects. They may be financed using domestic or foreign funding.

The government budget in Tanzania is prepared and implemented on an annual basis. It is worth noting that, the budget process is cyclic and runs according to the financial year also called the fiscal year, rather than the normal calendar year. The financial year starts from 1 July – 30 June. It is cited in terms of the year it starts as well as the year it ends, for instance, "FY 2020/21."

Budget estimates for the next financial year are prepared and presented to the public between November and June, prior to the beginning of the financial year to which the budget is prepared. Although the national budget is once presented to the general public through the Parliament in June each year, its process including preparation and implementation is continuous and cyclic in nature which involves a number of key players and various resources to complete a cycle.

## 2.1 Key Players and their Roles in the Central Budget Process

Budget stands as a policy tool to authorize the Government to spend money for implementation of various policies and plans. It is worth noting that the policy framework is an important aspect to provide guide to the budget process in each year. Although the budget is prepared annually, many of the relevant policies and plans span multiple years and outline longer term goals – for instance, the Tanzania Development Vision 2025, Ruling Party Manifesto 2020/21 to 2025/26 and Five Year Development Plan (FYDP) 2021/22 to 2024/25 which is currently at Phase III.

Additionally, the budget process is governed by a legal framework having a number of laws including the Constitution, Budget act 2015, the Public Finance Act, 2004 (RE), the Local Government Finance Act, 1982 (as amended), and various statutes. These laws lay out the roles and responsibilities for various key players in the budget process. The following are the key players in the budget cycle with their respective roles;

### *2.1.1 Tanzania Revenue Authority*

TRA acts as a central body for the assessment and collection of specified revenue, administers and enforces the laws related to such revenue, and provides for related matters of revenue in Tanzania mainland and Zanzibar. TRA became operational in July 1996, replacing the former independent Treasury Departments of Income Tax, Customs, Sales, Inland Revenue and the Institute of Tax Administration.

### *2.1.2 President and Cabinet*

The Cabinet through the Minister for Finance and Planning (MoFP) is responsible for presenting the budget before the legislature for approval. Various cabinet ministers also present their respective sectoral budgets for their Ministries, Departments and Agencies (MDAs) for debate and approval by the legislature. The Cabinet has the responsibility of defending the budget and ensuring that it is passed by the legislature.

### *2.1.3 Minister for Finance and Planning*

The Ministry of Finance and Planning (MoFP) plays a central role in the budget process and justifies separate mention. MoFP makes projections, sets ceilings for budget allocations, negotiates priorities, collects revenues, and disburses funds. The Ministry also plays an important controlling function through the Accountant General, who is responsible for ensuring that all financial transactions and reporting is done according to the proper regulations.

### *2.1.4 Budget Guidelines Committee*

The Budget Guidelines Committee includes representatives from MoFP, Public Service Management, and the President's Office - Regional Administration & Local Government (PMO-RALG). This committee is responsible for developing the Planning & Budget Guidelines.

### *2.1.5 Donors*

Given the sizeable contribution of foreign aid to Tanzania's budget, donors also have an impact on the way in which the budget is prepared and implemented. Donors (also called development partners or DPs) participate in consultations that inform budget formulation, disburse funds, and monitor public spending and expenditure systems.

### *2.1.6 Parliament*

The main responsibilities of Parliament in relation to the budget process are: scrutinizing the budget through various standing committees; adopting or rejecting the budget in Parliament; monitoring the implementation of the budget and the performance of MDAs; and overseeing the use of public funds. The Parliament does not have power to amend the budget in Tanzania or to reallocate funds. Although it can refuse to adopt the budget presented by the executive, the consequences of this step are profound- the President has the constitutional power to dissolve Parliament in response.

### *2.1.7 Controller and Auditor General*

The Controller and Auditor General (CAG) is the Supreme Audit Institution in Tanzania. The CAG is responsible for, among other things, ensuring that the expenditure of public monies has been properly authorized and applied for the intended purposes. It should also ensure that in the economy, efficiency and effectiveness have been achieved in the use of public resources. The CAG has extensive powers to subpoena officials with the essence of obtaining required information from them. The willful obstruction of the work of the CAG, or failure by any public official to provide the CAG with access to any item of information, constitutes a criminal offence.

### *2.1.8 Private Sector*

In addition to contributing the majority of domestic tax revenue, the private sector plays a consultative role in the budget process. Most notably, the private sector participates actively in an annual consultation on the revenue framework, which occurs before the budget is formulated each year. Their concerns are often taken on board when designing or revising tax policies.

### *2.1.9 Civil Society*

Civil society plays a number of different roles in the budget process, though its formal role is limited to a consultative one. The formal role of civil society has been that of participating in the Public Expenditure Review (PER) and related processes. Informal roles include analyzing public budgets, producing simplified and popular versions of the budget and related documents, playing a watchdog role, tracking expenditure at the local level, and advocating for improvements in terms of specific requests and overall transparency and accountability. Civil society's informal roles are arguably more effective, particularly when combined with strategic use of media and citizen engagement.

## 2.2 Overview of the Central Budget Process in Tanzania

As indicated earlier in this chapter, the budget process is a continuing cyclic set of progressive steps taking place throughout the entire process to make a complete cycle per annum. It is actually about the annual budget cycle of events and activities. Essentially it involves the determination of resources and their uses for attainment of government objectives. For simplicity, four stages have been identified to depict the entire budget process namely; Budget Preparation, Scrutiny of Budget Proposals and Authorization, Budget Execution and Monitoring and Evaluation (M&E).

### *2.2.1 Budget Preparation*

The budget estimates are formulated in line with detailed macroeconomic forecasts on future growth, inflation and external sector (import) trends. Donor/Government Consultations assist the budget process by confirming donor financial commitment in the budget. These discussions take place between MoFP, sectors and development partners. Once the macro-policy and sectoral performance review and resource projections are completed, the government then sets budget priorities through goals, objectives and targets which should be achieved in the forthcoming financial year.

The budget frame is also formulated for a longer three-year time period in a document called the Medium Term Expenditure Framework (MTEF). Budget guideline is prepared by a Committee which comprises of representatives from MoFP, President's Office- Regional Administration and Local Government. The Budget Guidelines contain:

- An overview of macroeconomic performance and projections
- Vote expenditure ceilings based on resource availability; and
- Procedures for preparation and submission of the draft budget to the Ministry of Finance and Planning.

### *2.2.2 Scrutiny of Budget Proposals and Dialogue*

i. The Inter – Ministerial Technical Committee (IMTC)

This is a committee of all Permanent Secretaries which has a role to scrutinize budget proposals before they are finally approved by the cabinet. To facilitate the discussions, the MoFP prepares a draft cabinet budget paper that covers the budget frame, the financial demands after dialogue with MDAs, the government priorities and financial implications. After a thorough review, the IMTC may require the MoFP to make further technical improvements on the paper or put up recommendations for consideration by the Cabinet.

ii. Cabinet approval of Estimates

The Cabinet budget paper is then discussed by the cabinet after preliminary review by IMTC. The role of the cabinet is to deliberate on the budget cabinet paper and then approve government budget proposals for fiscal year in question before they are submitted to the legislature.

iii. Parliamentary Sector Committees

The process of obtaining Parliamentary authorization starts with discussions by Sector Committee and preliminary briefs are provided by the Minister of Finance Planning. MDA's detailed budgets are then submitted to Parliamentary committees for scrutiny one by one.

### *2.2.3 Public Debate and Authorization*

After the estimates have been reviewed by the sector committees of the Parliament, they have to be tabled to parliament for debate and authorization. The major events during Parliamentary debate and authorization of the government are as follows: -

- Presentation of a Public Speech on macroeconomic performance and projections by the Minister for Finance and Planning.
- Presentation of the government budget proposals to Parliament by the Minister of Finance and planning through a budget speech.
- Parliamentary debates/discussions on sector estimates submitted by each minister responsible in a respective sectoral Ministries.
- Parliamentary approval of estimates by passing the Appropriation Bill; and
- Parliamentary approval and passing the Finance Bill that empowers the Minister for Finance to raise the money and finance the budget.

### *2.2.4 Budget Execution*

Budget execution is an important stage of the budget process as it is at this stage that actual revenue collections and service delivery takes place. Execution of the

budget therefore is about the collection and accounting for revenue, provision of services through the recurrent budget and implementation of development projects. The key documents used during implementation of the budget are Revenue and Expenditure estimates books, action and cash flow plans and budget memorandum. Main activities are: -

- Release of funds by the MoFP
- Collection and accounting for revenue collections by TRA and other MDAs. Accounting officers are appointed as receivers of revenue and accountable officers for expenditure in accordance with the Public Finance Act, 2001.
- Delivery of services and project implementation by institutions. This involves both government institutions and Development Partners. Donors are required in some cases to release funds and award of contracts.
- Maintenance of proper Accounts for control and Accountability.
- Reporting on budget performance (both financial and physical) and evaluation.
- Project inspection and expenditure monitoring.

The Ministry of Finance publishes quarterly Budget Execution Reports to maintain transparency on actual use of public funds in line with the budget estimates approved by Parliament.

### *2.2.5 Budget Monitoring and Evaluation*

Budget monitoring and evaluation are necessary for closer supervision of work programmes and projects. This involves a continuous tracking of the plans and budget in order to identify achievements and bottlenecks during the course of budget implementation. Basically, monitoring and evaluation focuses on: -

- Accountability – to ascertain appropriateness of expenditure and revenue and their conformity to the authorities through financial reports.
- Management assistance – for providing management with information on performance.

#### *2.2.5.1 Mechanisms for Monitoring*

- Periodic reporting and follow up.
- Internal Audit.
- External Audit.
- Parliamentary control.
- Budget Review and Adjustments.
- Project inspection.

