

UNITED REPUBLIC OF TANZANIA



EDUCATION SECTOR PUBLIC EXPENDITURE REVIEW

MAY, 2002

Preface

Upon the request of the PER Working Group in Tanzania, the Permanent Secretary Ministry of Finance, United Republic of Tanzania contracted the Faculty of Education University of Dar es Salaam, to undertake a public expenditure review of the Tanzania Education Sector. The team undertook its main fieldwork and data collection between March 2002 and May 2002, working in collaboration with officials from Ministries of Education and Culture (MOEC) Science, Technology and Higher Education (MSTHE).

The team comprised Justinian C. J. Galabawa (Professor, FOED and team leader), Amon V. Mbelle (Dr.) (Consultant, Department of Economics, UDSM).

The team worked with Msrs Iraba, Gwakahuzu and Miyedu of MOEC and Magere and Gesimba of MSTHE. It also held wide ranging discussions with officials of MOEC, MSHTTE and LGRP. The team conducted some interviews on expenditure tracking in Dar es Salaam and Bagamoyo.

The draft report of the PER (2002) was discussed during the MOEC heads of department meeting chaired by the Hon. Minister of Education and Culture and attended by the Permanent Secretary. The draft report was also distributed to the PER working group to allow stakeholder input.

**Education Sector PER (2002) Team Leader
04th May 2002.**

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LIST OF ABBREVIATIONS

ADB	African Development Bank
AIDS	Acquired Immuno Deficiency Syndrome
AMU	Applied Microbiology Unit
BES	Basic Education Strategy
BEST	Basic Education Statistics
BMU	Book Management Unit
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CBF	Capacity Building Fund
CEF	Community Education Fund
CETF	Community Education Trust Fund
COBET	Complementary Basic Education
DBSPE	District-Based Support to Primary Education
ED-II P	Education II Project
EFA	Education For All
ERP	Economic Recovery Programme
ETP	Education and Training Policy
ESDP	Education Sector Development Programme
EMIS	Education Management Information System
EU	European Union
FY	Financial Year
GDP	Gross Domestic Product
GSES	Girls Secondary Education Support
GOT	Government of Tanzania
GTZ	Deutsche Gesellschaft fur Technische Zusammenarbeit
GEI	Global Education Index
GER	Gross Enrolment Rate
GPA	Grade Point Average
HBS	Household Budget Survey
HIPC	Highly Indebted Poor Countries
HIV	Human Immuno Deficiency Virus
HRDP	Human Resource Development Programme
ICDAE	Integrated Community-Based Adult Education
IEC	Information Education Communication
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
LGRP	Local Government Reform Programme
MTEF	Medium Term Expenditure Framework
MOEC	Ministry of Education and Culture
MOF	Ministry of Finance
MTSHE	Ministry of Science Technology and Higher Education
NECTA	National Examination Council of Tanzania
NER	Net Enrolment Ratio
NIR	Net Intake Rate
NEPS	National Poverty Eradication Strategy
OC	Other Charges
PER	Public Expenditure Review
PHC	Public Health Care

PORALG	Presidents Office Regional Administration and Local Government
PEDP	Primary Education Development Plan
PRSP	Poverty Reduction Strategy Paper
PSLE	Primary School Leaving Examination
PTR	Pupil-Teacher Ratio
REPOA	Research on Poverty Alleviation
RTB	Regional Tender Board
SACMEQ	Southern Africa Consortium for Monitoring Education Quality
SAP	Structural Adjustment Programme
SESS	Science Education in Secondary Schools
STD	Sexually Transmitted Disease
STR	Student-Teacher Ratio
SUA	Sokoine University of Agriculture
TADREG	Tanzania Development Research Group
TAMISEMI	Tawala za Mikoa na Serikali za Mitaa
TRC	Teacher Resource Centre
TSH	Tanzanian Shillings
TSR	Teacher-Student Ratio
TTC	Teachers' Training College
UCLAS	University College of Land and Architectural Studies
UDSM	University of Dar es Salaam
UNDP	United Nations Development Programme
UNESCO	United Nations Education Scientific and Cultural Organisation
UNFPA	United Nations Fund for Population Analysis
UNICEF	United Nations Children's Fund
UPE	Universal Primary Education
URT	United Republic of Tanzania
USD	US Dollars

EXECUTIVE SUMMARY

I. SCOPE OF THE 2002 PER

- The 2002 public expenditure review (PER) for the education sector was commissioned by the Government of Tanzania's PER Working Group. The review, together with those from the other social sector, will form a basis for the Government of Tanzania's 2002/03 medium term expenditure framework (MTEF);
- The 2002 sector PER adds value to the past PERs' rather than repeating the in-depth analysis contained in the earlier versions. The broad recommendations of PER (2001) are reviewed together with an assessment of the actions taken so far. An update of the findings based on the latest available statistics/information is given;
- In the light of past "*Recurrent Cost Projections Study 1999 – 2015*" by Bannock Consulting and those given in the PER (2001) by Oxford Policy Management no further projections are made except for those related directly to PEDP and PRSP adjustment.

II. RECENT DEVELOPMENTS

- The government has designed comprehensive strategies and articulated a number of targets in order to arrest the stagnation and reversal in poverty indicators as well as declining quantity of and access to basic social services. The Poverty Reduction Strategy (PRSP) developed during the HIPC initiative links the targets with resources allocation and monitoring process. It also lays strategies for implementing the National Poverty Reduction Strategy (NEPS) in the medium-term;
- As part of effort to develop a strategic approach to sub-sector development, the government prepared an education Sector Country Status Report which articulated an in-depth understanding of the correct status of the sector and the critical constraints of its development. The Government has also prepared with donor assistance, a strategy for addressing the areas of concern in the primary sub-sector;
- The Primary Education Development Plan (PEDP) operationalises the Basic Education Strategy at primary school level by giving the policy framework and selected investment actions designed to address the following: *quality improvement, declining enrolments, inequitable access, education efficiency, institutional capacity, HIV/AIDS tragedy and gender*. The PEDP gives an investment plan related to classroom and teacher house construction, supply of textbooks and teaching learning materials and capacity building;
- Draft Master Plans to address problems and issues related to secondary education (SEMP), Teacher Education (TEMP) and Higher and Technical Education are already prepared. The next step will be to move into preparing investment strategies and plans for the sub-sectors in the context of ESDP.

III. *TRENDS IN EDUCATION SECTOR PUBLIC EXPENDITURE: 1998/99 – 2001/02 TOTAL OR OVERALL SPENDING*

- Among the priority sectors identified in the Poverty Reduction Strategy Paper (PRSP), education, health, water, agriculture, land, roads and HIV/AIDS, education sector has been receiving the highest allocation, averaging 44.6% for the period 1998/9 – 2000/01 (53.1%) in government spending and 36.1% in development spending;
- Resources committed to education have also increased (in nominal terms) during this period;

Recurrent expenditure

- There has been an increase in government recurrent expenditure from Tsh.106.8 billion in 1998/99 to Tsh.238.0 billion in 2001/02, an increase of 122.9%;
- Primary education, which has been identified as priority within priorities in education, benefited much in terms of both an absolute increase (from Tsh.68.9 billion in 1998/99 to Tsh.169 billion in 2001/02, an increase of 145%) and in relative terms with share increasing from 64.5% of total education recurrent spending in 1998/99 to 70.6% in 2001/02.
- A large part of government expenditure is effected by local government e.g. 93.9% in 2000/01 and 82.1% in 2001/02, explained by its handling of primary education;
- The Primary Education Development Plan (PEDP) accounts for 35.9% of primary spending (2001/02).
- Much of recurrent spending is devoted to wage expenditure with primary, secondary and teacher training levels exhibiting high proportions ranging from 62.2% to 94.4%;
- Non-wage expenditure or “other charges” have benefited mainly in the last two years (2000/01 and 2001/02) in the areas of educational materials especially at primary and secondary levels) and maintenance. These are important ingredients in guarding quality of education.
- Predictability of recurrent funds is high mainly due to the wage component which is “non discretionary”;

Development expenditure

- Foreign resources account for much of development finance, ranging between 56% and 91.5%. This, though does not give a complete picture as a substantial amount is not mainstreamed in the government budgetary process. Higher education exhibits such as expenditure more pronounced than in other levels;

- Primary education received a larger proportion of reported development expenditure ranging between 51.1% and 57.4%. For 2001/02 the proportion is likely to increase due to PEDP programme;
- Predictability of development expenditure is low, ranging between 1.9% and 100% mainly due to the larger external component which the government has no full control.

Donor expenditure

- Donor expenditure is mainly directed towards development spending;
- Estimates from 1999 Education PER show donor spending in education to be US\$44 million in financial year 1999/00; US\$56 million in 2000/01 and US\$54 million in 2001/02 there has been a substantial increase in 2001/02 over this figure due to PEDP implementation which began in January 2002. Expenditure may well be in the range of US\$75 million to US\$100 million;
- Predictability of donor spending is low due to not fully meeting commitments and delayed disbursements.

IV. *EFFICIENCY AND EFFECTIVENESS OF EXPENDITURES*

- The increase in resources envelop to education has not produced corresponding performance. Internal inefficiency has not been substantially reversed while enrolments have only recorded modest increases;
- The system of expenditure has been crowding out non-wage expenditure (“other charges”) compromising both quality and efficiency as well as effectiveness of finance as resources were spread very thinly across important activity;
- Disbursement to councils is being confirmed by officials rather than disbursement to schools, although financial tracking modalities are being developed.
- There are no immediate modalities to enable schools and school committees manage the huge financial resources made available through PEDP;
- Lack of clear guidance is likely to provide loophole for councils to spend the money for textbooks and teaching and learning materials on something else;
- There is in-capacity to manage existing or the designed manual system so as to promote transparency at council and school levels;
- There is a tendency by some councils to re-allocate the given funds in favour of travelling and vehicles at the expense of school materials;
- Schools and school committees are now the last point of cash flows for purchase of textbooks, school materials and capacity building, yet there is no system to ascertain that the supplies and services have flown to schools;

- There is hesitation on the part of some development partners to use the Pooled Fund facility thus making it difficult to adopt a SWAPs.
- Stand alone project type interventions are still used to bring up assumed reforms in the sector;
- Recurrent resource allocation patterns at secondary macro-level are favouring boys more than girls; in particular the increase in form one streams meant to improve on enrolment favours boys schools;
- The gender resource allocation index is higher at secondary than at primary school level;
- HIV/AIDS has the potential to weakening and reducing government fiscal allocation and performance related to education mainly: ***reducing enrolment, increasing teacher attrition and distorting priorities;***
- While efforts have been directed at addressing the performance of primary education past PER recommendations related to other sub-sectors especially those related to: ***Teacher education, Technical Education, Higher Education and Secondary Education have not been addressed;***
- The following PRSP targets ***will have to be recasted/scaled down in the light of resources constraint:*** Classroom construction from 13,868 units to 11,940; classroom rehabilitation from 2,323 to 251; teacher recruitment from 9,047 to 6,885, teacher houses construction from 8,000 units to 224; and textbook supply from 1,801,690 to 971,111.

V. POLICY OPTIONS AND RECOMMENDATIONS

- ***The ESDP – related master plans*** for the sub-sectors of secondary, technical, higher and teacher education should be finalised together with an investment plan for each sub-sector so as to address issues of their rationalisation, financing and operational efficiency;
- Basic education has been accorded priority in the Poverty Reduction Strategy. The allocation of government resources in 2001/02 has closely followed this priority. It is recommended that such an allocation pattern be sustained in order to realise the goals;
- Much of primary spending is under local governments. This is in line with the process of decentralisation. However, given the weak capacity at local government it is recommended that improving IT skills and procurement areas will greatly increase the effectiveness of public spending at this level;
- Non-wage expenditure, which in the past received paltry allocation is central to improving quality of education. It is recommended that this component should be allocated more funds and guarded from erosion of such an allocation.

