

EDUCATION BUDGET POLICY BRIEF 2021



TEN/MET

**TANZANIA EDUCATION NETWORK /
MTANDAO WA ELIMU TANZANIA (TEN/MET)**

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1.0 Background

The initiatives for improvement of education in Tanzania started just after independence in 1961 and have been continuous. The recent interventions have been channeled through Education Sector Development Plans (ESDPs) with the current one ending in the Financial Year 2020/21. In such initiatives, education budget remains as a key policy tool in achieving implementation of expected objectives of education plans and policies. Cognizant to such initiatives, the Government of Tanzania committed itself to adhere to the international standards of allocating 20% of the annual national budget and 6% of its total GDP to the education sector. However, there has been an inconclusive debate on whether such commitments and efforts have been adequately achieved in improving the access, quality and equity to boost the level of education performance for the past five years. It is on these grounds, 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). Taping on the findings of the study, the following policy issues were identified;

2.0 Policy Issues

The existing education based policies in Tanzania (Education and Training Policy of 2014, National Inclusive Strategy and gender policy) lay out an enabling environment to education sector development initiatives. These policies provide greater opportunities for achieving education sector development goals in Tanzania through implementation of ESDPs. However, the targets and objectives on access, quality and inclusive education can only be achieved if the key budgetary issues earmarked in education budget which is an enforcement policy tool are identified and addressed. Based on the findings, these issues fall in the following clusters; inadequate education budgetary allocations to the sector, poor community engagement and inadequate transparency in the budget process. In addressing these issues, additional funding to the sector should be done through the key allocative areas.

Specifically, it ought to consider priority funding to fee free education, grant capitation and as well as loanable funds to higher learning education. A policy and accompanying legal framework would help to give a clearer direction and earmark adequate funding for improving access, quality and equitable education in the sector. This hinges on the fact that Tanzania offers various education opportunities for access, quality and equitable education through fee free education, loanable funds to higher learning education and capitation grants. Expected improvements in the sector could be achieved if all these were adequately financed based on stronger government commitment through appropriate guidelines. Effective monitoring and oversight is imperative to ensure that funds are appropriately and judiciously spent through effective community engagement and transparency.

3.0 Policy Priorities

Based on the findings of the budget analysis report 2016/17 to 2020/21, it is deemed necessary that in boosting access, quality and equitable education in the country the following policy priorities might provide a stronger underpinning ground in order to realize expected outcomes;

Priority 1: Diversify sources of funding for education sector

- ❖ It is proposed that investor companies especially the foreign ones dealing with extraction of nonrenewable resources and the ones enjoying an incentive of initial tax exemption should be given a compulsory Corporate Social Responsibility (CSR) contribution to support the education sector throughout the entire period of their business operation in Tanzania.
- ❖ The Tanzanian government should strengthen international cooperation to enhance external resources mobilization through appropriate bilateral agreements to help contribute to the funding of education. Meanwhile, the government should partner with development agencies such as the World Bank, UNESCO etc in the area of resources mobilization and the provision of other technical aids for the sector.
- ❖ The government should work out to increase tax base by attracting and creating new businesses through effective implementation of the blue print that may create enabling business environment to attract new investors. This may be established through a round table dialogue with private sector to identify potential business hurdles which need to be addressed. The government should continuously address tax evasions, avoidance, and mismanagement of public funds and channel intended funds to support education.

Priority 2: Education sector budgetary allocations and Priorities

- ❖ It is proposed further that education budget should be increased to meet the international benchmark of at least 20% of national budget and 6% of GDP in Tanzania. During 2016/17 to 2020/21 the allocation to education sector was 6% and 2.4% **less** compared to the international benchmark of 20% of the national budget and 6% of GDP allocation to education sector respectively that Tanzania is committed to attain.
- ❖ It is proposed that there should be an average increase of 7% from an average allocation of 23% during 2016/17 to 2020/21 in order to reach at least 30% of the total education budget. The amount should be directed to financing development projects in order to boost infrastructure development to complement the surge in students' enrolment emanating from fee free education scheme.
- ❖ Funds allocation to finance the fee free basic education scheme should be

increased in order to support adequate access and equitable education to all children. The budget allocated to fee free basic education has indicated a decline by 90% from 2016/17 to 2020/21. It is proposed that budget in this scheme should be increased by 90% to meet the 2016/17 allocation as a benchmark. This is due to substantial current increase in students' enrolment compared to the status at the initial implementation stages of the scheme in 2016/17 which implies the need for relatively more budget allocation to the scheme.

- ❖ Budget allocation to support capitation grants to primary education should be increased by 40% to meet the policy requirement of TZS. 10,000 per pupil. Similarly, capitation grants to secondary schools should be increased by 20% from the 2020/21 allocation in order to meet the policy requirement of TZS. 12,500 per student.
- ❖ Budget allocation to higher education students should hinge on projection of new students enrolment on full loan allocation criterion. This can be achieved through establishment of strong and fair loans recovery systems for revenue collection.

Priority 3: Transparency and effective community engagement

- ❖ Financial resources allocated to the sector should be effectively monitored to ensure that funds are appropriately and judiciously spent. Publication of funds released would enable mandated monitoring agencies and civil society to track and monitor utilization and management of these funds.
- ❖ Community Participation in education could be improved if School Management Committees are strengthened to be part of managing and monitoring utilization of school grants, inputs and resources at school community level.
- ❖ CSOs and Citizens to be well involved on the detailed budget process from budget formulation to monitoring and oversight stage.

4.0 Concluding remarks

It is recommended that the aforementioned budgetary policy priorities are the keys to boosting education sector performance in Tanzania. If the earmarked priority areas are effectively implemented, the country will witness an exclusive education sector in Tanzania in terms of quality and equitable access to all as a role model to other African countries.