However, the overall monitoring of public expenditure is now effected largely through an Integrated Financial Management System (IFMS). This is a computerized system which links up most of the government paying stations. Therefore, most payments are centralized and controlled. Hardly expenditure or commitment can be incurred without financial provision from IFMS. Major outputs from IFMS include:

- Monthly flash reports on revenue collections and expenditure
- Quarterly and annually performance reports
- Control of excess spending beyond approved budgets
- Specific reports based on user requirements

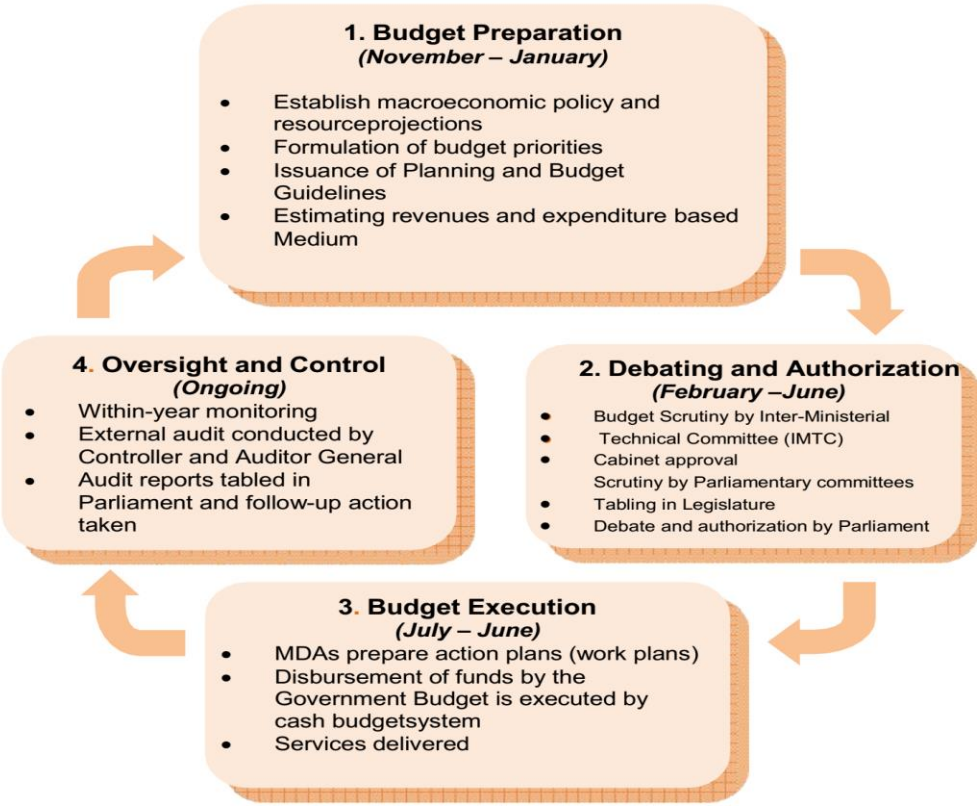


*Figure 2.1 Central Government Budget Cycle*

## 2.3 Overview of Local Government Budget Process

Tanzania Mainland is divided into districts, municipalities, cities and towns, collectively known as Local Government Authorities (LGAs), each with its own elected council. Under the government's Decentralization by Devolution (D-by-D) policy, these LGAs are playing an increasingly important role, particularly in the delivery of social services, including primary education, health services, water supply, agricultural extension services and local roads development.

Although the LGAs budget estimates feed centrally to the central budget cycle through *PO-RALG Ministry* as described above, the process in which LGA is established is quite unique compared to the rest of the ministries. The D-by-D related reforms have created valuable new opportunities for community members and civil society to engage with the budget process and influence how these important services are

delivered. Therefore, it is imperative to describe the budget process at LGA level as discussed hereunder.

## 2.4 Key Players in the Local Government Budget Process

### *2.4.1 Ministry of Regional Administration and Local Government in the President's Office (PO-RALG)*

PO-RALG is the central government body which is in charge of overseeing the operations of the LGAs and councils. It provides to local government authorities policies and guidelines to be followed by LGAs in the districts and councils.

### *2.4.2 Line Ministries*

These are central government sectoral ministries such as the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDEC) or the Ministry of Water which set sector-specific policy guidelines and are consulted on allocations of resources to local government for their sectors.

### *2.4.3 Regional Secretariat (RS)*

At the regional level, the Regional Secretariat, headed by Regional Administrative Secretary (RAS), acts as a linking body between the central government and LGAs in the districts and councils. It also facilitates dissemination of relevant information and guidelines on planning, budgeting and implementation.

### *2.4.4 Council Directors*

At LGA level, council directors (District Executive Directors or Municipal Directors) are responsible for overseeing budget formulation and implementation. The local heads of sector departments, the Council Management Team (CMT), provide technical inputs in preparation of budgets and are responsible for the implementation of their respective sections of the budget.

### *2.4.5 Council*

Additionally, at LGA level, the council, which is made up of elected ward councilors and local Members of Parliaments (MPs), has a key role in reviewing and approving the proposed budget.

### *2.4.6 Ward and Village Development Committee*

The Ward Development Committee (WDC), is a coordinating body linking the district/municipal council to the villages, streets and suburbs below it. Members of WDC include the Ward Councilor, Village/Street Chairpersons and the Ward Executive Officer. In rural LGAs, each village has a Village Council (VC), whose members are the Village and Sub-Village Chairpersons and appointed village leaders. In urban councils (cities, municipalities and town councils), the closest equivalent to the VC is the Street Committee. All these are important initiators for establishing LGAs plans and budget through Opportunities and Obstacles to Development (O&OD) approach.

## 2.5 Local Government Revenues

As with the central government, LGAs receive funds from a number of different sources. The vast majority of funding comes in the form of transfers and grants from the central government through a number of different channels including the following

- ***Recurrent and general purpose block grant:*** These are provided for salaries and operating costs in each of the key social sectors (health, education, rural water, agriculture and roads) and general administration costs.

- ***Sector Basket Funds and Subventions:*** Provided for additional recurrent funding to key sectors direct from the respective ministries. For instance, the Agriculture Sector Development Programme (ASDP) to supplement agricultural activities in the respective local government.
- ***The Local Government Development Grant System (LGCDG):*** Such fuds provide LGAs with a significant and predictable amount of funding to spend on development projects (new or rehabilitated infrastructure) according to local priorities.

In addition, a small proportion of LGA funds come from local tax revenues also known as ownsource revenues. A very small amountcomes from LGA borrowing. Moreover, the Constituency Development Fund (CDF) also provides additional resources for development to particular councils in which the constituencies are located by channeling funds to constituencies under the management of Members of Parliament. Finally, an important contribution is made by community members themselves towards the capital cost of new investments, such as classrooms construction projects.

## 2.6 The Local Government Budget Cycle

### *2.6.1 Budget Formulation, Debate and Approval*

The process for formulating, debating and approving local government budgets is to

ensure that the needs and priorities of the community are heard. A village-and street-

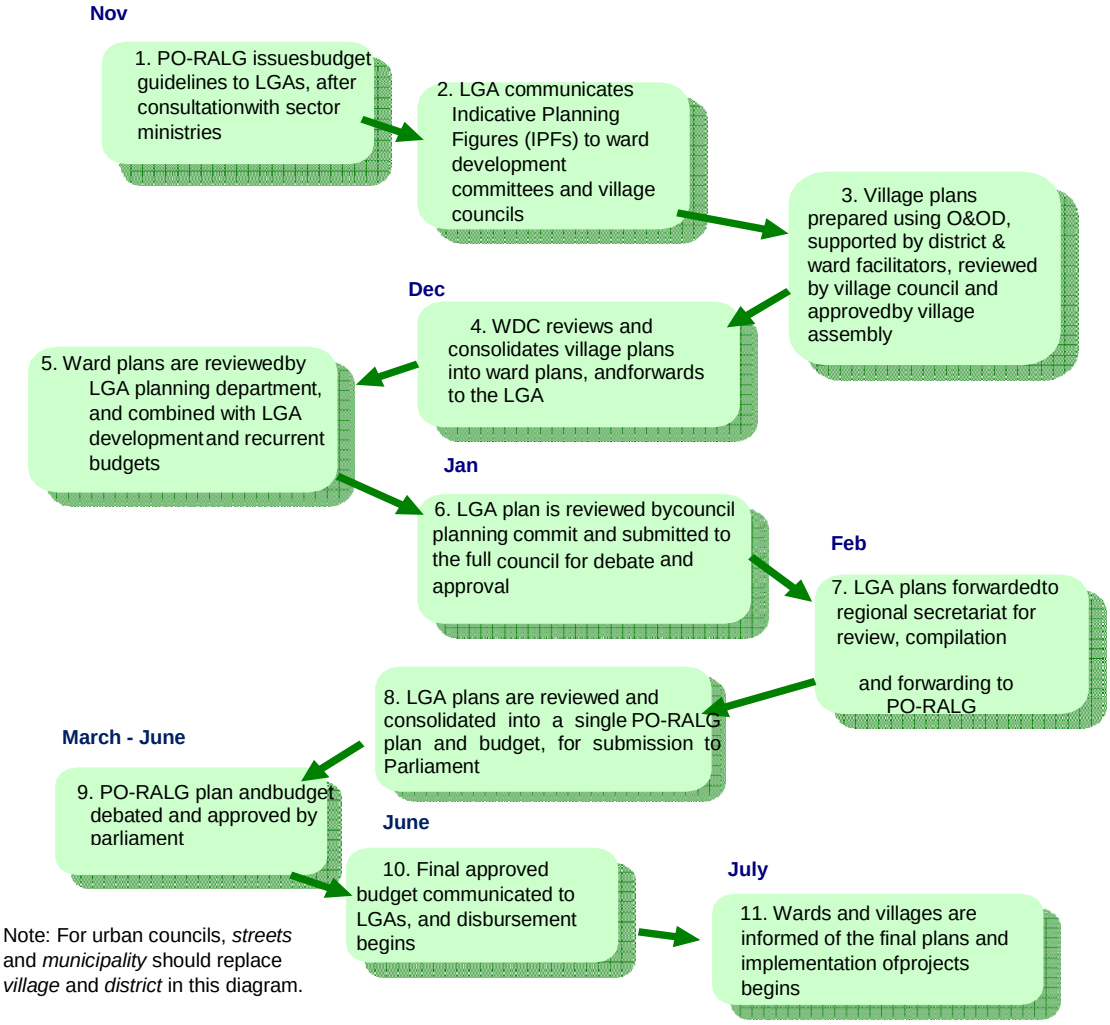


*Figure 2.2 LGAs Budget Cycle*

level participatory planning process, known as Opportunities and Obstacles to Development (O&OD) feeds local priorities into a system of review, debate and approval that goes all the way up from village or street level to central government, by involving the ward, district and regional government. This process is explained in Figure 2.1.