- The Sector Ministries need to put in place a framework for ascertaining the revenue/income collection, its management, utilisation and reporting;
- An equitable formula of financing operating costs of all secondary schools (especially those built by communities) be put in place;
- **Address the following policy recommendation at TTCs levels:**
 - reduce unit costs of producing a trained teacher;
 - improve on STRs in TTCs and reduce long period of pre-service training;
- Legislate student loan recovery at higher education level;
- Adopt unit cost in budgeting and resource allocation at higher education levels;
- Introduce *capitation, development and capacity* building grants at higher and technical levels;
- **Success of PEDP depends on sustainable funding and financing** by Government and Development Partners. To be able to attract donors into the pooled fund, efforts towards a Sector Wide Approach by mainstreaming stand alone implementation need to be promoted by taking stock of what is happening outside SWAPs so that, activities relevant can be brought in the main development programme.
- **Timing and Quality of Education Supplies:** a more careful review of the education material and textbook distribution system is called for given experience of successful best practice districts and if need allows, the MOEC/PORALG ought to prepare standardised school material kits.
- **Effectiveness of IEC:** key messages related to PEDP need to reach the schools and communities. As such the translation, production, and distribution procedures of materials should be made simple so that the materials can reach the targeted stakeholders as soon as possible;
- **Pre-service and In-service Teacher Training:** the present supply driven pre-service and in-service teacher training framework should be replaced by a demand driven design which empowers Teacher Training Collages and TRCs as centres of professionals growth. The starting point is for the MOEC to initiate client relationship with TTCs and TIE so that they produce strategic plans for professional development and rationalisation of institutions.
- **Effective and Efficient Teacher Recruitment:** the policy options for the rationalisation of the teaching force need to be implemented namely: *recruit teachers for the high PTR schools; transfer teachers from low PTR to high PTR schools; promote multi-shift teaching in persistently high PTR schools; promote multi-grade teaching in persistently low PTR schools;*

- **Effective Capacity Building:** the whole PEDP implementation is highly venerable on the nature and role of capacity building and institutional strengthening. More strategies are needed at promoting school and community participation and empowering rather than attempting to “*filling in the gaps*” and “*skills provision*” on how to use World Bank initiated Manuals;
- **Enrolment Reports:** DEOs’ on monthly basis as they bring feedback on financial expenditures, enrolment related information should also be included and this should be a condition for getting the next money release;
- So as to improve on primary school performance policy has to be directed at increasing enrolment at secondary school by either building more schools or introducing cost effective measures like evening classes and double shift;
- Enforce national laws and regulations governing fees and contributions related to admissions in schools and colleges (e.g. Government Circular No. 7 of 2001);
- Mobilise Local Authorities/communities and community based organisations to contribute to cost of education of pupils from poor families through funding from established District Trust Funds;
- The PEDP targets need to be recasted in the light of available resources and be related to PRSP funding availability;
- So as to promote further decentralization and autonomy the government through its CRS and LGR should support staff (teacher) devolution by implementing the policy options of the teacher Audit exercise;
- Enhance community/PTA role in monitoring and appraising financial expenditures and performance;
- Strengthen the MOEC’s schools inspectorate system so that it can also perform financial expenditure and control functions at school levels.
- Translate some elements of the Procurement Act into an Audit Act for operation at the level of schools/units;
- Promote and encourage the use of school/district development plans in allocating financial resources/expenditures.
- **On Gender:** there should be an integrated gender aspect concern in all elements of education resources allocation for recurrent and development;
- Resources be allocated to promotion of opportunities for girls enrolment and retention (reducing wastage);
- Introduce further support mechanising to keep girls in school along lines of GSES;

- **On HIV/AIDS:** it is recommended that while concerted efforts are directed at checking HIV/AIDS spread, in education in particular more fiscal spending is called for to offset impact. Increased training of teachers and increased spending on orphaned children have to be mainstreamed in education budget;
- Within the context of CSR programme and the LGR-programme the MOEC needs to initiate an internal realignment between central, district and schools staffing profile so as to address school teacher shortage and in-capacity at local government levels;
- Since a substantial number of staff at MOEC headquarter are “enclave projects” based, a situation which contradicts the general government policy of decentralised delivery of social service and SWAPs the MOEC needs to initiate a process of mainstreaming project based activities in to broad sector wide reforms.

Chapter I

RECENT DEVELOPMENTS

This Chapter provides an introduction to the 2002 Education Sector Public Expenditure Review (PER). It outlines the background, objectives and focus of the PER. It highlights recent developments that will influence education sector development in the future.

Background

- 1.1.1. Since FY 98, the government of Tanzania, working in partnership with development partners/donors and local stakeholders has undertaken Public Expenditure Reviews, which have greatly influenced pertinent public policy formulation and budget management. PER FY02 will consolidate and build on the achievements realised so far. The Public Expenditure Review (PER) process aims to track expenditures for fiscal years, analyse the predictability of the resource envelope and review revenues, the efficiency of financial management and levels of accountability. The process also tries to relate the resource available to the sector, with sector development plans and policies. This enables an assessment of whether targets set are consistent with resource envelope and whether financing gaps are likely to emerge. The purpose of the process is to attain a realistic budget that will enhance efficiency, ensure frugality, enhance accountability for expenditure and strengthen resource envelope predictability and budget transparency.

Objectives

- 1.2.1. The main objectives of PER FY02 are to: (1) provide support to the implementation and monitoring of the Tanzania Poverty Reduction strategy; particular attention will be on *(a) ensuring that updating and coverage of costing sector interventions and activities is complete to feed into the Budget Guidelines and preparation of MTEF for all priority sectors and activities (b) aligning sector development of poverty education targets; (c) review of expenditure tracking system to be instituted by the Government beginning FY02; and (d) preparation of all required inputs into the next PRSP progress report and the performance Assessment Frame under the PRBS*, (2) extend the ex-ante coverage of the resource envelope in Budget Guidelines beyond domestic revenue and programme support to include projections of projects assistance. (3) implementation of the Pay Reform, and (4) Strengthening the capacity of the Local Authorities to prepare and implement poverty – focused MTEFs.
- 1.2.2. The PER (2002) will form an input to the preparation of the Medium Term Expenditure Framework (MTEF) for the sector, 2002/03 to 2004/05. In particular we have been asked to provide an analysis of developments in the sector in relation to objectives and targets of the following documents. These are:
 - The Primary Education Development Plan (20002 – 2006), United Republic of Tanzania, July 2001; and
 - The Poverty Reduction Strategy Paper, United Republic of Tanzania, October 2000.

- 1.2.3. The terms of reference of the PER 2002 provide the guidance for the study and are annexed to this report.

Comments on the Terms of Reference

- 1.3.1. A number of issues relating to the timing, relevancy and scope of the 2002 PER should be noted.
- The terms of reference most likely call for a review of recent sector performance, up to October 2001. However, usually several data are not available from spending centres in appropriation form to the office of Controller and Auditor general (OCAG) by end of July. Yet, spending is usually up to June 30th. This situation applies to several units for several type of statistics. However, it is more pronounced in the MOEC and MSTHE database as related to fees and income, which are only available from schools and institutions after October.
 - Overlapping and repetitive components of the terms of reference, which could have been condensed into one. For example a “review of deviations” in overall budget performance (4.1.4(c)) could have been condensed into one with “assessing planned versus actual” resource allocation (4.1.4(d)).
 - The tendency for the TORs being overloaded with items requiring information readily available in other reports (past and present) and thus the present PER not adding value to previous PERs. This makes PER exercise an information tool for those either new to Tanzania or those wanting information related to their mission(s) or programmes.
 - The TORs requirements/tasks not being able to synchronise the PER process and the processes or schedules of funding the study or its components; thus constraining on output achievement by deadline.
 - The PER studies of priority sectors like education, health and roads do include some components which fall under reviews of other sectors especially when it comes to local government level, hence the overlapping.
 - The successive terms of reference for PER studies ought to have an in-built capacity building component for the sectors rather than being seen as merely a data collection exercise, which just informs the sector Ministries of the policies and recommendations for taking as externally generated by consultants.

Methodology and Approach

- 1.4.1. The PER (2002) team comprised of the Lead Consultant Prof. J.C.J. Galabawa, the Co-Consultant Dr. A.V.Y. Mbelle and eight experienced officials drawn from the MOEC, MSTHE and PORALG. The consultant worked closely with Mr. C.N.M. Iraba, Mr. B. Gwakahuzu and Mr. C. Miyedu of MOEC and Mr. F.W. Magere and Mr. S.M. Gesimba of MSTHE. The approach chosen was both quantitative and qualitative, combining information stemming from the analysis of education sector reports with interviews and brainstorming sessions. The major sources of financial information were the relevant Supply Votes and Appropriation Accounts.
- 1.4.2. Data, Information and their interpretations were shared with the eight Ministries Officials throughout the process. Presentations were made to the MOEC Heads of Department with the Minister as Chair and to the Resource Allocation Technical

Working Group of MOEC and PORALG. Relevant, useful and constructive comments and suggestion were included in the final draft.

Recent Developments

- 1.5.1. A number of developments have taken place since the 2001 PER for education was produced. Here, we outline those that are relevant to this exercise:
- The Basic Education Strategy;
 - Study on policy options for the Rationalisation of the Primary School teaching force;
 - The Primary Education Development Plan (2002 – 2006).
- 1.5.2. During 2000/01, the government carried out a number of activities related to the above developments as follows:
- ***Enhanced HIPC debt relief and expanded budget support.*** Tanzania reached the HIPC completion point in November 2001 and gained access to debt relief of US\$ 2,026 million over the next twenty years. Tanzania is also gaining increased access to donor budget support through the Poverty Reduction Budget Support (PRBS) Facility, which is channelling funds from bilateral and multilateral donors directly to the budget;
 - In the context of the PRSP, the government of Tanzania has developed a national strategy for basic education, together with detailed council plans under the ongoing school mapping exercise which has already covered 66 percent of the total 113 districts;
 - A comprehensive ***Education Sector Status Report*** was prepared and discussed with a wide cross-section of stakeholders early 2001. It provides understanding of the critical constraints to the performance of the sector and makes recommendations for the development of primary education as well as the other sub-sector;
 - The Primary Education Development Programme (PEDP) is derived from the Education Sector Country Status Report and on various other analytical studies on the sector. The objective of PEDP is to improve quality, expand school access and equity, and increase school retention at the primary school level.
- 1.5.3. An important objective under the ESDP is to have all 7-10 year old children in school by 2004. To this end, an additional 1 million children are expected to be enrolled by 2003. Another major objectives is to improve efficiency in the school system and raise the quality of education. In pursuit of these objectives, the following specific initiatives are being implemented:
- Complete school mapping and macro-planning for the remaining districts;
 - Expand enrolment substantially in standard one, especially in the poor regions, for the new school year starting January 2002;
 - Improve teacher management at the school level, in order to increase instructional hours;
 - Secure a more even allocation of teachers across schools and regions, by raising the average number of pupils per teacher from 38 at present, to 45 by 2004;
 - Upgrade teachers' qualification through on-the-job training (2/3 of the teachers are expected have grade "A" certificate by 2008);

- Improve the quality and availability of textbooks and other school supplies, through decentralised procurement;
- Extend the system of double -shift;
- Introduce a system of teacher resources centres, to increase the effectiveness of teachers and raise education standards;
- Strengthen the capacity of the authorities at the district and community levels to manage schools.