Unfortunately, the reality of local government budgeting is not nearly as participatory as the official policy guidelines suggest. National development priorities have to be balanced against local preferences, and plans pass through so many hands before they are finally approved that there are often significant changes from the village

and street's original intentions. Furthermore, the process often starts late and with unreliable planning figures, which makes it hard to conduct meaningful participatory planning.

### *2.6.2 Budget Execution, Oversight and Control*

#### *2.6.2.1 Budget Execution*

Up on Parliamentary approval of PO-RALG's consolidated plan and budget, the LGAs and regional secretariats are sent copies of the approved budget books. The Treasury in the Ministry of Finance disburses allocations of funds to all ministries including PO-RALG and LGAs on a regular basis, although there are often delays particularly for disbursement of development funds. At the local government level, district and urban councils inform wards, villages and streets that funds have been received, and details are placed on public notice boards.

LGAs issue expenditure guidelines to wards, villages and streets based on the approved budget, and begin project implementation. It is possible for council directors to alter their approved budget during the financial year, and this often happens. In such cases, wards and villages should be informed promptly, including an explanation of the reasons behind the change.

#### *2.6.2.2 In year Oversight*

At village, Street and ward level, the Village Council (VC), Street Committee (SC) and Ward Development Committee (WDC) are also supposed to meet quarterly to review progress at their level. The VC and SC should present progress reports to the village assembly or street assembly of all adult community members.

#### *2.6.2.3 Audit*

As with central government, the accounts of all LGAs are required to be audited by the national audit office (CAG). The Parliamentary Local Authorities Accounts

Committee (LAAC) is responsible for reviewing CAG reports for LGAs and for holding accounting officers accountable.

However, given the multiple sources of funding obtained by LGAs, local councils can be subjected to a number of inspections and audits during the course of any given year. These include:

- A separate audit of the Road Fund by the CAG;
- An audit for the Health Basket funds;
- An audit for the education sector (ESDP); and
- Audits commissioned by donors on their individual programme (s).

Finally, there is the Local Government Capital Development Grant Annual Assessment conducted in each fiscal year for all LGAs. The process entails LGAs being judged against the Minimum Conditions and Performance Measures that determine whether they qualify to receive the Local Government Capital Development Grant in the subsequent financial year, and whether they qualify for any financial bonuses or penalties.

# CHAPTER THREE

# METHODOLOGY

## 3.0 Method Overview

The study applied mixed study design both qualitative and quantitative method. The trend line analytical approach was employed to establish trends of budget allocation and expenditure in Education Sector for the past five years from 2016/17 to 2020/21. In order to achieve the objectives of the study both primary and secondary data were collected. Primary data were obtained from a randomized sample of 12 education based organizations in the public and private sectors from five randomly selected regional based strata in Tanzania. A stratified random sample was drawn from an established list of 80 education stakeholders' entities. Only 12 entities involved in the study responded by duly filling in an open ended questionnaire to get appropriate primary data. The data were used to find out the reasons for failure of Tanzania to attain its aspiration to achieve allocation benchmark of 20 percent of the national budget and 6 percent of her GDP to the education sector. Similarly, data were also used to find out effective strategies for CSOs and Citizens to advocate for education budget increase. Presented in Table 3.1 is a regional distribution of the sample used in this study.

**Table 3.1: Sample Used in the Study**

| S.N | Regional Strata | Number of Respondents/Organizations |
|---|---|---|
| 1 | Dar es Salaam | 5 |
| 2 | Morogoro | 3 |
| 3 | Arusha | 2 |
| 4 | Kagera | 1 |
| 5 | Kilimanjaro | 1 |
| | **Total** | **12** |

Secondary data set was obtained from the budget books of the Ministry of Education, Science and Technology (MoEST) and from the President's Office Regional Administration and Local Government (PO-RALG). Both data sets were accessed through the Ministry of Finance and Planning which is the custodian for the national budget. Secondary data

obtained and used in this study were budget figures of allocated and disbursed funds to votes and sub votes of education sector. The data were obtained through budget books and various reports presented during the period under review. The results of the budget analytical trends are discussed under each objective in Chapter Four.

# CHAPTER FOUR

# FINDINGS AND DISCUSSION

## 4.0 Overview

This chapter presents findings based on the analytical method presented in chapter three. The presentation hinges on specific objectives of the study starting with the discussion on the overall budget allocation trends in Education Sector followed by allocation trends to the key specific areas. A subsequent discussion focuses on reasons for failure of the sector to achieve international budgetary commitments and proposed strategies to advocate for budget increase. The results are discussed under each objective as presented hereunder:

*Objective 1: To conduct a trend analysis of Tanzania budget and education budget for the past five years*

Under this objective two main parts of the education budget trends were analyzed. First, overall trends of education budget for the past five years. Second, budget trends based on three key specific mainstays of education these are; access, quality and equitable education in Tanzania.

## *4.1 Overall Budget Trends in Education Sector*

Figure 4.1 depicts the trend of total education budget allocated from 2016/2017 to 2020/21. During the reporting period, the overall budget allocation trend shows a decreasing trend of the budget allocated to the sector which is equivalent to one percent decrease compared to the base year 2016/17. Although there was an increase of 4.6 percent in budget allocated from 2019/20 to 2020/21, there was a decrease in budget allocated to the sector by 5.4 percent from 2016/17 to 2019/20. This implies that generally the budget was allocated to the sector at a decreasing rate throughout the period under review.

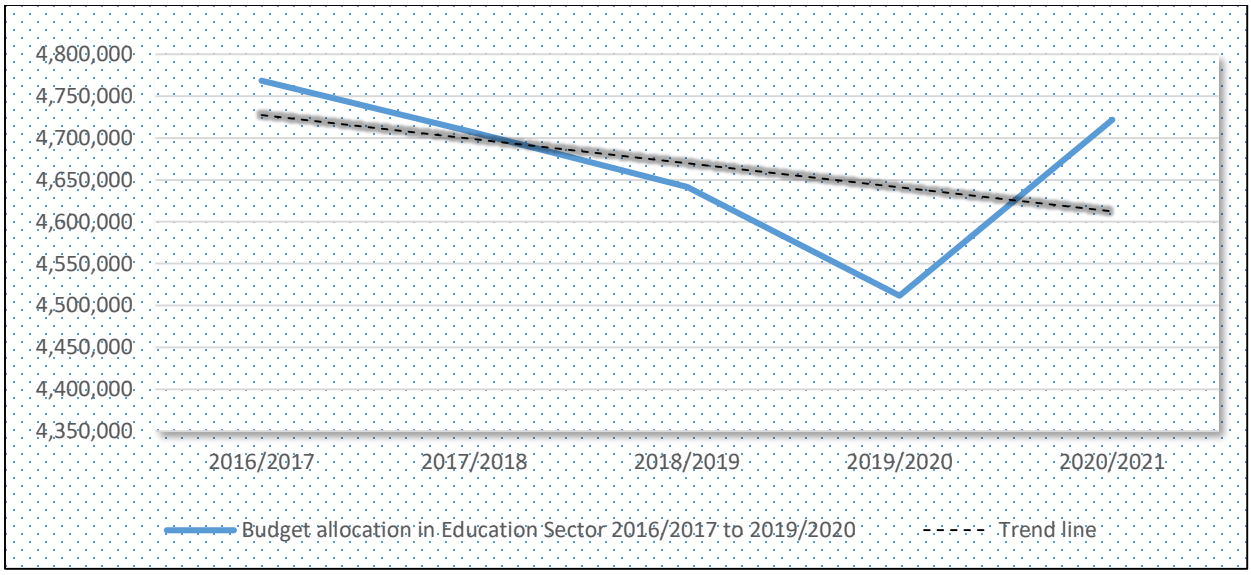


*Figure 4.1: Overall Budget Trend in Education Sector* *Source: MoPF, 2016 - 2021*

### *4.1.1 Education Sector Budget as Percentage of National Budget*

During the period under review, the proportional allocation of budget to education sector as percentage of the national budget indicates a decreasing trend (see Figure 4.2). The trend indicates a negative relationship over the entire period in which there had been a decrease in percentage of the national budget allocated to education sector from 16 percent in 2016/217 to 13 percent in 2020/221. The overall allocation is 14 percent which is less by 6 percent compared to international standard benchmark of 20 percent of the national budget allocation to education sector that Tanzania is committed to attain.

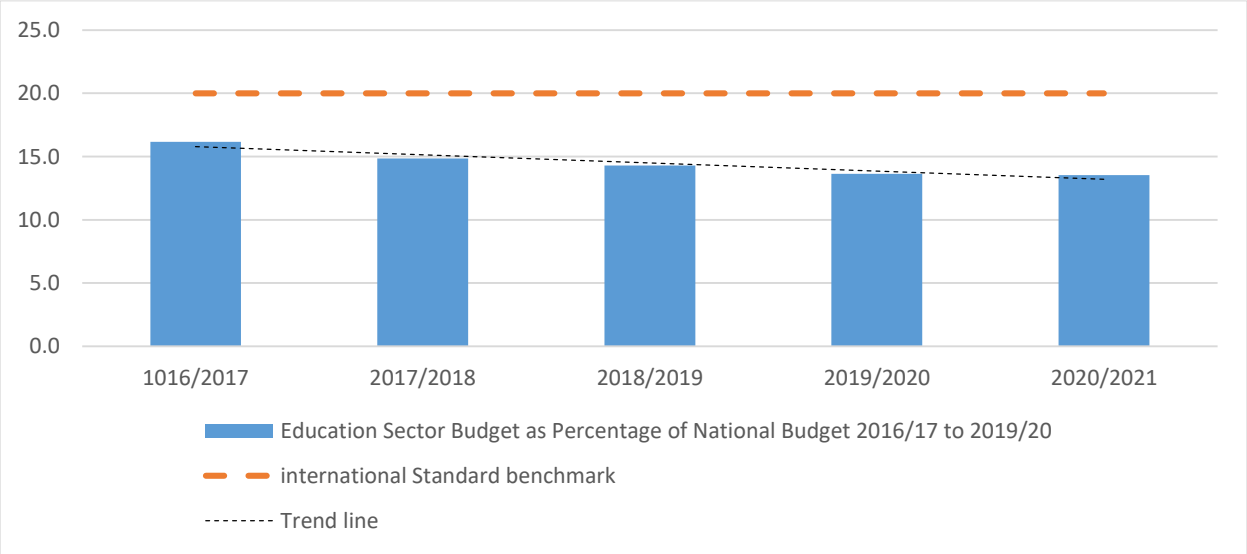


*Figure 4.2: Education Sector Budget as Percentage of National Budget* *Source: MoEST, PO-LGA, 2016-*

*2021*

### *4.1.2 Education Sector Budget Trend as Percentage of GDP*

The proportional allocation of national budget to education sector as percentage of the GDP at current market prices indicates a decreasing trend during the reporting period (see Figure 4.3). The trend indicates a continuing decrease in budget allocation as percentage of GDP from 4.2 percent in 2016/17 to 3.3 percent in 2020/21. On average, the overall allocation has only been 3.6 percent which is 2.4 percent less compared to the international standard benchmark of 6 percent that Tanzania is committed to attain.

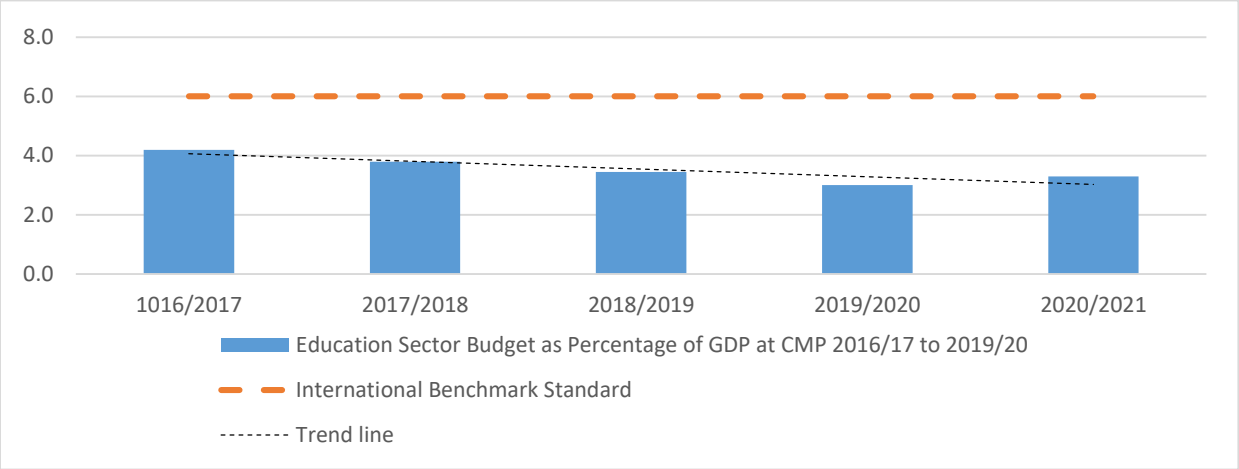


*Figure 4.3: Education Sector Budget as Percentage of GDP* *Source: MoFP, 2016-2021*

### *4.1.3 Development Budget as Percentage of Education Sector Budget*

The government requirement calls for allocation of at least 40 percent of total budget allocation to development activities. Figure 4.4 presents the proportionate development budget as percentage of total budget in education sector. The figure unveils the failure to achieving the 40 percent allocation requirement to education sector. As indicated in the figure the lowest achieved allocation was in 2016/17 which was 23 percent while the highest was recorded in 2020/21 which was 25 percent. On an average, the allocated amount was 24 percent which is far less compared to the national requirement of 40 percent of the total budget allocation to development activities.

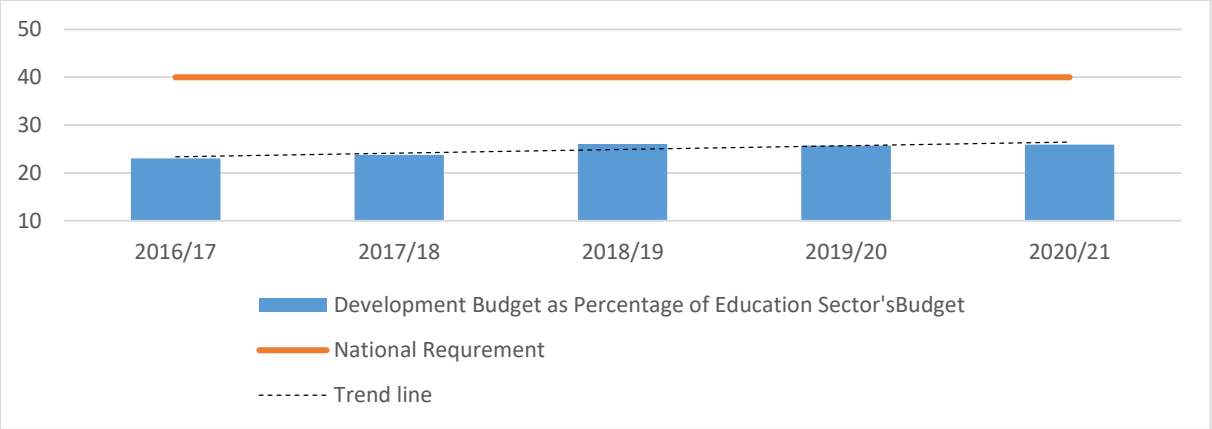


*Figure 4.4: Development Budget as Percentage of Education Sector's Budget; Source: MoEST, PO-LGA, 2016-2021*

### *4.1.4 Performance Trend of Education Sector Recurrent budget*

Recurrent budget is the amount of funding set aside to cater for all recursive expenses including personal emoluments to staff and to clear other day to day bills. The overall allocation of recurrent budget presented in Figure 4.5 depicts a decreasing trend from TZS. 3.7 trillion in 2016/17 to 3.3 trillion in 2020/21. Given the increase in enrolment to basic education due to fee free education, the trend had not been supportive enough to cater for the associated expenses such as new recruitment of teachers, provision of capitation grants and other operational costs to support the increase in enrolment.

Figure 4.2 presents the performance of budget execution during the period under review with exception of the Financial Year 2020/21 which was not included because it is yet to be completed.[1] The figure indicates the varying performance throughout the period under review. The best performance on recurrent budget is depicted in 2019/20 while the worse is in 2017/18 in which disbursed amount exceeded the allocated amount. Although there has been variation on the amount disbursed to cater for recurrent expenses in the Education sector, on average the disbursement has been more than 97 percent of the amount allocated during the period under review. This implies a well performance of education sector in running its daily operations during the period under review.

[1] The analysis for this part has been placed as standalone in sub section 4.1.9.

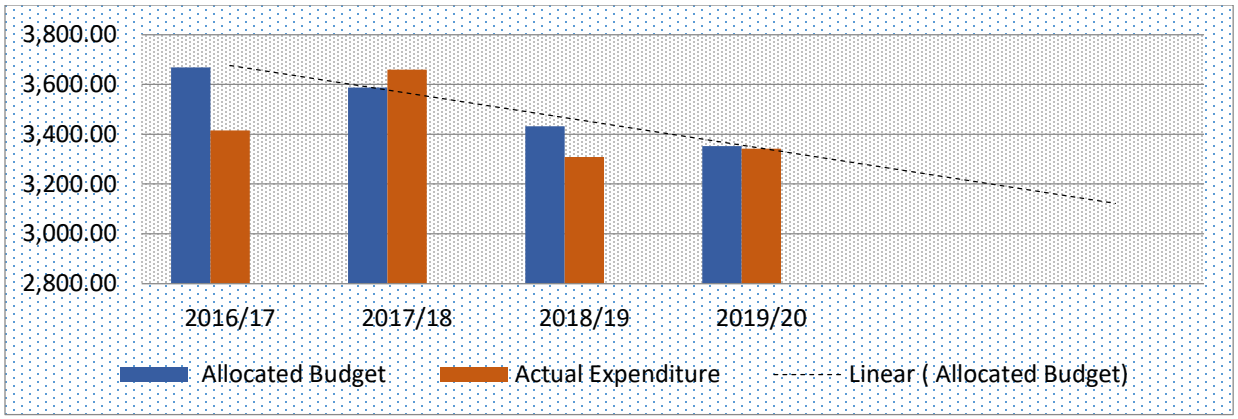


*Figure 4.5: Performance Trend of Education Sector Recurrent Budget* *Source: MoEST, PO-LGA, 2016-2020*

### *4.1.5 Variance Trend of Recurrent Budget*

The variance analysis provides in-depth description to the previously described performance of recurrent budget in section 3.2.1. Figure 4.6 depicts the performance trend of recurrent budget by surplus or deficit based on the actual amount disbursed against approved budget during the period under review. In 2016/17, 2018/19 and 2019/20 the variance indicates an accounting surplus. In 2016/17 the biggest amount of funds equivalent to TZS 253.14 billion (seven percent) of approved recurrent budget was unspent while the smallest amount of TZS 10 billion was recorded unspent in 2019/20 which is equivalent to 0.3 percent of approved budget. However, in 2017/18 there was an accounting deficit of TZS 72 billion implying an over expenditure of this amount was done outside the approved budget which is equivalent to 2 percent of approved recurrent budget.