1.5.4. **Costing of interventions:** In order to achieve the PRSP objectives, the financing of basic education is budgeted to increase by 29.4 percent in FY 2001/02 to Tsh.183 billion, or 2.2 percent of GDP (compared to 1.8 percent of GDP in 2000/01). The required resources for basic education are expected to continue to increase over the medium term to reflect the impact of the planned expansion in enrolment and initiatives aimed at bolstering the quality of education.

1.5.5. Viewed in terms of ESDP, as much as 96 percent of the estimated financial resources will be absorbed in primary education (mainly as capitation and development grants to finance no-salary outlays for the construction of classrooms and other facilities, recruitment of new teacher, textbooks and other learning materials, and rehabilitation of classroom.

Chapter II

A REVIEW OF PER (FY 01) FINDINGS ACTIONS AND PEDP/PRSP

This Chapter reviews the findings of PER (FY 01) and identifies the actions which have been taken so far in the context of the Poverty Reduction Strategy Paper (PRSP) and the HIPC document. The follow up actions planned in FY 02 are given with an assessment of the adequacy of the measures currently in place whose purpose is to increase transparency, targeting and monitoring of the priority sector expenditures at the local government level.

Introduction: PER (2001) Findings

- 2.1.1. The findings of the PER (FY01) are reviewed below. In summary and by education level for primary education the major findings were: *that there was no costing of needed inputs, no universal coverage of school mapping, no compensation to schools and districts for loss of UPE fees as source of revenue; inadequate absorption of increased enrolment in response to government initiatives to substantially increase enrolment; HIV/AIDS not factored in budget and education programmes; poor learning/teaching environment because of low allocation to O.Cs; high drop-out rate of around 6.6%; low transition rate to secondary (17%); low quality teacher force/insufficient teachers, no effective decentralisation, inadequate tracking of expenditure; and low public spending on education (2.6 of GDP).*

Box 2.1: Review of Primary Education Findings (2001 PER)

- *no costing of needed inputs, no universal coverage of school mapping, no compensation to school and districts for loss of UPE fees as source of revenue;*
- *inadequate absorption of increased enrolment in response to government initiatives to substantially increase enrolment;*
- *HIV/AIDS not factored in budget and education programmes;*
- *poor learning/teaching environment because of low allocation to O.Cs;*
- *high drop-out rate of around 6.6%;*
- *low transition rate to secondary (17%);*
- *low quality teacher force/insufficient teachers, no effective decentralisation and inadequate tracking of expenditure;*
- *low public spending on education (2.6 of GDP).*

Source: Analysis of PER (2001) document by Oxford Policy Management, February 2001

- 2.1.2. At secondary school level the PER (2001) findings tended to suggest the following: *there was too few girls in secondary education as a whole especially in upper secondary; low Gross Enrolment Ratio (5%); low pass rates at O-level with over 20% failing; increasing Government spending on secondary education (costs of adopting of new community secondary schools); inequitable financing of operating costs of all schools built by communities; no appropriate minimum Standard VII examination marks for secondary entry (i.e. district-specific quotas);*

surplus to requirements of teachers in some areas (remote vis-a-vis urban); no district budget for providing minimum facilities for schools taken over by public sector.

Box 2.2: Review of Secondary Education Findings (2001 PER)

- *too few girls in secondary education as a whole especially in upper secondary*
- *low Gross Enrolment Ratio (5%);*
- *low pass rates at O-level with over 20% failing;*
- *increasing Government spending on secondary education (costs of adopting new community secondary schools);*
- *inequitable financing of operating costs of all schools built by communities;*
- *no appropriate minimum Standard VII examination marks for secondary entry (i.e. district-specific quotas);*
- *surplus to requirements of teachers in some areas (remote vis-à-vis urban);*
- *no district budget for providing minimum facilities for schools taken over by public sector*

Source: Analysis of PER (2001) document by Oxford Policy Management, February 2001

- 2.1.3. Like other several recent year reports the PER (2001) noted that the *Teacher Training College (TTC)* system has *excess capacity* and is *not rationalized*. The major findings on the TTC system were: *high unit costs of producing a trained teacher; more primary teachers employed than the target STR justifies; TTCs lack funds for essential spending on upkeep, libraries and materials; very low STRs of around (10:1); audit recommendations (1999) on TTC not yet implemented; long period of pre-service training (two years rather than one year).*

Box 2.3: Review of Teacher Training Colleges Findings (2001 PER)

- *high unit costs of producing a trained teacher;*
- *more primary teachers employed than the target STR justifies;*
- *TTCs lack funds for essential spending on upkeep, libraries and materials;*
- *very low STRs of around (10:1); while audit recommendations (1999) on TTC not yet implemented;*
- *long period of pre-service training (two years rather than one year).*

Source: Analysis of PER (2001) document by Oxford Policy Management, February 2001

- 2.1.4. The PER (2001) findings on the performance of higher education system included the following: *lack of curriculum reform to ensure appropriate balance between subjects (mainly inculcating entrepreneurial attitudes/approaches); low enrolment of girls mainly in sciences; lack of progress on rationalisation exercise; student*

loan carries no interest payments and recovery is ineffective; education levy and Education Fund not being legislated; unit costs detailed work not yet done and not yet informing annual budgetary exercise; allocation of resources do not reflect policies, student numbers, incentives; no contract between government and institutions; lack of reinforcement entrepreneurial attitudes in curricula.

Box 2.4: Review of Higher Education Findings (2001 PER)

- *allocation of resources not reflecting students numbers, policy priorities, incentives;*
- *low girls enrolment (i.e. sciences);*
- *ineffective student loan recovery;*
- *low research allocation in budget;*
- *education levy and Education Fund not being legislated;*
- *unit costs not yet used in annual budgetary exercise;*
- *lack of visible progress on rationalization exercise;*
- *lack of reinforcement of entrepreneurial attitudes in curricula*

Source: Analysis of PER (2001) document by Oxford Policy Management, February 2001

2.1.5. The PER (2001) noted the potential advantages of the new policy of decentralising management. However, the following findings were given regarding decentralisation:

- *generally decentralisation had not been implemented and it was not so thorough as to produce the benefits intended;*
- *the power to hire and fire teachers was not yet passed to the district education management and the schools working together;*
- *funds for salaries were not yet included in the block grants;*
- *the government had not developed a clear system to monitor policy for the decentralised education system;*
- *the system for passing funds from district to schools was not yet transparent and community could not yet monitor use of resources;*
- *in the context of the Education Strategy Programme there was yet no provision for adequately bridging the funding gap originating from abolishing the UPE fee;*

Actions Taken in Response to PER FY 01 and Assessment

2.2.1. The actions taken in response to PER FY 01 for the education sub-sectors need to be understood in the context of the Development Plans and Strategies drawn up in the sub-sectors. For the primary education level the picture is that most PER (2001) issues are being addressed within the PEDP-framework whose main policy objectives are: *enrolment expansion, efficiency improvement, quality improvement, raising financial resources for education, addressing the impact of HIV/AIDS, gender as well as institutional capacity and competence building.*

Table 2.1: Review of Education PER FY 01: Issues in Primary Education

<i>FINDINGS</i>	<i>ACTIONS TAKEN</i>	<i>ASSESSMENT</i>	<i>REASONS</i>
1. • No costing of needed inputs	• Costing completed	• It has been done well for purposes of informing annual budgetary exercise	• Basic Education Strategy and plan completed and launched
2. • No universal coverage of school mapping	• Only 66% completed in 82 districts	• Universal coverage is necessary in order to ascertain conditions	• Insufficient government funding
3. • No compensation to schools and districts for lost UPE fee as source of revenue	• Capitation grants raised to US\$ 6 per pupil	• Target of US\$ 10 per pupil not reached.	• Insufficient government funding
4. • Inadequate absorption of increased enrolment (in response to government initiatives to substantially increase enrolment)	• For 2001/02 World Bank support of US\$ 50 million (Tsh. 46.3 billion) released (out of earmarked US\$ 150 million or Tsh. 138.9 billion) for construction of over 12,800 classrooms (Tsh. 50.3 billion).	- Actions still inadequate due to a large number of out-of-school children as backlog - Supplementary measures needed at household level to compensate for opportunity cost of sending children to school	- Inadequate government funding - General poverty level at household level - Insufficient community involvement
5. • HIV/AIDS not factored in	• Done. For the first time government has allocated budget at sector level (FY 01/02) • Aids counselling education/training with UNICEF Support	• Some work on AIDS education materials	• High emphasis of sector policy on controlling HIV/AIDS
6. • Poor learning/teaching environment	• Capitation Grant introduced • 328,240 textbooks printed/distributed	• Findings not yet adequate	• Education Coordination Unit in (PO) established
7. • High dropout rate (around 6.6%)	• Strengthening school committees • Enrolment enforcement legislation in place	• Effectiveness of measures not yet assessed	• Data being compiled by MOEC
8. • Low transition rate to secondary school	• More Stream added to schools to present schools	• Increase in enrolment registered	• Impact on transition rate visible but not fast enough
9. • Low quality teacher force/insufficient teachers	Employment of 9,100 additional teachers (2001/02) Enhanced teacher upgrading and 4,552 teachers hired	• DBSPE-Professional development reached 30% of districts	• Capacity Building Fund not operational yet
10. • No effective decentralisation	Tsh. 0.8 billion (out of Tsh. 46.3 billion) released for capacity building and supervision at local government level; District Based Support for Primary Education	• Implementation in progress • Mapping of TRCS in progress • Staff status transfer not yet effected	• LGAs' restructuring slow and problematic; teachers Union resisting transfer
11. • Inadequate tracking of expenditure	• Enactment of Public Finance Act and Procurement Act • Information Education Communication	• To put in place a tracking mechanism	• Insufficient resources for tracking and capacity

2.2.2. Table 2.1 indicates that for the primary education sub-sector action has been taken on almost all PER (2001) findings. In particular the costing of inputs has been completed for the purpose of informing annual budgetary exercise and the primary education investment plan. Only 66% of the school mapping exercise has been done in 82 districts. Universal coverage of school mapping is still necessary but will

require government funding in order to ascertain conditions in the remaining districts. Compensation to schools and districts for lost UPE fees as sources of revenue has been achieved through the introduction of Capitation Grant, which was raised to US\$6 per pupil. The minimum level of the capitation grant is US\$10 per pupil.