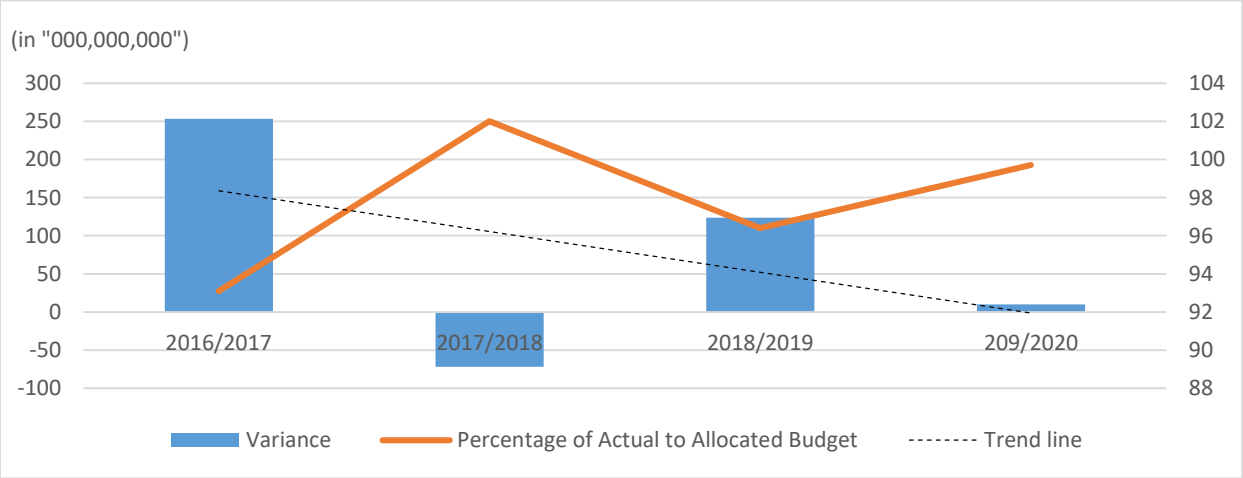


*Figure 4.6: Variance Trend Analysis – Recurrent Budget* *Source: MoEST, PO-LGA, 2016-2020*

### *4.1.6 Performance Trend of Education Development Budget*

Development budget implies capital expenditure set aside to cater for all development projects such as new school constructions, staff long term training and rehabilitation of existing premises. Figure 4.7 presents the performance level of budget executed during the period under review with an exception of the Financial Year 2020/21 which has not been included because it is yet to be completed.[2] Although the trend indicates a relatively slight decrease in the level of actual amount spent from 2018/19 to 2019/20, the overall performance level had been relatively increasing from 2016/17 to 2020/21. The best performance level was recorded in 2018/19 while the lowest performance level in 2016/17. Despite the above said variation, on average the development budget disbursement was 82 percent per annum of the amount allocated in education sector during the period under review. This implies a well performance of education sector development budget implementation during the period under review. This is explained by the major rehabilitations of academic institution which took place during the period under review.

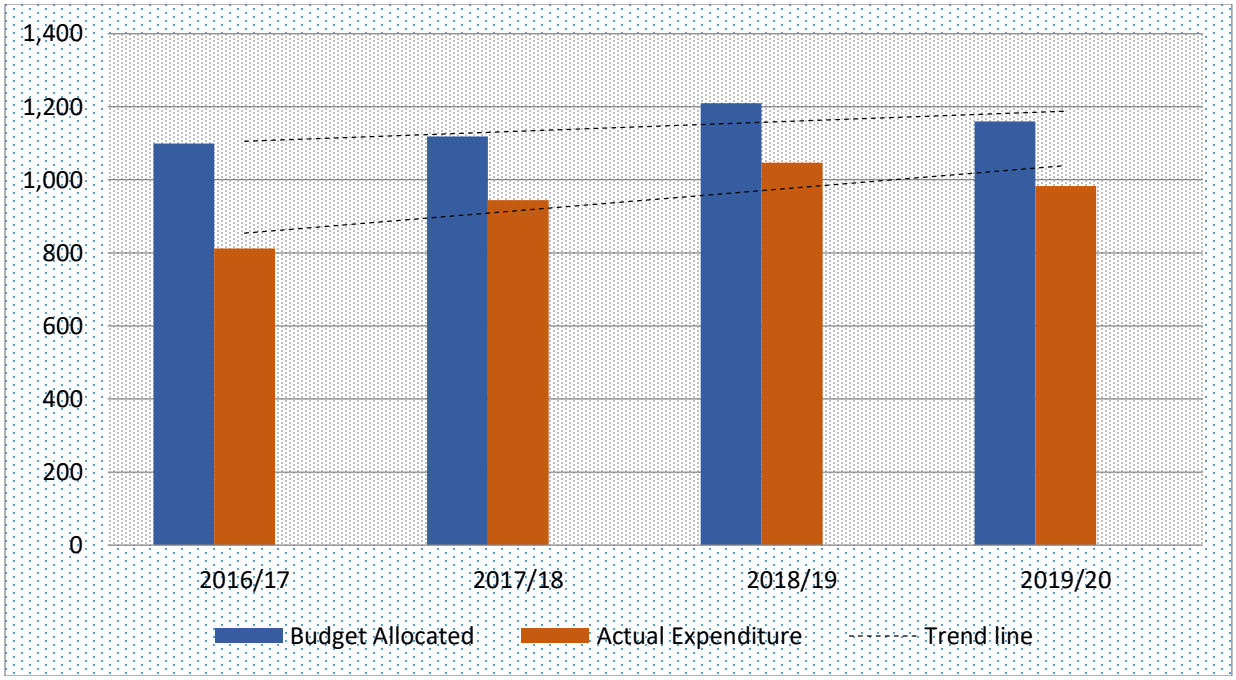


*Figure 4.7: Performance Trend of Education Sector Development Budget* *Source: MoEST, PO-LGA, 2016-2020*

[2] The analysis for this part has been placed as standalone in sub section 4.1.9.

### *4.1.7 Variance Trend of Development Budget*

Figure 4.8 depicts the performance trend of development budget by surplus or deficit based on the actual amount disbursed against approved budget. The budget allocation had been increasing from 2016/17 to 2020/21. During the period under review, the variance indicates an accounting surplus throughout the entire period. In 2016/17 a biggest amount of TZS 287 billion (26 percent) of the approved development budget was unspent while the smallest amount of TZS 163 billion was recorded in 2018/19 equivalent to 15 percent of approved development budget. On average during the period under review 12 percent of approved budget was unspent per annum equivalent to an average of TZS 208 billion. Although the development budget performance is quite well, if the 12 percent less disbursement could be disbursed there would be more improvement of existing infrastructure and probably construction of new infrastructure.

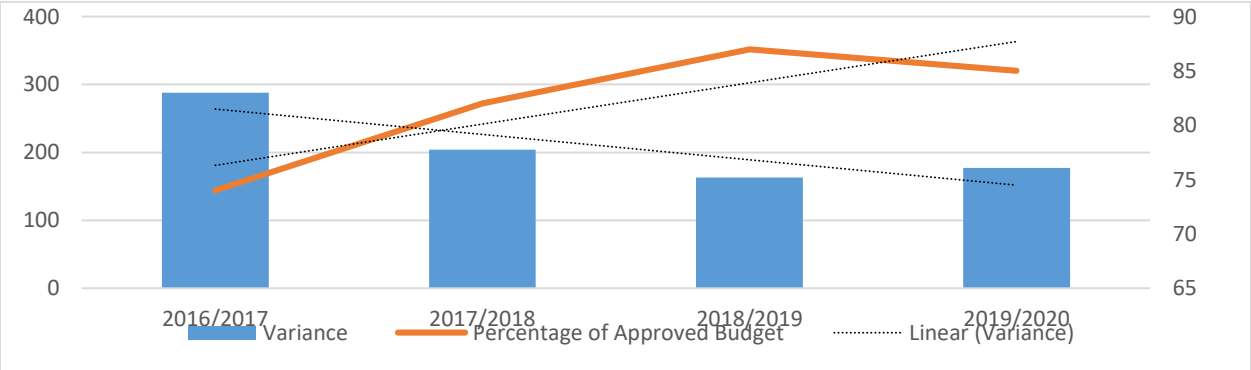


*Figure 4.8: Variance Trend - Development Budget* *Source: MoEST, PO-LGA, 2016-2020*

### *4.1.8 Mid-Year Performance Review of Education Sector Budget 2020/21*

Figure 4.9 depicts the Mid-Year performance of recurrent and development budget in 2020/21. The performance indicates that, the recurrent budget disbursed is 46 percent of the total allocated budget in 2020/21 in the Education Sector. On development budget,

the performance is 31 percent allocation of the total approved budget in 2020/21. This is even low compared to that of recurrent budget by 15 percent. It is expected that on average during the mid-year, the budget spent should at least be 50 percent of the total budget approved in that particular year which is not the case in recurrent and development budgets in 2020/21.

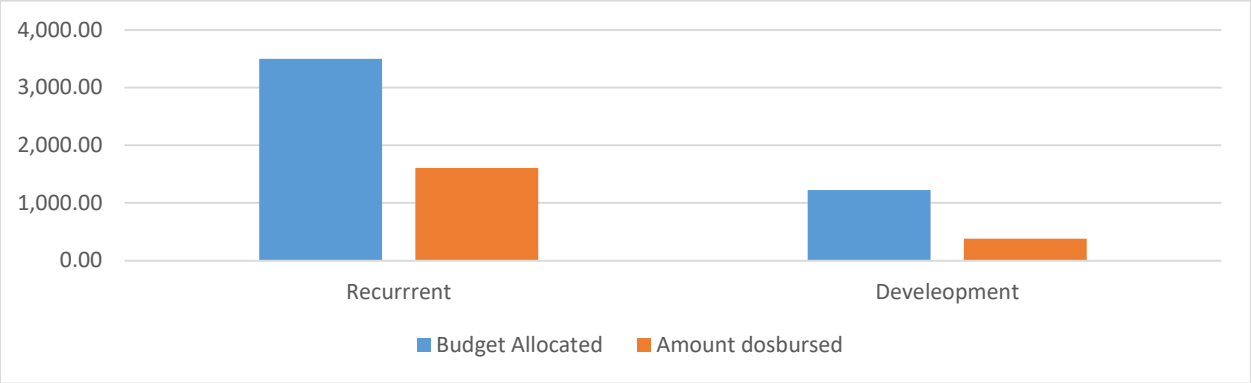


*Figure 4.9: Mid-Year Education Budget Performance 2020/2021* *Source: MoEST, PO-LGA, 2021*

### *4.1.9 Comparative Budget Allocation Trend by Selected Sectors*

The sectoral analytical trend on budget allocation to education sector indicated by Figure 4.10 shows that during the period under review, the sector ranked the second in budget allocation after infrastructure and transport sector. On average, the amount allocated to education sector is TZS 572.6 billion (equivalent to 12 percent) less than that allocated to infrastructure and transport sector. The trend shows that on average the budget allocation to education sector was relatively higher to that of health sector by TZS. 2.74 trillion (more than 100 percent higher). During the period under review, education sector has overtaken the infrastructure and transport sector which was initially the leading sector in the past 10 years before the period of this study. The priority given to infrastructure and transport sector during the period under review might be the reason for the decrease in education budget share as opposed to an increase in the total national budget trend. However, the fact on the annual increase of national budget is also attributed by incremental budget approach used by the government during budget preparation to

address inflationary issues and time value of money during forecast of the next financial year of the budget execution.