- 2.2.3. That part of the Capitation Grant compensating the loss of the UPE fees under Vote 50 of the Ministry of Finance budget has been divided into four phases of allocation with the first phase quarter of US\$1 per pupil for 4,829,181 pupils already sent to the districts by November 2001. The plan is to allocate one US\$ per quarter per primary school pupil. The responsibility for follow-up with the Ministry of Finance and Presidents Office Regional Administration and Local Government rests with the individual Districts. The Capacity Building Fund (CBF) has been introduced to take care of the problems related to *lack of capacity and competence.*” This has been

Table 2.2: Review of Education PER FY 01: Issues in Secondary Education

<i>FINDINGS</i>	<i>ACTIONS TAKEN</i>	<i>ASSESSMENT</i>	<i>REASONS</i>
1. •Low girls enrolment	<ul style="list-style-type: none"> • Designing special scholarship and incentive programmes for girls • Providing more public secondary schools particularly in rural areas and close to communities 	<ul style="list-style-type: none"> • Pilot on selected low cost schools done with support of World Bank (GSES) • Community secondary schools adopted by government 	<ul style="list-style-type: none"> • Pilot not yet to scale because of financial constraints • Only 28 schools in GSES
2. •Low GER	<ul style="list-style-type: none"> • Proposals to create a large base of quality primary graduates to enter secondary under the PEDP (2002); • Proposals to eliminate irregular school levies on the secondary level • Provide 30 public and community schools • Permit more Streams to day schools 	<ul style="list-style-type: none"> • More streams added in day schools 	<ul style="list-style-type: none"> • On-going process and part of SEMP • Now moving from SEMP to National secondary education strategy
3. •Low pass rates at O-Level	<ul style="list-style-type: none"> • Form II examination introduced and open Publishing of PSLE results done; schools ranked by performance • Improvement in science teaching 	<ul style="list-style-type: none"> • Pass rate slightly improved 	<ul style="list-style-type: none"> • Other factors not taken care of: i.e. teacher quality
4. •Inequitable financing of operating costs	<ul style="list-style-type: none"> • District Education Trust Fund introduced 	<ul style="list-style-type: none"> • District Education Trust Fund introduced not yet to scale 	<ul style="list-style-type: none"> • Sensitisation not fully done
5. •No minimum secondary entry marks	<ul style="list-style-type: none"> • The minimum entry qualification is already fixed at 61 	<ul style="list-style-type: none"> • The minimum pass mark is in place 	<ul style="list-style-type: none"> • Having many community secondary schools increase access and waters down the quota system
6. •Surplus of teachers in some areas; few science/maths teachers	<ul style="list-style-type: none"> • Teacher Audit exercise done 	<ul style="list-style-type: none"> • Teacher re-deployment follow 	<ul style="list-style-type: none"> • Financial constraint
7. •No district budget for providing minimum facilities in community built schools	<ul style="list-style-type: none"> • District Education Trust Fund being established at district level 	<ul style="list-style-type: none"> • Some district have developed components on secondary education 	<ul style="list-style-type: none"> • Fiscal Constraints particularly of poor districts
8. •Scarcity of teaching learning materials/equipment	<ul style="list-style-type: none"> • Part of 2002 Action Plan (400,000 Science Books) • Education II project • KfW • SESS 	<ul style="list-style-type: none"> • 28 school covered under SESS • Coverage not national • Government waved levy on learning and teaching materials 	<ul style="list-style-type: none"> • To be part of SEMP • Financial constraints

pegged at US\$ 500 per school and allocated to Vote 56 of the PORALG. The Development Grant (Investment Grant) will take care of the “poor learning and teaching environment’ including infrastructural development. By November 2001, Tsh.600,257,000 was already allocated to local authorities. In addition, Tsh.40.3 billion as part of a bigger loan from World Bank was already allocated for classroom construction.

- 2.2.4. Tables 2.2, 2.3 and 2.4 show a review of issues and findings in Secondary, Teacher Education and Higher Education Sub-sectors. The Secondary and Teacher Education sub-sectors have already prepared their sub-sector master plans (on draft form) while the Higher Education Science and Technical Education Master Plan is being prepared.
- 2.2.5. At the secondary school level *no action* has been taken regarding districts budgeting for providing minimum facilities in community built schools because of the fiscal constraints of districts and because the recommendation has not been addressed by the secondary education draft Master Plan. Although the teacher audit exercise has been done the issue of surplus of teachers in some areas and schools has not been addressed because of financial constraints regarding the implementation of the re-deployment exercise. The quota selection system at primary school level is still in place and thus the “no minimum secondary entry marks” finding in the PER 2001 has not been corrected. The Community Education Fund (CEF) which was recommended to address problems related to *“inequitable financing of operations”* at secondary level though successful in some pilot districts at primary school level has not gone to scale at secondary school level.
- 2.2.6. In addressing the problem of low GER at secondary education some actions were taken as follows: *eleven community schools were built and three private schools were taken over by government (government secondary schools increased from a total of 508 (2000) to 521 (2001); enrolment in evening secondary programmes increased from 18,502 (2000) to 23,357 (2001); five private secondary schools were registered making a total of 396 private schools; one form one stream added to 12 schools; two form one streams added to two secondary schools; fourteen streams of form V opened in ten schools; and an increase recorded in distance secondary education enrolment from 5,000 (2000) to 5,223 (2001).*
- 2.2.7. The secondary education department has also attempted to address the issue of low enrolment for girls. Actions taken include: *designing special scholarship and incentive programmes for girls under which a pilot for Girls Secondary Education Support (GSES) is implemented with a World Bank credit in 28 secondary schools. This pilot is not yet to scale due to financial constraints;* the purpose to provide more girls places in rural-based public secondary schools or in those schools, which are close to communities.

Table 2.3: Review of Education PER FY01: Issues in Teacher Education

<i>FINDINGS</i>	<i>ACTIONS TAKEN</i>	<i>ASSESSMENT</i>	<i>REASONS</i>
1. •High unit costs of producing a trained teacher	•Under PEDP enrolment to increase	•5,547 students are in TTCs	•Freezing of teacher employment
2. •More teachers compared to STR	•Development of TEMP •Rationalisation of TTCs	•Progress made	•Drastic reduction of pre-service students
3. •Lack of funds for essentials: library, materials, facilities	•7-Colleges rehabilitated	•Only 10% of total requirement	•No funding for other colleges
4. •Long period of pre-service training	•Shorter period of pre-service from two years to one year planned as an interim measure	•Implementation to start	•Excessive demand to recruit Grade III A teachers

2.2.8. At teacher education level seven colleges¹ have been rehabilitated and this represents only 10% of total requirement because there was no funding for other colleges' development activities.

2.2.9. Three months programme at Morogoro professional development courses to teachers were run for science teachers, special certificate and diplomas (A-Diploma), special education, grade A - upgrading and for tutors.

2.2.10. Teacher Resource Centres were strengthened in seven zones at Morogoro T.C, Marangu T.C, Mtwara T.C, Klerruu T.C, Butimba T.C, Mpwapwa T.C and Tabora T.C. A programme for improvement of teaching mathematics was completed with the support of Ireland Aid. The programme has produced mathematics textbooks for use in primary schools. The implementation in teacher education and the actions taken appear to be unrelated to PER (2001) findings and recommendations. In particular the critical areas which have not been addressed are: **reducing the unit costs of producing a trained teacher, very low STRs in the college; cutting short the long period of pre-service training; and a general lack of funds for essential spending on upkeep, libraries and materials.** In general whereas at the teacher education sub-sector the PER (2001) stressed institutional reform and more efficient resource use, the sub-sector has tended to witness under-funding with further expansion.

¹ The Colleges are Katoke, Bunda, Mhonda, Ilonga, Ifunda, Tandala, Patandi, Tabora and Murutunguru

Table 2.4: Review of Education PER FY 01: Issues in Higher Education

<i>FINDINGS</i>	<i>ACTIONS TAKEN</i>	<i>ASSESSMENT</i>	<i>REASONS</i>
1. • <i>allocation not based on (student numbers, incentives etc)</i>	• <i>No Action</i>	• <i>No Action</i>	• <i>Student numbers and incentives for grant allocation scheme not in place</i>
2. • <i>Low girls enrolment</i>	• <i>Ad-hoc institutional based programmes and plans in place</i>	• <i>Some isolated actions in individual institutes</i>	• <i>No higher education master plan to address issue nationally at both lower and higher levels</i>
3. • <i>Ineffective student loan recovery</i>	• <i>Act of parliament to track down loaned money in process</i> • <i>Employment bureaus not in place yet</i>	<i>No action</i>	• <i>Lack of mechanism to track down graduates</i> • <i>Many of the graduates do not secure paying jobs to repay loans</i> • <i>Lack of mechanism for repayment</i>
6. • <i>Unit Costs not yet used</i>	• <i>Unit costs study done</i>	• <i>Negotiations between MSTHET and institutions on-going</i>	• <i>Unit cost based Capitation Grant sponsorship and budgeting scheme not in place</i>
7. • <i>Lack of progress on rationalisation</i>	• <i>Strengthened HEAC for awards and control</i> • <i>Task force and Presidential Commission formed</i> • <i>Action Plan and Budget for entire project</i>	• <i>No action</i>	• <i>Activity not budgeted for</i>
8. • <i>No-curriculum reform</i>	• <i>Institutionally based programmes implementation in process</i>	• <i>Individual Institutions Initiative started</i>	• <i>Addressed in context of Institutional Transformation Programmes by individual institution</i>
9. • <i>Expansion of enrolment</i>	• <i>Institutionally based programmes implementation in process</i>	• <i>Individual Institutions Initiative started</i>	• <i>No National Framework and Strategy (Plan)</i>

2.2.11. At higher education level the draft master plan is being prepared for the sub-sector. Parliament has already passed a bill for the Education Fund as proposed in the PER 2001. There are already in action pre-entry programmes for girls in higher education institutions so as to improve on their admission. A move to privatise the municipal activities in institutions has been initiated and support staffs have been put on contractual hire terms of services depending on their productivity and institutional needs.

2.2.12. At the higher education level several findings of the PER (2001) are not yet addressed. These are: *allocation of resources to institutions not yet based on student numbers, policy priorities or incentives to perform; student loan recovery is still ineffective because of lack of mechanism to track down graduates and because many of the graduates do not secure well paying jobs to repay loans; the unit cost based capitation grant sponsorship and budgeting scheme is not yet in place; and the rationalisation of institutions has not yet been budgeted for although there are consultations with funders (i.e. World Bank).and enrolment expansion is being addressed ad-hocly by individual institutions because of lack of a national strategy.*

Development in the Implementation of PEDP

- 2.3.1. To address the existing problems and face the challenges resulting from on-going reforms and the increasing demand for human resource development, the government in 1996 undertook to develop the Education Sector Development Programme (ESDP). The ESDP was a tool for operationalising the various policies linked to policy relating to education and training. Under the ESDP a series of policies and reforms have been initiated with the objective of ensuring that all children have equitable access to good quality primary education.
- 2.3.2. The Primary Education Development Plan (PEDP) came out of the ESDP, and its main components are: expanding enrolment; improving the quality of teaching and learning processes; building capacity within the education system both in the public and private sector with a stake in education provision; and strengthening the institutional arrangements that support the sensitisation and education service delivery. The Basic Education Strategy (BES) has objectives that are largely in line with those outlined in the PRSP. They include ***increasing primary schools enrolment to cover all eligible school age children and improvement of education service delivery to enhance completion rate, reduce drop-out and improve academic performance***. A number of initiatives were carried out with the aim of enabling the government to determine a workable and properly costed plan for achieving the PRSP objectives.
- 2.3.3. In Table 2.5, the components and strategies constructed around the PEDP and BES are summarised.