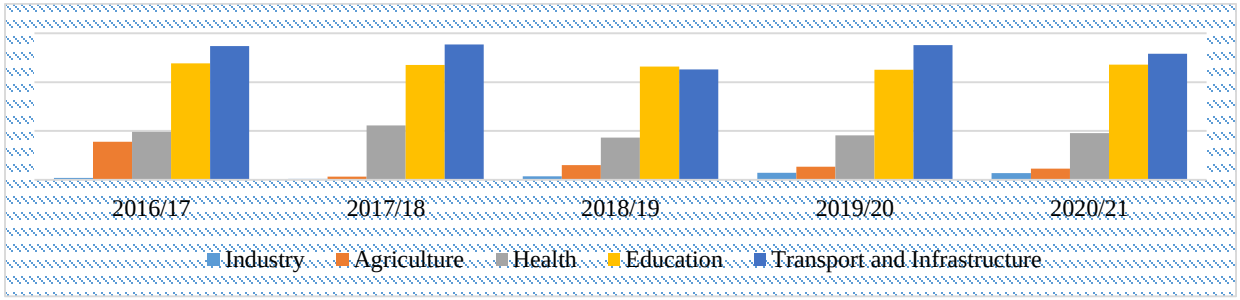


*Figure 4.10: Sectoral Budget Comparative Trend* *Source: MoEST, PO-LGA, 2016-2021*

## *4.2 Budget Trend to Key Specific Areas of Education Sector*

Under this section the analysis and discussion is based on the budget allocated to the key aspects of education which are access, quality and equity to all levels of education.

### *4.2.1 Access to Education*

Access to education generally refers to removal of any actual or potential barriers that might prevent the existing and prospective learners from participating in certain courses or academic programmes. Fee free education is one of the strategies to eliminate the problem of barrier and marginalization of the children, youths and adults to access education. The initiative requires commitment of adequate resources to ensure open access to all levels of education for each eligible learner.

Loanable funds are the sum total of all the money the government set aside to lend out to newly admitted higher education students to pursue higher education with a bonding agreement to repay after completion of their studies. Under this section the budget trend analysis is based on two proxy variables which define access to basic and higher education levels these are; fee free basic education and higher education loanable funds respectively.

#### *4.2.1.1 Fee Free Basic Education*

Figure 4.11 provides the trend on budget allocated to fee free scheme during the period under review. The chart depicts a sharp decrease in budget allocated to fee free scheme by 93 percent from TZS 3,069.5 billion in 2016/17 to TZS 201.6 Billion in 2017/18. Thereafter, allocation trend indicated an increase by 48 percent from 2017/18 to 2020/21. Thus on average there was a decrease of 90 percent of the total budget allocated to fee free education sector during the period under review. As opposed to this, indicated on the enrolment chart is a contrary pattern which shows an increase in enrolment trend from 11,299,639 learners in 2016/17 to 14,213,177 learners in 2020/21. It is evident that the budget allocated to fee free scheme against student enrolment was inadequate to accommodate the surge in the number of student enrolment. This might be the reason for shortage of teaching staff resulting in a big teacher to student ratio, big ratio of student to shared textbooks and hindrance to provision of school meals to students; all of these might sum up to the decline in the quality of education.

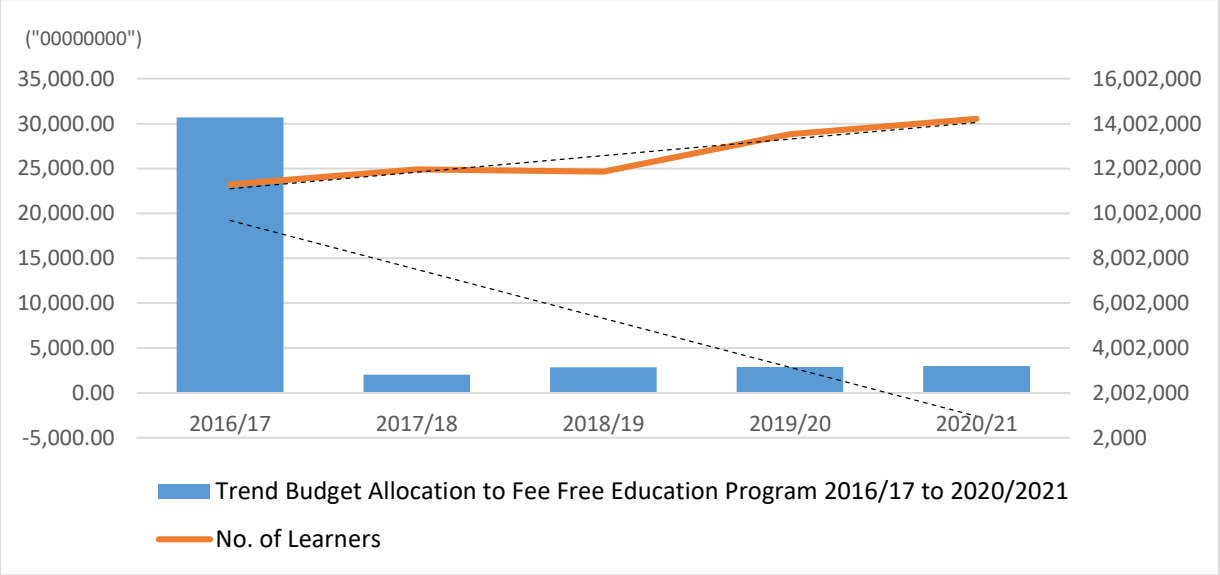


*Figure 4.11: Fee Free Basic Education Budget Trend* *Source: MoEST, PO-LGA, 2016-2020*

#### *4.2.1.2 Higher Education Students' Loanable Funds*

Loans extended to higher learning students is one of the key determinant of access to higher education. The issues are of salient matter because most Tanzanian households

cannot afford the high expenses associated with the needs and requirements of higher learning education system. Figure 4.12 indicates an increase in budget allocation trend to loanable funds by 7.5 percent from TZS. 431.71 in 2016/17 billion to TZS. 464 billion in 2020/21. However, per capita loan trend based on full enrolment to higher learning institutions shows a constant trend meaning that although the budget allocated shows an increase trend, the pattern of loans extended per student had not been increasing during the period under review. The annual increase rate of loanable funds is insufficient enough to complement the annual growth rate of students' enrolment to higher learning institutions. On average, per capital allocation per annum is just TZS 2,427,912 which is inadequate to cover tuition fee, accommodation, stationaries and meals. This is one of the reasons for a partial loans scheme in which a partial amount of total annual loan per student is extended to beneficiaries in percentage which cannot meet the substantial requirements to most average students. The reason for insufficient allocation of funds can be explained by a poor loans recovery system caused by a weak traceability mechanism of loans beneficiaries after they graduate from studies.

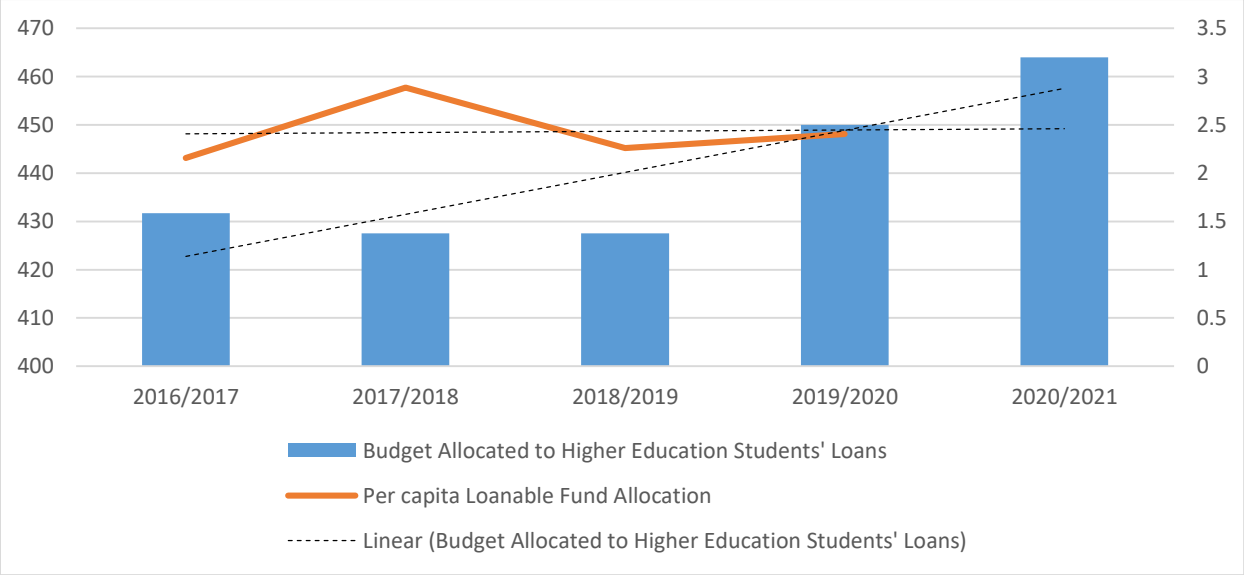


*Figure 4.12: Higher Education Students' Loanable Fund Budget Trend* *Source: MoEST, PO-LGA, 2016-2021*

### *4.2.2 Quality*

Quality of education is determined by key elements such as support provided by to learners and the general learning environment. Furthermore, the content delivered to

learners should facilitate acquisition of basic skills and competencies especially in areas of literacy, numeracy and skills for life. Moreover, learning institutions should be well managed and the teaching and learning processes supported by improved classrooms and appropriate teaching and learning materials. The analysis described hereunder provides the trends of budgetary support to improve quality of education in Tanzania from 2016/17 to 2020/21. The proxy variables for quality which were analyzed in this section are the amount of budget allocated and disbursement to inspectorate units and generic improvements on teaching and learning facilities as well as capitation grants to basic education in Tanzania.

#### *4.2.2.1 Quality Assurance through Inspectorate Activities*

Figure 4.13 depicts the budget trend of funds set aside to education sector on improvement of institutions' academic quality assurance and control through routine inspection of education services offered in Tanzania. During the period under review, it is evident that funds allocated to improve quality of education had substantially been increasing throughout. The trend shows that the amount of budget allocated increased from TZS 24 billion in 2016/17 to the highest amount of TZS 36.7 billion attained in 2018/19. Although there was a subsequent slight decrease up to TZS 30.8 billion, this amount was still greater than the initial allocated budget of TZS 24 billion in 2016/17. This implies that during the period under review substantial efforts had been put forth to improve education quality through increased budget to inspectorate activities to ensure quality control of education offered by academic institutions.

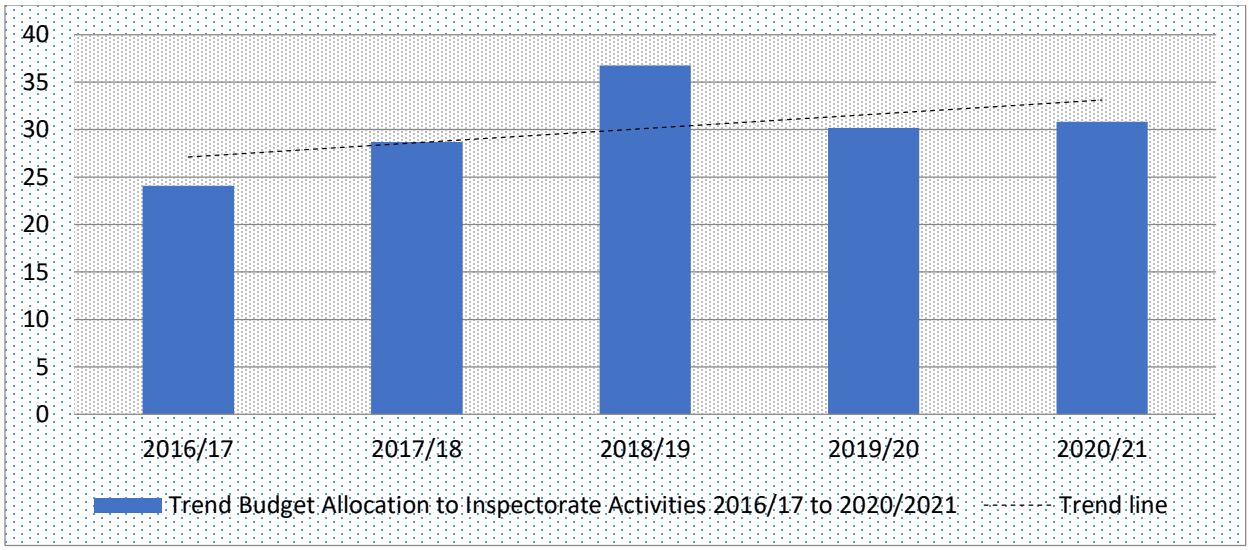


*Figure 4.13: Quality Education Budget Trend on Inspectorate Activities* *Source: MoEST, PO-LGA, 2016-2021*

#### ***4.2.2.2 Capitation Grants***

The capitation grant is intended to improve the teaching and learning processes by raising learners' academic performance and attainments through provision of learners with text books and other learning facilities to schools. This is a very important aspect to improve quality of learners' environment particularly in basic education level where a strong foundation is built to learners.

##### *4.2.2.2.1 Capitation Grants Released to Primary Education*

Figure 4.14 presents the amounts of capitation grant disbursed to primary education in Tanzania from 2016/17 to 2020/21. The trend depicts 8 percent increase of capitation grants released to primary education in Tanzania. However, a comparative analysis based on per capita allocation indicates a decreasing trend by 15 percent from TZS 6,465 in 2016/2017 to TZS 5,500 in 2020/2021. On average, during the period under review, the per capita grant released was TZS 6,000 per pupil, this amount is less by 40 percent compared to the requirement of per capital capitation grant policy of TZS 10,000 per pupil. Such decrease is attributed to an increase in the number of pupils in primary schools from 8,969,110

to 10,994,641 pupils while the budget increment was insignificant and complement the increase in the number of pupils.

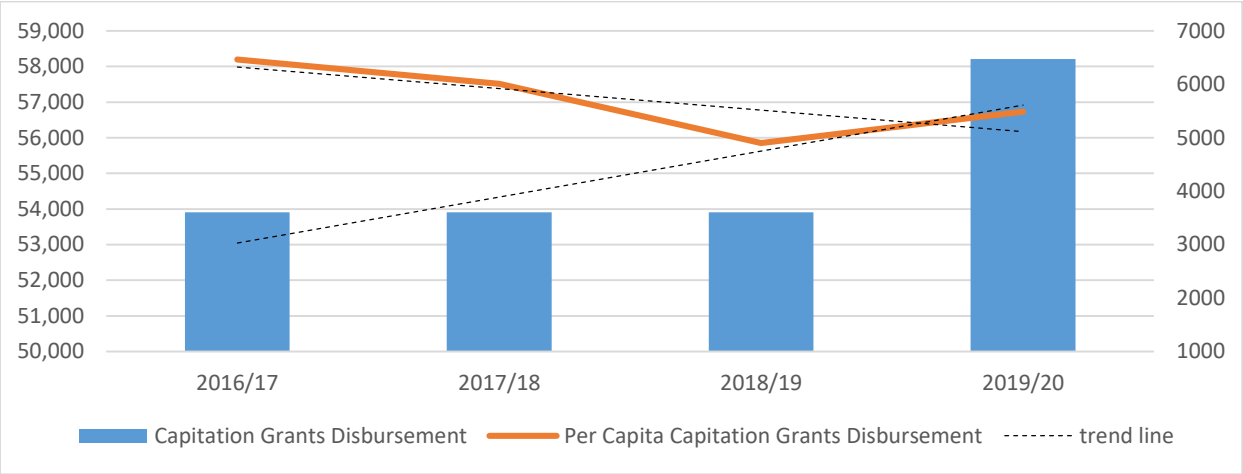


*Figure 4.14: Capitation Grants Released Trend to Primary Education* *Source: MoEST, PO-LGA, 2016-2020*

#### *4.2.2.2.2 Capitation Grants Released to Secondary Education*

Figure 4.15 presents the amounts of capitation grant disbursed to secondary education in Tanzania during the period under review. The trend depicts a decrease by 30 percent from TZS. 30.391 billion to TZS 21.150 billion capitation grants released to Secondary Schools in Tanzania. A comparative analysis based on per capita allocation indicates a decreasing trend by 52 percent from TZS 20,678 in 2016/17 to TZS 10,000 in 2020/21. This amount is less by 60 percent than the requirement of per capital capitation grants policy of TZS 25,000 per student. The decreases in per capita capitation grant is also attributed an increase in the number of students in secondary schools from 1,564,676 to 1,812,508 students compared to the approved budget which has been decreasing over the entire period.

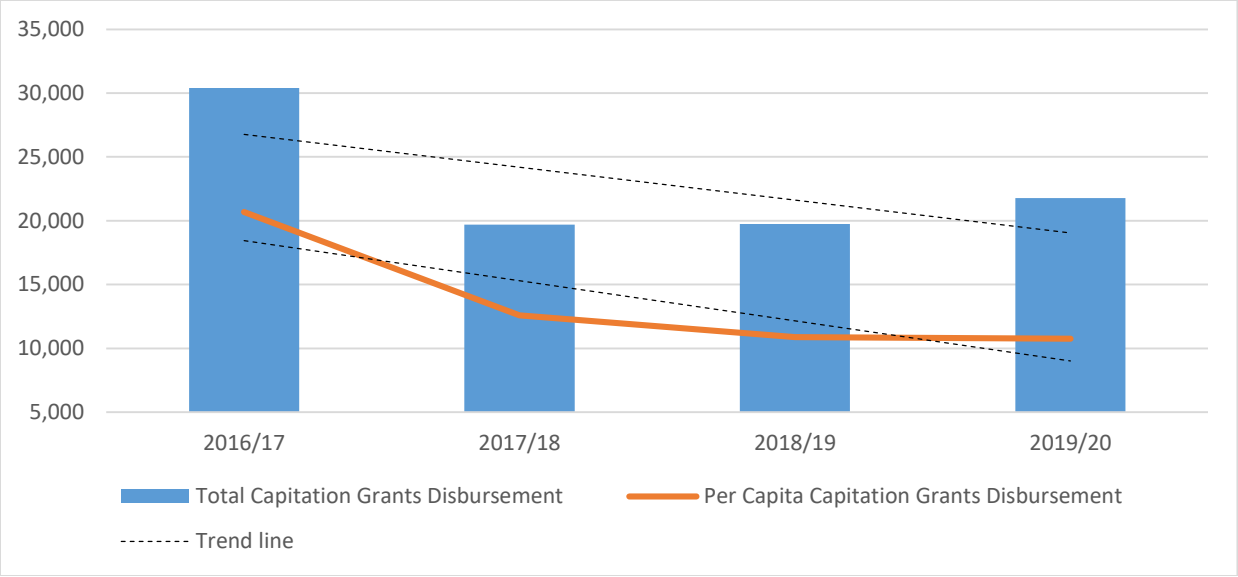


*Figure 4.15: Capitation Grants Released Trend to Secondary Education* *Source: MoEST, PO-LGA, 2016-2020*

### *4.2.3 Equity*

The WHO definition of equity is "the absence of avoidable or remediable differences among groups of people." It ensures provision to each person with special needs in a community with resources that fit his or her circumstances. In this section the analysis on budget trend of funds allocated to equity is based on a proxy variable defined by budget allocated to inclusive education intended to provide equitable education to special groups or people with special needs. The trend in Figure 4.16 shows that although there was a decrease in budget allocation by 39 percent from 2016/17 to 2017/18, on average there was an increase in the pattern of budget allocated to inclusive education by 77 percent from 2017/18 to 2020/21. Thus, on average the budget allocated to facilitate equitable education increased by nine percent during the period under review.