Table 2.5: The BES and PEDP Components and Strategies from the Standpoint of PRSP

<i>COMPONENT/LEVEL</i>	<i>STRATEGIES</i>	<i>MEASURES AIMED AT IMPROVED PROSPECTS AT ATTAINING PRSP OBJECTIVES</i>
<i>Expanding Primary Basic Education enrolment</i>	<ul style="list-style-type: none"> • <i>Increase enrolment of both boys and girls</i> • <i>Construct new classrooms</i> • <i>Rehabilitate old classrooms</i> • <i>Recruit new teachers</i> • <i>Expand complementary education programmes</i> • <i>Construct teachers houses</i> 	<ul style="list-style-type: none"> • <i>Enforcing, with minimal exceptions, a pupil teacher ratio of 1:45, pupil classroom ratio of 1:45 and introduction of double shifts</i> • <i>Foster equitable access to education by biasing support for expansion of classrooms in favour of disadvantaged regions</i> • <i>Introduce capitation grant to finance non-salary expenditure on primary education to the tune of US\$10 per student per annum (compared to 1 US\$)</i> • <i>Government requesting the international partners to increase support for primary education</i> • <i>In implementing poverty – oriented intervention a distinction between core-interventions covered under the budgetary appropriations and “supplementary interventions”.</i> • <i>Introduce an development grant to finance the construction of new classrooms</i>

(Table 2.5 Continued)

<i>Quality Improvement</i>	<ul style="list-style-type: none"> • Up-grade teachers qualification • Increase textbook supply and other materials • Strengthen inspection services • Strengthen the examination system 	<ul style="list-style-type: none"> • Evaluating and reforming the current PSLE system and creating a large base of quality primary graduates to enter secondary cycle.
<i>Capacity building</i>	<ul style="list-style-type: none"> • Conduct Pre-service teacher training • Up-grade qualification of teacher training college tutors • Strengthen education management skills to school level • Improve educational management information system. 	<ul style="list-style-type: none"> • Upgrade teachers' qualification through on-the-job training to reach a target of 2/3 of the teachers with grade "A" certificate. • Complete school mapping and macro-planning for the remaining districts
<i>Optimise human, material and financial resources utilisation</i>	<ul style="list-style-type: none"> • Complete re-alignment of roles and responsibilities among local, district and central authorities • Make sure that LGAs and Regional secretariat effectively support primary education delivery to children • Ensure that national headquarters staff effectively collaborate on the development of policies for primary education 	<ul style="list-style-type: none"> • Shift powers to activity-based, bottom-up costing of poverty reduction initiatives • Working out practical steps for ensuring unimpeded transfer of resources to individual schools • Increased re-orientation, starting FY 2002/03 of the MTEF exercise toward results (performance) • Increase instructional hours through efficient teacher management at school • Secure optimal use of existing school classroom stock through a combination of teaching unit double shift and classroom double-shift • Secure optimal use of instructional materials and teacher time through expanded school based Teacher Resource Centre system/network • Secure optimal teacher distribution across schools and regions by adjusting the teacher/pupil ratio to 1:45 from 1:38 currently
<i>Improving the teaching and learning environment</i>	<ul style="list-style-type: none"> • Construct and finish new classrooms and laboratories • Enhance teachers' competences • Supply textbooks and other learning materials • Improve inspection services • Rehabilitate secondary schools physical facilities 	<ul style="list-style-type: none"> • Removal of taxes on teaching and learning materials • Complete liberalisation of textbook/school material publishing, purchase and distribution
<i>Strengthening the management capacity</i>	<ul style="list-style-type: none"> • Support girls students from poor/disadvantaged families for secondary education • Supply teaching equipment to community secondary schools • Control of HIV/AIDS 	<ul style="list-style-type: none"> • Strengthening HIV/AIDS education among school children and teachers • Improving school health and counselling programmes

Costing of Priority Interventions

- 2.4.1. **Primary education has been focused by government efforts in order to firm up the Basic Education Sector Strategy (BESS) and its cost implications. Non-formal education for out-of-school children and youth, the complimentary Basic Education in Tanzania (COBET) is regarded as part of primary education under the assumption that some of the children enrolled in the COBET programme would be mainstreamed in primary schools.**

- 2.4.2. *In addition to the measures envisaged for the implementation of the basic education strategy, the following assumptions underline the costing of the strategy: (i) School age population grows at 2.3 percent per annum (ii) primary GER target of 85 percent (iii) some additional resources will come out of the budgets of local authorities (iv) UPE fee was to be abolished (v) 9,100 teachers were to be recruited in 2001/02 (vi) no increase in salary cost per pupil in real terms (in nominal terms the salary increase would be equal 4 percent) and, (vii) the revenue effort would continue to increase at a moderate pace from the current level. A summary of financing of Basic Education Strategy can be see in Table 2.6.*

Table 2.6: Costed Requirements Per Activity 2001/02 – 2004/05 (billion Tsh.)¹

Sector Objectives	2001/02	2002/03	2003/04	2004/05
PRIMARY EDUCATION				
1. Expanding Enrolment	102	107.12	118.67	123.30
2. Improving the quality of teaching and learning process	42.36	46.70	53.52	60.16
3. Capacity Building in the education system	9.55	9.16	10.27	9.37
4. To strengthen the institutional arrangements that support the delivery of education services	12.63	24.68	28.82	35.77
SECONDARY EDUCATION				
1. To improve the teaching and learning environment at the secondary level	4.99	0.30	0.30	0.40
2. To strengthen the management capacity at secondary level	13.84	19.25	13.67	14.98
To control the spread of HIV/AIDS/STD through the education	0.99	1.39	1.39	1.52
Total Basic Education	182.8	208.3	224.1	245.0

¹ For Each Objective, the specific activities are as outlined in table 2.5

Issues Related to Financing

- 2.5.1. The major financial resources sources are the: Credit money from a World Bank (WB) loan; Central Government Local Funds and Subsidies; and Grants from development partners.
- 2.5.2. Our Survey suggested that for the Credit money from the WB:
- Tsh.40.3 billion for classroom construction had been fully disbursed to councils. We could not ascertain the claim by the MOEC that all councils had already confirmed receipt of such funds. It was also reported by PORALG that disbursement of this money to school levels or construction sites was still going on; although our survey in Dar es Salaam suggested that the framework for facilities construction at school levels was not yet in place in most schools.
 - By March 2002, the teacher recruitment exercise at council level was not yet affected and in this case the earmarked Tsh. 5.2 billion¹ for salaries of new teachers was yet to be disbursed to councils.
 - The Tsh. 800 million for capacity building has not been expended as expected because the framework for capacity building at district and school levels, though initiated by the MOEC technical teams, has not yet been approved.

- 2.5.3. Around Tsh.27 billion has been disbursed as local funds from central government for: expenditure items related to OCs; UPE compensation and development expenditure. However, since the financial tracking modalities are being developed by the MOECs' ***Resource Allocation, Costing and efficiency Technical Group*** based in the Ministries it was not clear if these funds are really reaching the schools. It appears that disbursement to councils is being confirmed by officials rather than disbursement to schools.
- 2.5.4. As regards grants from development partners we could only confirm that SIDA had released around Tsh. 4.3 billion for textbook provision and in-service teacher training; while US\$508,410 from, Ireland Aid had been deposited into the PEDP Pooled Fund Holding Account.
- 2.5.5. There are delays in sending instructions to councils on how the funds are to be used. On the other hand, the teacher department has not yet finalised the sub-sector teacher education plan as such the already available funds are channelled through the old in-service structures whose delivery efficiency is till in doubt, as was pointed out in the PER (2001).
- 2.5.6. The Second Tranche Release of the World Bank Credit was to be released on meeting the conditions for revising the designs of ***in-service and pre-service teacher training programmes, primary school curriculum and examinations to enhance student learning and classroom interaction.***
- 2.5.7. The Terms of Reference have to be approved by World Bank and the MOEC based ***Basic Education Development Committee (BEDC)***. The response from BEDC to proposals by TIE and NECTA are not provided as soon as possible and this would affect the timely release of the second tranche. As such the affected proposals for implementation ***include:***
- (a) ***reviewing of the Primary Education, in-service teacher training and pre-service certificate teacher education curriculum and materials by TIE;***
 - (b) ***capacity building to Improve Assessment, Examinations and Monitoring and Evaluation of Quality of teaching and Learning Process in Primary Schools;***
 - (c) ***assessing and evaluating the quality of PSLE and other procedures of assessment, examinations, and monitoring and evaluating learning and teaching outcomes in primary schools.***

Teacher Recruitment

- 2.6.1. The Government approved the recruitment of 9,100 teachers by November 2001. The interview exercises are being conducted by councils although the recruitment exercise itself has not been equally successful in all Councils. By March 2002 only 33 councils had reported completing the recruitment exercise; while the remaining 80 had not reported on the recruitment exercise. This situation suggests that the problem of teacher shortage is still not resolved in at least 80 district councils.

Pre-service and In-service teacher Training

- 2.7.1. The success of PEDP depends very much on pre-service and in-service teacher training. However, the situation on the ground is signalling a crisis. It was planned that 9,000 teacher trainees would be enrolled in TTCs for a one year special

programme commencing in September, 2001. The current situation in the 34 Government Teacher Training Colleges stands at 5,547 enrols. ***The target therefore is only 61.5% achieved. Thus, the under supply of teachers through the conventional methods is likely to threaten the expansion of enrolment in primary schools.*** Since the PER (2001) indicated under utilisation of teacher training colleges thus showing no constraint in capacity utilisation the expanding the second batch of teacher enrollees should not pose difficulties.

- 2.7.2. The in-service programme under PEDP has not taken off smoothly mainly because the designed framework is mainly supply driven. Being developed up at either MOEC, World Bank or TIE levels and sent for implementation at TTCs and Council levels. A demand driven design needs to empower teacher training colleges and TRCs as centres of professional growth.
- 2.7.3. Both department of Teacher Training and DBSPE are still continuing with in-service teacher training in project form. Reconciliation of in-service efforts needs to be addressed since the government has managed to raise Tsh.2,507,345,000 for in-service teacher training compared with the required Tsh.3,984,000,000 to meet the training of 120,000 teachers at a cost of Tsh.33,200 per teacher per annum.

Capacity Building

- 2.8.1. As part of the Credit money borrowed from the World Bank and set aside under Vote 56 the government has set aside Tsh.800 million for capacity building. The whole PEDP implementation is highly venerable on the side of capacity strengthening. The most critical and strategic levels, which need urgent attention, are the schools and districts. There are no immediate modalities to enable schools and school committees ménage the huge financial resources put at their disposal. Guidelines and circulars are flowing from the centre to schools and districts. Yet, the urgency is there to strengthen capacity at council level mainly because the councils levels are the entry points for all resources as well as the clearing centre for ***information, materials, human resources and funds.***

Enrolment in Standard One

- 2.9.1. By January 2002 enrolment in standard one stood at 1,297,726.1 figure 86.5% of the planned target of 1,500,000. Enrolment reports a difficult to access from councils and by January 2002, 38 Councils had not submitted their reports. The proportion of 7 to 8 year olds entering standard I has increased, and those of 10 – 13 year olds are falling.

Interventions to Improve Quality: Book Supply and Financing

- 2.10.1. The supply of textbooks is being financed the Capitation Grant where the textbook component of the Capitation Grant is Tsh.3,600 ((US\$ 4) per pupil per annum. The main sources of these funds are: Local Government through Government Budget; and External from the Swedish Government.
- 2.10.2. The government has committed Tsh.4.8 billion for ***School Materials and Supplies*** and we noted that 78.1% of that money had already been disbursed to the councils.