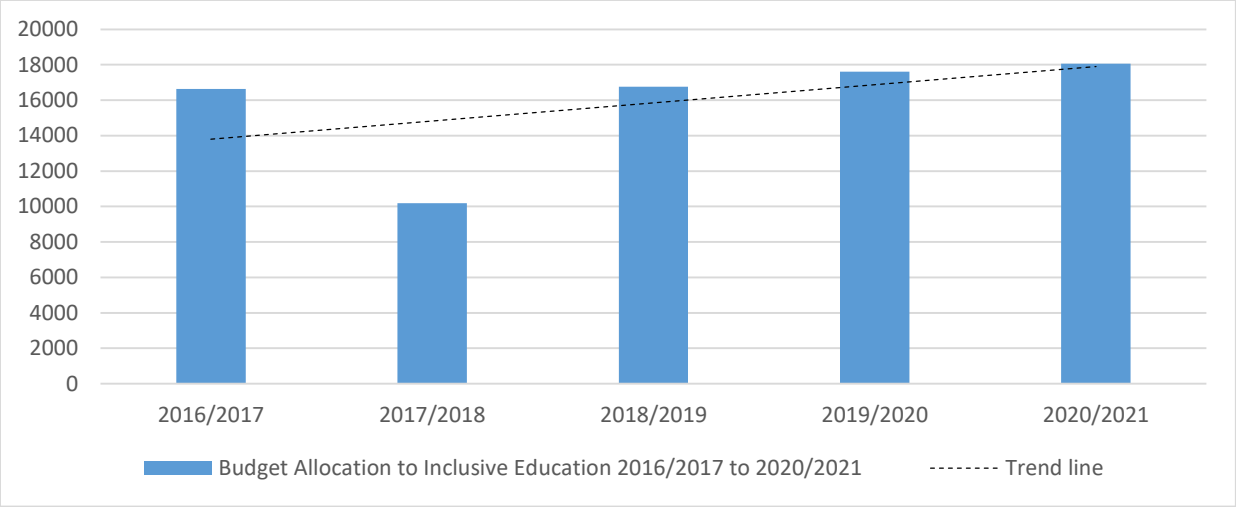


*Figure 4.16: Equitable Education Budget Trend* *Source: MoEST, PO-LGA, 2016-2021*

*Objective 2: To find out why the government of Tanzania has been failing to achieve both local and international budgetary commitments in the education sector*

### *4.3 Reasons for Failure to Achieve International Budgetary Commitments*

Based on the qualitative analysis from the survey responses, the following reasons were established as to why despite Tanzania's commitment to international benchmark of 20 percent of the national budget to education sector and 6 percent of GDP to the education sector has been failing to achieve the target.

1. Inadequate budgetary allocations to education sector which has been indicated by the progressive decrease in education budget share of national budget during the period under review. It has been revealed that on average during the period under review education budget share to national budget and GDP was 6 percent and 2.4 percent less respectively. This is further explained by less allocation in development budget by an average of 18 percent per annum. The findings of this study indicate that education sector was on average ranked the second after infrastructure and transport sector in budget allocation priority. The position is 12 percent less compared to allocation made in infrastructure and transport during the study period. Unlike in the past 10 years prior to the period under review in

which education sector budget allocation was higher than infrastructure and transport sector, during the period under review the findings indicate that more priority has been given to infrastructure and transport sector budget allocation in expense of education sector.

2. Low recovery of higher education student's loans. As this is a big project in the sector taking a large share of the sector budget, the mechanism to recover higher education students' loans are still weak enough to trace all beneficiaries. This implies less revenue collections compared to amount extended to beneficiaries in the past years. Even though the collections have been declared to improve, the collection mechanism has been reported by CAG (2021) to be inefficient enough to capture all beneficiaries with more harms to the few captured beneficiaries as a means to maximize collections.
3. Inadequate funding of education sector by domestic sources of revenue. During the period under review, less emphasis was given to external sources of budget financing. Although unpredictable, foreign funding remains an important source of development expenditure in education sector.
4. Less involvement of parents to finance education expenses of their children. Although the government has committed itself to fully finance basic education, it is evident that the available resources cannot complement high expenses of academic institution due to increasing enrolment which calls for the need to involve parents at least on cost sharing basis in order to relieve the government burden for necessary improvements.
5. Weak Government involvement of CSOs and community investments and their efforts in education. These have not been fully engaged in the budget process in order to effectively advocate for education budget increase.
6. Inadequate Public Private Partnership (PPP) engagement. The private sector has not been well engaged to government initiatives especially in education sector budget process. Through PPP engagement in education development projects, the government can save a huge amount of finance which can be used to revamp development initiatives in the sector.

7. Increase in public debt which requires a huge commitment of the national budget to service the debt. The amount would have been used to finance key sectors such as education sector instead.

*Objective 3: Come up with effective strategies for CSOs and Citizens to advocate for education budget increase from the current figure to 20% of the national budget and 6% of GDP*

### *1.1 CSOs and Citizens Advocacy Strategies*

Based on the findings from the above said education stakeholders survey, the following strategies were drawn in order for CSOs and Citizens to advocate for education budget increase from the current figure to 20 percent of the national budget and 6 percent of GDP;

1. To voice out that the government should adhere to international benchmark of 20% of the national budget allocation to education sector and 6% of GDP to the education sector. As indicated in the above analysis, despite Tanzanian commitment to achieve the two international standards, its budget allocation is yet to attain the agreed international benchmarks. During the period under the review, the achievements are only 14 percent allocation of the national budget and 3.6 percent allocation of GDP at current market prices which needs significant improvement. It is high time for the government to emulate other African countries like Mozambique and Ethiopia which have articulated themselves to achieve more than 20% of the national budget allocation to education sector and 6% of GDP to the education sector.
2. To improve the relationship between wider range community and stakeholders such as CSOs, schools, college committees, citizens and the government in preparation, discussion, implementation, monitoring and evaluation of education sector budget.
3. CSOs and Citizens to be well informed on the detailed budget process through close follow up of the proposed budget prior to execution in order to use available engagement platforms for advocacy.

4. CSOs and community to strengthen their relationship with the government through donations to the government to support education budget in terms of capacity building, financial support or any in-kind contributions. This can be created through financial, human or material support to unforeseen areas that need community and CSOs advocacy. Subsequently, it may stimulate government interest to widen partnership and ultimately create a platform for CSOs advocacy.
5. To establish zonal budget working teams that will be responsible to focus at local and national budget process. At the local level, the teams will work with LGAs to establish dialogues and round table discussions. At the national level, the teams will establish relationships with MoEST and members of parliament. The better way to do this is to formalize the process through development and signing of MoU stipulating clearly on the collaborative areas and matters which indicate relevant working modalities.
6. To take advantage of O & OD system through full participation in the system from planning to implementation of education budget that may reduce the unplanned schedules especially in LGAs. This can be done through selecting priorities and contributions of constructive ideas in village communities.
7. To take advantage of the ongoing government initiative to strengthen Public Private Partnership (PPP) by taking on board education budget as an agenda to the government from the private sector. This may be established through conducting semiannual forums through PPP arrangement to evaluate education budget.
8. CSOs should make effective use of existing platforms such as Public Expenditure Review (PER) to voice out on key education budget advocacy areas that need special attention from the government.
9. To adopt a multi-sectorial budget advocacy strategy for instance, education stakeholders to form a collaborative consortium with other social sectors in order to develop a joint advocacy platform. The joint effort that unites other sectors such as health, water, energy etc could be more fruitful strategy to advocate for the holistic budget increase.

# CHAPTER FIVE

# CONCLUSSIONS AND RECOMMENDATIONS

This report analyzed education budget trends for the past five years from 2016/17 to 2020/21, to identify ways in which civil societies and citizens can engage in the budget cycle, budget tracking and advocacy for an increase in education sector budgetary allocation. The overall key findings show a decreasing trend of the budget allocated to the sector which is equivalent to one percent decrease compared to the base year 2016/17. Although there was an increase of 4.6 percent in budget allocated from 2019/20 to 2020/21, there had been a decrease in budget allocated to the sector by 5.4 percent from 2016/17 to 2019/20. The percentage allocation of the national budget to education sector indicates a declining trend with an average of 14 percent which is less by six percent compared to international standard benchmark of 20 percent. Similarly, the proportional allocation of GDP (at current market prices) to education sector indicates a declining trend with an average of 3.6 percent which is 2.4 percent less compared to international standard benchmark of 6 percent allocation to education sector that Tanzania is committed to attain. During the period under review, disbursed of funds for development projects had been fairly well at an average of 82 percent of approved budget per annum. This is mainly translated by the major rehabilitation of secondary schools and higher learning institutions which took place to improve the learning environment during the period under review.

Allocations to specific budget areas were analyzed based on access to education, quality, equitable and inclusive education. With regard to access to basic education, fee free education budget was analyzed while allocation to loanable funds in higher learning education was used as proxy for access to higher learning institutions. The fee free education budget allocation trend indicates a sharp decline by 93 percent from 2016/17 to 2017/18. Thereafter, allocation trend indicated an increase of 48 percent from 2017/18 to 2020/21. Thus on average, there was a decrease of 90 percent of the total budget allocated to fee free education sector during the period under review. The budget

allocated to higher education students' loanable funds indicates an increasing trend from TZS. 431.71 billion to TZS. 464 billion in 2016/17 and 2020/21 respectively. However, per capita loans trend based on full enrolment to higher learning institutions shows a constant trend meaning that, the budget allocated does not complement the annual growth rate of students' enrolment. On average, per capital allocation per annum is just TZS 2,427,912 which is inadequate to cover tuition fee, accommodation, stationaries and meals. This can be explained as a reason for a partial loans scheme in which a partial amount established in percentage of total annual loan per person is extended to beneficiaries. This is inadequate enough to meet the substantial requirements to most average students.

Although the trend in the release of capitation grants to primary education indicate an increasing trend, the per capita disbursement trend confirms a decreasing trend. On average, per capita grant to primary education was TZS. 6,000 per pupil which is less by TZS. 4,000 compared to the policy requirement of TZS. 10,000 per pupil. Similarly, per capita grants released to secondary schools indicates a declining trend by 20 percent from 2016/17 to 2020/21.

In inclusive education budget (people with special needs), the trend shows that despite the decrease in budget allocation by 39 percent from 2017/18 to 2020/21. On average, there was an increase in the pattern of budget allocated to inclusive education by 77 percent from 2017/18 to 2020/21. Thus an overall trend indicates an increase of nine percent of budget allocation to facilitate equitable education during the period under review.

Based on the findings of the study, it is recommended that the government should adhere to its commitment to international benchmark of 20% allocation of the national budget to education sector and 6% of GDP to the education sector. This may be achieved through transparency and effective engagement of private sector through PPP as well as the society and CSOs in the budget process. Improvement of recovery system on higher education student's loans to revamp revenue collection to higher leaning loanable funds,

diversify sources of revenue including foreign sources and request for public debt relief are deemed necessary to achieve the international standard benchmarks in order to achieve desirable goals for education sector development.

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