We could not *confirm if the councils have been using that money to purchase textbook or not.*

- 2.10.3. The Swedish Government has released funds to PEDP for purchase of textbooks through the Exchequer. The MOEC received Tsh.3,426,400,560 from the Swedish Government for purchase of textbooks on 21 January 2002. ***This amount is about Tsh.710 per pupil per annum.*** MOEC has already allocated the funds to all councils. However, disbursement of funds to the councils has been effected in March, 2002 because of delay in ***getting instructions prepared for directing councils on how to spend those funds.*** The issue which has emerged is that instructions which were meant to guide councils on how to spend those meagre funds were not focused and specific to these funds. TAMISEMI issued a general circular on how the ***Tsh.3,600 (US\$ 04) for textbooks and Tsh.1,800 (US\$ 02) for other materials*** should be spent. ***Unfortunately, councils have not received all these funds except for the latter as UPE compensation.*** Councils received instruction (letter Ref. No. RALG-C/E.30/2 dated 19/10/2001) from TAMISEMI on how they should spend the UPE compensation funds. Lack of ***clear guidance is likely to provide loophole for councils to spend the money for textbooks on something else.***

Construction of Classrooms and Teachers' Houses

- 2.11.1. It was planned that 13,868 new classrooms and 8,000 teachers houses should have been constructed by December 2001. The commencement of construction was delayed in securing requisite funds. In some councils however, community effort was used in initiating construction of classrooms and teachers houses. We have not been able to capture information on community-initiated construction of classrooms and teachers houses for lack of reliable information flow system. Serious construction started when councils received a total of Tsh.41.5 billion for construction purpose by the end of January 2002. It is well over two and half months since councils received the requisite funds. Information on the status of construction of classrooms and teachers houses has not yet been received by MOEC. ***The problem seems to be caused by lack of an information flow system.***

Finance Tracking: Efficient Use

2.12.1. Table 2.7 shows funding for Primary Education Development Programme by source for FY 2001/02 as at April 2002. The donor disbursed funds to date FY2002/02 are Tsh.51,309,910,587 while Tsh.12,172,897,500 are expected before June 2002 as to make a total of Tsh.63,477,808,087 (Tsh.9,666,908,087 in PEDP Pooled and Tsh.53,810,900,000 in PEDP Exchequer).

Table 2.7: Donor Funding for Primary Education Development Programme FY 2001/02

Donor	Type	Disbursed to Date FY 2001/02	Expected Before June 2002 ¹	Total 2001/02
Canada	Pooled	83,410,587	288,437,500	371,848,087
EU	Pooled		858,000,000	858,000,000
Ireland	Pooled	461,500,000	1,846,000,000	2,307,500,000
Netherlands	Pooled		3,507,400,000	3,507,400,000
Norway	Pooled		2,622,160,000	2,622,160,000
Sweden	Exchequer	4,615,000,000	3,045,900,000	7,660,900,000
World bank	Exchequer	46,150,000,000		46,150,000,000
		51,309,910,587	12,167,897,500	63,477,808,087
			<i>PEDP Pooled</i>	9,666,908,087
			<i>PEDP Exchequer</i>	53,810,900,000

Source: External Finance Department, MOF, April 2002.

¹NOTES: Conditions of Release for Remaining Funds FY 2001/02

1. Canada The BEFF Agreement has been modified to allow remaining funds to be disbursed through the Pooled Fund. The remaining funds will be released following donor discussions on schedule of disbursements.
2. EU
 - A. Cost Estimate Agreement for use Counterpart Funds finalised.
 - B. Procurement manual for PEDP approved.
 - C. Audit terms of reference for PEDP approved.
 - D. MoEC and PO-RALG submit first quarterly action plan and budget.
 - E. Agreement on how the funds should appear in the budget.
3. Ireland Donor approval for funds will go to an internal committee on 7.5.02. Disbursement will follow the procedures as stated in the MoU and specifically the section entitled Government of the PEDP Holding Account.
4. Netherlands Comments from MoF and MoEC on Agreement awaited. Following the signing of the Agreement, funds will be disbursed.
5. Norway Comment from MoF on daft agreement are awaited. Following the signing of the Agreement, funds will be disbursed.
6. Sweden Awaiting the submission of a progress report on PEDP and budget statement for FY 2001/02 which shows the current budget gap and the required funds to close it. A letter should also be issued from the Ministry of Finance requesting the disbursement of the funds to the Exchequer Account.

2.12.2. The challenge which the education sector is now facing is how to ensure the funds disbursed to different levels and units of implementation are spent on what they were intended to be used for. There is no system in place to track funds efficient use, because of several reasons, the main ones being:

- *The incapacity to manage existing or the designed manual system and promote transparency at council and school levels;*
- *The complete absence of a functioning tracking and financial monitoring system;*
- *The tendency by councils as shown in chapter three to re-allocate the given funds in favour of travelling and vehicles at the expenses of school materials;*
- *The financial reporting formatting and tradition which is aggregated and not related to exchequer issue notification;*
- *Schools and school committees now being the last point of cash flow related to textbooks, school materials and capacity building, yet there is no system to ascertain that the supplies and services have flown to schools;*

Efficiency Through Pooled Funding Arrangements

2.13.1. Measures have been taken to establish a pooled fund system under PEDP by opening a PEDP Pooled Fund Account with BOT. There is hesitation on the part of some donors to use the Pooled Fund facility. However, funds cannot be directly accessed

by MoEC or Local Governments except through the exchequer system allowing for capture by the IFMS.

Information Education and Communication – (IEC)

- 2.14.1. The production of national strategy for IEC has enabled the preparation of IEC implementation plan and key messages related to PEDP in the form of newsletters, calendar, brochure, posters and fliers. The total cost of the publications being Tsh.203,070,000.
- 2.14.2. However, *(a) the publications although already delivered at the rented central warehouses in Dar es Salaam we could not gauge if the process of dispatching these to districts/schools has started (b) by February 2002, payment of production costs to contracted printers deposited into Pooled Fund Account had not been transferred to MOEC through the exchequer system (c) some documents meant to facilitate communication and understanding among grassroots target groups and translated in Kiswahili (i.e. PEDP document, Financial management and Accounting manual, Strengthening institutional arrangements, Procurement manual, Construction Hand Book) are awaiting approval in their Kiswahili form and have been reproduced in big numbers for the targeted stakeholders.*

Policy Options and Recommendations Related to PEDP

- 2.15.1. (a) Success of PEDP depends on sustainable funding and financing by Government, and Development Partners. To be able to attract more donors into the pooled fund, efforts towards a Sector Wide Approach by mainstreaming stand alone implementation need to be promoted by taking stock of what is happening outside SWAP so that, activities relevant can be brought in the main development programme.
- (b) ***Timing and Quality of Education Supplies:*** A more careful review of the education material and textbook distribution system is called for, given experience of successful best practice districts and if need allows the MOEC/PORALG ought to prepare standardised school materials kits.
- (c) ***Effectiveness of IEC:*** Key messages related to PEDP need to reach the schools and communities. As such the translation production and distribution procedures of materials should be made simple so that the materials can reach the targeted stakeholders as soon as possible.
- (d) ***Pre-service and In-service Teacher Training:*** The present supply driven pre-service and in-service teacher training framework should be replaced by a demand driven design which empowers Teacher Training Colleges and TRCs as centres of professionals growth. The starting point is for the MOEC to initiate client relationship with TTCs and TIE so that they produce strategic plans for professional development and rationalisation of institutions.
- (e) ***Effective and Efficient Teacher Recruitment:*** The problem of teacher shortage and rationalisation is not resolved in at least 80 district councils. The policy options for the rationalisation of the teaching force need to be implemented namely: *recruit teachers for the high PTR schools; transfer teachers from low*

PTR to high PTR schools; promote multi-shift teaching in persistently high PTR schools; promote multi-grade teaching in persistently low PTR schools.

- (f) ***Effective Capacity Building:*** The whole PEDP implementation is highly venerable on the nature and role of capacity building and institutional strengthening. More strategies are needed at promoting school and community participation and empowering rather than attempting to “*filling in the gaps*” and “*skills provision*” on how to use World Bank initiated Manuals.
- (g) ***Enrolment Reports:*** DEOs’ on monthly basis as they bring feedback on financial expenditures, enrolment related information should also be included and as a condition for getting the next money release.

PRSP Existing Plans, Strategies and Performance

PRSP and the Education Sector

- 2.16.1. The government has designed comprehensive strategies and articulated a number of targets in order to arrest the stagnation and reversal in poverty indicators as well as declining quantity, quality of and access to basic social services. Some of targets are derived from interventional development goals while others are national targets set in more ambitious implementation frame. The vision 2025 sets the broad development agenda for poverty reduction, the National Poverty Reduction Strategy (NPES) focuses on poverty targets the Tanzania Assistance Strategy (TAS) is a framework for directing external support into priority areas and the Poverty Reduction Strategy Papers (PRSP) developed in the HIPC initiative links targets with resource allocation and monitoring process and also lays strategies for implementing NPES in the medium-term.
- 2.16.2. As reflected in Vision 2025 and NPES among the important aspects of the poverty reduction strategy is a more strategic approach to public spending programme, which supports prioritisation but maintains a balance with macro economic stability, to ensure conditions favourable to growth and stability. The adoption of the Medium Term Expenditure Framework (MTEF) which also predates the PRSP, has helped to ground this strategic approach in the annual budgeting process. In the education sector PRSP is meant to address issues related to income poverty:
- Raise gross primary school enrolment to 85 percent;
 - Increase the transition rate from primary to secondary school from 15 percent to 21 percent, and reduce the drop-out rate in primary school from 6.6 percent to 3 percent.
 - Raise net primary school enrolment from 57 percent to 70 percent;
 - Increase the number of students passing Standard VII examination at a reasonably high standard (to be specified) from 20 to 50 percent; and
 - Expand adult education programmes.

Table 2.8: Main Activities Geared towards Meeting PRSP Targets

<i>Activity</i>	<i>Achievement 2000/01</i>
• <i>School Mapping and Improvement Plans</i>	- Through cooperation with donors (UNICEF, JICA and CIDA) 63 Districts have been mapped and embarked on preparation of school plans
• <i>Teacher Upgrading and re-allocation</i>	- Government had, by November 2001, given a circular to adjust teacher establishment and to eliminate over-crowding of teachers in some schools. - Teachers were provided on the job training at colleges, outside colleges and at teacher resource centres. During 2001/02 TSC planned to upgrade 63,364 teachers and by October 2001, 33,000 teachers were upgraded. - During 2000/01 429 teachers benefited from accelerated promotion.
• <i>Use of Appropriate Pupil-Teacher ratios</i>	- Civil Service Commission permitted employment of 1,200 science and 40 mathematics teachers for secondary schools, 500 for teacher colleges. Out of the planned 9,100 primary school teachers over 5,000 have been hired by March 2002.
• <i>Promoting Private and community Based Education (including adult education)</i>	- The Government has continued to give incentives to private sector to build schools. During the 2001/02 budget taxes on education materials were removed. Through MEMKWA and MUKEJA, pilot Adult Education Projects are in place in Songea Rural, Ngara and Musoma Rural and the plan is to cover the whole country by 2005.
• <i>Government Support to Basic Costs of Primary Education</i>	- Financing of basic education increased by 29.4 percent in FY 2001/02 - The introduced capitation grant will be spent on basic costs. <i>P</i> Teaching material (textbooks) US\$ 4 <i>P</i> Buildings maintenance US\$ 2 <i>P</i> Stationery US\$ 2 <i>P</i> Administration US\$ 1 <i>P</i> Internal Examination US\$ 1
• <i>Strengthening School Inspectorate</i>	- After the 1999/00 inspection exercise, 59 schools were awarded 1 st class quality criterion, 898 2 ^d class and other 3,077 schools were required to increase efficiency, 637 schools warned and 55 schools directed to change leadership. The inspection that followed recoded 3.6 percent improvement in schools with awards, a decline by 10.5 percent in warned schools and those which had to change leadership declined by 0.8 percent.
• <i>Improvement in Terms of textbooks, Material, Furniture, Sanitation, Classrooms and teacher Houses</i>	- <i>P</i> 96 percent of increased financial resources were absorbed by non-salary outlays - <i>P</i> Secondary schools were provided with funds for rehabilitation - <i>P</i> 14,000 primary schools to be built during 2002 - <i>P</i> Pupil textbook ratio is 3:1 - <i>P</i> Handbook on teacher houses construction out

Key Performance Indicators

2.17.1. As the Table 2.8 indicators, the net enrolment rate for primary schools increased from 57% to 65% between 1999/00 and 2000/01. A similar improvement was observed for the transition rate from primary to secondary, from 15% in 1999/00 to 19.5% in 2000/01. There was also an improvement in the standard VII examination pass rate by 2% from 20% in 1999/00 to 27% in 2000/01. It is observed that the drop-out rate did not decline during the period 1999/00 to 2000/01. This indicator is envisaged to decline in view of the abolition of school fees, enrolment compulsory measures and the support of children from very poor families will get from the Community Education Trust Fund. The thrust of the policy framework during 2002/03 – 2004/05 will mainly hinge on Vision 2025, the PRSP, the Education Sector Development Programme and the Local Government Reform Programme. The medium term specific monitored indicators GER and NER, transition rate from primary to secondary, drop-out rate, the number of pupils passing Standard VII examination and adult education programmes; Complementary Basic Education (COBET) and Pupil Teacher Ratio.

Table 2.9: PRSP Progress in Relation to Key Education Targets

<i>Target/Outcome Indicators for 2002/03</i>	<i>Performance During 2000/01</i>	<i>Assessment</i>
<ul style="list-style-type: none"> Increase gross enrolment from 77 percent to 85 percent 	<ul style="list-style-type: none"> Based on the 2000/01 HBS gross primary school enrolment is estimated at 83.2 percentage 	<ul style="list-style-type: none"> It is likely that the target for 2003 will be met
<ul style="list-style-type: none"> Increase net primary enrolment from 57 percent to 70 percent 	<ul style="list-style-type: none"> In 2000/01 net enrolment increased from 57 percent to 65 percent 	<ul style="list-style-type: none"> Abolition of school fees and enforcement of other enrolment related contribution likely to make the target achievable (Government Circular No 7 of 2001)
<ul style="list-style-type: none"> Increase progression rate of primary to secondary level from 15 percent to 21 percent 	<ul style="list-style-type: none"> The current rate is estimated at 19.5-20 percent 	<ul style="list-style-type: none"> Increased number of government aided community and non-government secondary schools to pull up the indicator.
<ul style="list-style-type: none"> Reduce the drop-out rate in primary schools from 6.6 percent to 3 percent 	<ul style="list-style-type: none"> No significant change is observable 	<ul style="list-style-type: none"> Implementation of planned measures to improve the teaching and learning environment and the abolition of school fees and other related contributions may make target achievable
<ul style="list-style-type: none"> Increase the pass rate in standard 7 examination from 20 percent to 50 percent 	<ul style="list-style-type: none"> The pass rate has increased to 22 percent in 2000/01 	<ul style="list-style-type: none"> It is considered that the 50 percent benchmark is ambitious. The medium term target will be reviewed downwards in due course
<ul style="list-style-type: none"> Expand Adult Education through MEMKWA and MUKEJA 	<ul style="list-style-type: none"> Pilot MEMKWA and MUKEJA projects in 3 districts in place. 	<ul style="list-style-type: none"> The target of entire country coverage by 2005 seems unlikely

Policy Options and Recommendations Related to PRSP

- Increase the number of secondary schools by building more schools and introduce evening class secondary schools and double shift;
- Enforce National laws and regulations governing fees and contributions related to enrolment in schools and colleges (e.g. Government Circular No 7 of 2001);
- Mobilise Local Authorities Communities and organizations to contribute to cost of education of pupils from poor families;
- Speed up construction of teacher houses and student toilets.

Chapter III

ANALYSIS OF RECURRENT AND DEVELOPMENT EXPENDITURE

This Chapter analyses government recurrent and development budget performance at the sector and sub-sector levels for the past three years and for the current fiscal year. The section also assesses whether and how far the financial trends reflect policy objectives. It should be stressed that data problems exist in terms of sources and also that much of the spending on development finance is not revealed in the budget. Development expenditure is mainly donor funded. Further, though the analysis is on public spending, parental and community funding is quite significant as revealed in unit cost analysis studies (see Galabawa et al 2001).

Preamble

- 3.3.1. Fiscal spending in current financial year (2001/02) has been greatly influenced by developments in the previous year, drawing lessons from reviews of various sectors (sectoral PERs), as well as development at the macro level, specifically the completion point of the Highly Indebted Poor Countries (HIPC) initiative attained on 27th November 2001, with Tanzania gaining access to a debt relief of US\$2,026 million over the next twenty years. Recurrent spending in priority sectors has increased as a result (since interim relief in 1999/2000). Domestically, a widening deficit has been tolerated in order to accommodate spending in priority areas of the PRSP. Operationalisation of the new Public Finance Act (incorporating the Public Finance Management Bill and the Public Audit Bill) has taken place while the Integrated Financial Management System (IFMS) and implementation of regulations strengthening the supervisory roles of the Accountant General and the Controller and Auditor General became effective in July 2001. All the 20 regional authorities have been included in the IFMS. Control over arrears has also been enhanced. Fiscal decentralisation has led to local authorities receiving additional funding from central government subventions for basic services especially basic education.

Education Spending Priorities

- 3.4.1. Priorities in education within the context of PRSP have generally been spelt out as improving quality, raising enrolment, optimum utilisation of resources, capacity building at grass roots level to manage schools, addressing gender, environment and HIV/AIDS concerns. Specific priorities at sub-sectoral level are:

Primary level

- Expanding enrolment (e.g. through construction of classrooms and recruitment of teachers), the intention being to expand enrolment starting with 1.5 million in the year 2002 and continuing up to 2006. The Government intends to establish a Special National Education Fund to pay for the education of children from disadvantaged groups including AIDS orphans. It is also planned that the Government will assist LGAs to recruit, train and deploy adequate number of primary school teachers in ways that will effectively accommodate

the big increases in enrolment, and the increases in staff attrition rates as a result of various factors, including AIDS-related cases.

- Improving the quality of teaching and the learning process (including capitation grant): mainly spending on *the professional development of teachers, tutors, school inspectors and leaders*; but also on *teaching and learning materials*. The capitation grant has become a key mechanism for acquiring textbooks and other materials while the development grant, together with community input are to provide for the construction and rehabilitation of classrooms and basic sanitation facilities.
- Building capacity within the education system: mainly by funding and spending on institutional capacity and competence building at the central government, LGAs and school levels. This component also includes spending on pre-service teacher training.
- Strengthening institutional arrangements that support the delivery of education services so as to meet the amount of institutional reform necessary for effective decentralisation. The Government will meet the material and financial aspects of this goal by increasing the overall budget allocation to primary education and encouraging greater community participation and enhanced donor financial inputs.
 - for the period 2002 – 2006 the Primary Education Development Plan (PEDP) is to guide focus on primary education provision and education for out-of-school children and youth covering:
 - enrolment expansion through construction of classroom, teacher engagement and teacher deployment;
 - quality improvement encompassing in-service and pre-service teacher training;
 - provision of teaching and learning materials
 - capacity building to improve management systems.

3.5.1. These processes have greatly improved management of information. The Treasury for example can access data on spending from centres on-line. The quality of data has also improved since transactions are booked simultaneously at the Treasury and at spending centres. At the local government level management of financial information has improved through processes that include a Financial Management and Accounting Manual and bank accounts at the level of primary schools. With capacity building in IT skills at local government level generation of timely and quality data will improve greatly, and enable full implementation of IFMS as well as operationalisation of the proposed Education Management Information System (EMIS), for monitoring and evaluation of planning, budgeting and expenditure processes.

3.5.2. In primary education, the government has taken momentous measures to increase enrolment in 2002. With additional resources from the World Bank (US\$50 million or Tsh.46.3 billion out of earmarked US\$ 150 million or Tsh.138.9 billion) the government is undertaking construction of over 13,868 classrooms at a cost of Tsh.40.3 billion; recruiting additional 9,100 teachers at a cost of Tsh.5.2 billion and spending Tsh.0.8 billion on capacity building and supervision. The rest of the

funding (US\$ 100 million) is to be disbursed in two instalments, at US\$ 50 million per annum, upon fulfilment of conditions related to improvement in quality of primary education. Sweden has supported purchase of textbooks and teachers' training.

PEDP, and Non PEDP Primary Spending

- 3.6.1. PEDP, which spans 2002 – 2006 has year 2002 as common with financial year 2001/02 covered under this Public Expenditure Review. In terms of cost PEDP was originally costed at Tsh.299,464.6 million (see Annex 1). However, funding has only been firmed up at Tsh.267,147 million. Assuming a liner pattern, then in financial year 2001/02 PEDP spending is expected at Tsh.133,574 million (50%). Thus of total estimated public spending at Tsh.371,600 million PEDP will constitute 35.9%.

Secondary level

- **Improving the teaching and learning environment:** spending to be more on improving the quality of secondary school facilities and for providing at least minimal facilities for community schools taken over by the government.
- **Strengthening the management capacity:** a higher level of spending on school leadership and school development at secondary level.
- **Control of HIV/AIDS:** spending to control the negative impact of HIV/AIDS.

Higher education

- **Administration and management spending:** mainly related to rationalisation of a number of under-utilised and inefficient tertiary level institutions.
- **Student costs:** spending geared towards making the distribution of financial load equitable.
- **Loan board:** to put in place an effective system of loan recovery so as to increase efficiency and effectiveness of funds.
- **Research:** higher spending to research activities.

Central and Local Government Primary Spending Split

- 3.7.1. Public spending in education is split into local government, which caters for much of primary education and the central government covering the rest of the sector. In terms of administration of funds, a larger part is in the hands of local government. In financial year 2000/01 for example out of total government recurrent spending of Tsh.138,557 million Tsh.130,103 million (93.9%) local government funds and Tsh.8,454 million or 6.1% central government funds. For financial year 2001/02 out of a total estimate of Tsh.168,000 primary recurrent spending, Tsh.137,914 (82.1%) fall under local government and Tsh.30,086 million (17.9%) under central government.

Allocation of Government Expenditure

3.8.1. Table 3.1 shows the allocation of government expenditure in education for the period 1998/99 to 2001/02.

Table 3.1: Public Spending in Education in Tanzania 1998/99 – 2001/02

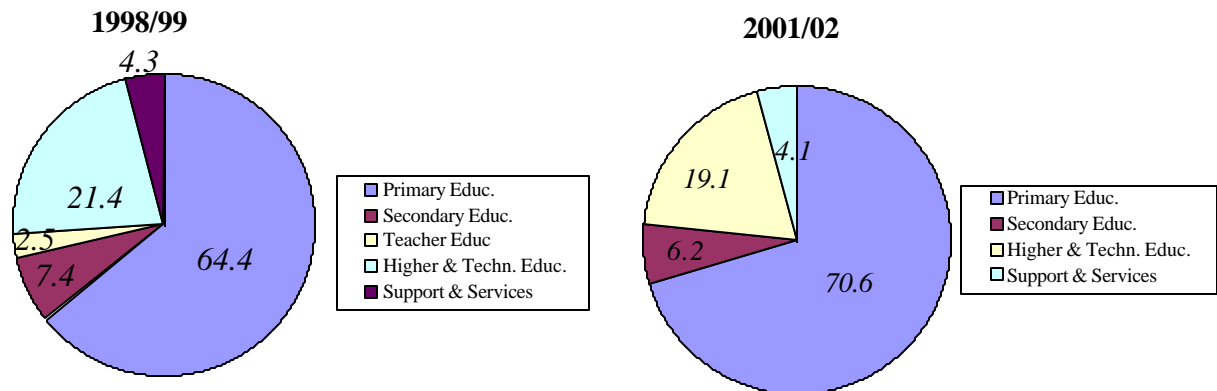
	1998/99	1999/00	2000/01	2001/02)*
Total Government Recurrent Spending	791,200	657,763	882,232	1,190,587
Education Spending (Tsh. Mill.)	106,806	118,612	237,222	238,026
As % of Total Government Recurrent Spending	13.5	18.0	26.8	20.0
Primary Education Spending (Tsh. Mill.)	68,895	78,000	138,557	169,000
As % of Education Spending	64.5	65.8	58.4	70.60
Secondary Education Spending (Tsh. Mill.)	7,894	7,774	14,957	14,800
As % of Education Spending	7.4	6.5	6.3	6.2
Teacher Education Spending (Tsh. Mill.)	2,639	2,600	3,807	–**
As % of Education Spending	2.5	2.2	1.6	–
Higher and Technical Education Spending (Tsh. Mill.)	22,914	26,638	48,945	45,391
As % of Education Spending	21.4	22.5	20.6	19.1
Add Support Services	4,464	3,600	30,947	9,835
%	4.2	3.0	13.1	4.1
TOTAL %	100.0	100.0	100.0	100.0

Note: * = Budget estimated

** For 2001/02 categorised under primary level

Source: 1. URT Appropriation Accounts of Respective sub-sectors
2. Volume II Estimates of Public Expenditure for 2001/02 figures
3. MTEF 2001 – 2004 MOEC and MSTHE
4. Computations for percentages

Figure 3.1: Education Spending in Tanzania



3.8.2. Table 3.1 and Figure 3.1 reveal prominence of primary spending, though declining in 2001/02 (external support not included). Higher and technical allocation from budgetary resources declined from 21.4% in 1998/99 to 19.1% during 2001/02.

Priority Education Spending

3.9.1. Within the broad education context, spending in priority activities has generally been increasing between 1998/9 and 2001/02 as shown in Table 3.2.

- 3.9.2. Education receives the largest share in recurrent priority spending among the other priority sectors (health, water, agriculture (research and extension), land, roads, judiciary and HIV/AIDS). Spending in education averaged 53.1% for the period 1998/9 – 2000/01. The corresponding figure in development expenditure was 36.1%.

Recurrent vs Development Expenditure

- 3.10.1. Table 3.2 shows the structure of education spending by purpose. Primary education absorbs much of both recurrent and capital spending out of total education spending (except for development during 2001/02).

Table 3.2: Recurrent vs. Development Expenditure by Level in Education Sector in Tanzania (%)

	1998/99	1999/00	2000/01	2001/02
RECURRENT	106,806	118,612	237,222	238,026
Primary	64.5	65.8	58.4	70.6
Secondary	7.4	6.5	6.3	6.2
Teacher Education	2.5	2.2	1.6	-
Higher and Technical	21.4	22.5	20.6	19.1
Administration and Others	4.2	3.0	13.1	4.1
	100	100	100.0	100.0
DEVELOPMENT				
Primary	56.5	51.1	57.4	2.6
Secondary	10.5	13.6	29.1	2.7
Teacher Education	4.3	2.0	2.4	4.1
Higher and Technical	21.3	23.3	0.6	0.2
Administration and Others	7.4	10.0	10.5	90.4*
	100.0	100.0	100.0	100.0

Notes * These are mainly projects of constructing classrooms overseen by local councils

Sources: 1. Computations URT Budget Documents (Various)

2. URT/World Bank 2001 Table 5.1 for 1998/99

Aspects of development spending

- 3.11.1. Foreign resources account for much of development expenditure in the education sector. In higher and technical education, for example the proportion has been over 56% for the period 1999/00 – 2001/02. For primary, secondary and teacher education the foreign component has been 90% (1999/00 actual), 91.5% (2000/01) and estimated at 89.8% during 2001/02. (URT Budget: Vol. 4 for 2001/02 figure).

- 3.11.2. It should be stressed that the high foreign component revealed above may still be an understatement. The MSTHE budget (Appropriation Accounts for 2000/01), for example, reveal substantial amounts of donor funds, which are not reflected in the budget, close to Tsh.12 billion, which is three times larger than the total development account of MSTHE.

Efforts need to be stepped-up in order to mainstream fully donor funds in the government budget to avoid giving an incomplete situation or a distorted picture.

Trends Versus Policy Objectives

- 3.12.1. The high priority accorded to primary education is in line with PRSP priorities and the policy objective of achieving universal primary education in the country in the spirit of Millennium Development Goals (MDG) in education.

Wage vs. Non-wage Expenditure

Wages expenditure

3.13.1. In broad terms wage expenditure claims much of recurrent resources as shown in Table 3.3.

Table 3.3: Public Spending in Tanzania: wage vs. Non-wage Components 1998/9 – 2001/02 (%)

		1998/9	1999/00	2000/01	2001/02*
3.13.2. At primary, secondary and teacher education levels the proportion of wage expenditure is high varying between 62.5% and 94.4%. At the higher and technical level, a drop in wage expenditure line is observed after 1998/9.	<i>PRIMARY</i>	106,806	118,612	237,222	238,026
	Wage	94.4	89.4	87.8	85.7
	Non-wage	5.6	10.6	12.2	14.3
	<i>SECONDARY</i>	7,894	7,774	14,957	14,800
	Wage	62.5	66.5	73.0	66.3
	Non-wage	37.5	33.5	27.0	33.7
	<i>TEACHER</i>	2,639	2,600	3,807	137,914
	Wage	69.0	68.7	74.6	85.7
	Non-wage	31.0	31.3	25.4	14.3
	<i>HIGHER AND TECHNICAL</i>	22,914	26,638	48,945	45,391
	Wage	29.3	2.4	2.7	2.2
	Non-wage	70.7	97.6	97.3	97.8

Note * = estimates

Sources: 1. URT Volume II of Budget Estimates (Ministerial) various

2. Appendices to Volume III from Details on Urban and District Councils (Various)

3. Computation for percentages

Wages have since then been lumped together with Other Charges under “transfers and subsidy to institutions at same level of government” combining the Open University of Tanzania, University of Dar es Salaam with its two colleges of UCLAS and MUCHS, the Sokoine University of Agriculture and the Higher Education Accreditation Council. As such a more realistic assessment would be to consider the wage component at 1998/9 level.

3.13.3. There is a general decline in the composition of wage expenditures relative to non-wage expenditure. This is due to a deliberate policy to increase and protect non-wage expenditure especially in priority areas.

Non-wage expenditures (other charges)

3.14.1. The structure of non-wage expenditures differs by level as well as by trends. At the primary level resources have been increasingly devoted to school materials, while at the other four levels advances to sub-treasuries (also termed grants, subventions and transfer) dominated the structure.

3.14.2. Allocation of resources for other charges is high for maintenance, travelling and subsistence and office supplies at secondary and teacher training levels even in excess budgeted figures. Educational materials show same pattern at teacher training level. At technical education level, grants, educational materials, maintenance and office supplies show expenditures in excess of budget figures. At higher education level lines in excess of budgeted figures are office supplies, acquisition of technical equipment and tools and acquisition of household furniture and equipment as shown in Table 3.4.

3.14.3. The pattern shown in Table 3.4 reflects to a great extent the priorities set for financial year 2001/02 at primary and technical levels thus increasing the likelihood of achieving the objectives at the sub-sector levels and slightly so at secondary level.

At teachers' training level the two sets of resource allocations do not match. At the higher education level they match closely.

Table 3.4: Spending on Education in Tanzania: Five Major O/C Items 1998/9 – 2001/02
(% of Sub-vote)

Level	1998/9	1999/00	2000/01	2001/02
P R I M A R Y	Examination expenses	1.07	Educational materials	2.38
	Catering expenses	0.55	Examination expenses	1.71
	School materials	0.47	Travelling on leave	1.44
	Transport on leave	0.33	Catering expenses	0.99
	Teacher Service Comm.	0.25	Courses and Seminars	0.73
S E C O N D A R Y	Student costs	29.02	Advance to sub-treasury	14.22
	Transport and travelling	6.23	Maintenance –physical. infrastructure	1.56
	Printing, Inform and Advert	0.94	Travel & subsistence	0.82
	Maintenance & Minor works	0.62	Education materials	0.64
	Office expenses	0.53	Training expenses	0.44
T E A C H E R	Student costs	19.96	Advance to sub-treasury	12.84
	Transport and Travelling	2.95	Travel & subsistence	1.88
	Office expenses	2.16	Education materials	1.54
	Maintenance & Minor works	1.98	Training expenses	0.88
	Training	1.21	Acq. Of H.H. furniture	0.41
T E C H N I C A L	Grants, Subvs., Transfer	37.30	Grants, Subvs., Transfer	41.43
	Student costs	20.76	Educ. Materials, Supply	15.81
	Training	7.01	Maintenance & Minor works	8.87
	Maintenance & Minor works	7.00	Office expenses	5.34
	Office expenses	4.04	Acquisition of household furniture	4.45
H I G H E R	Grants, Subvs., Transfer	59.62	Transfer	83.85
	Student costs	28.46	Old codes	15.93
	Special funds	11.64	Travel and Subsistence	0.12
	Consultancy & .Techn.	0.14	Office supplies	0.02
	Acquisition. of equipment	0.04	Communication, Inform.	0.002

Source: Computed from URT Budget Documents (various)

3.14.4. Table 3.5 shows components of non-wage expenditure for the period 1998/99 to 2001 (actual) and estimates for 2001/02 for five largest expenditure items, by education level.

Table 3.5: Education Spending in Tanzania: Budgeted vs Actual Expenditure of Largest Five OC items 2000/01

<i>Level/Item</i>	<i>Budgeted (000)</i>	<i>Actual (000)</i>	<i>Predictability (%)</i>	<i>Actual/Sub Vote OC (%)</i>
PRIMARY				
<i>School materials</i>	4,283,963	4,283,963	100.0	24.2
<i>Examination expenses</i>	3,065,311	3,065,311	100.0	17.3
<i>Travelling on leave</i>	3,017,402	3,017,402	100.0	17.0
<i>Catering expenses</i>	1,375,004	1,375,004	100.0	7.8
<i>Plant, Vehicles</i>	1,114,683	1,114,683	100.0	6.3
SECONDARY				
<i>Advances to sub-treasury.</i>	2,949,663	2,949,663	100.0	73.8
<i>Maintenance</i>	23,000	377,272	1,540.0	9.4
<i>Travel and Subsistence</i>	21,000	300,783	1,432.0	7.5
<i>Educational materials</i>	4,349,784	171,415	3.9	4.3
<i>Office supplies</i>	24,000	45,370	189.0	1.1
TEACHER				
<i>Advances to sub-treasury</i>	789,317	789,317	100.0	86.3
<i>Travel and Subsistence</i>	45,000	66,410	146.0	7.3
<i>Educational material</i>	16,257	21,000	129.0	2.3
<i>Utilities</i>	4,500	175	3.9	0.02
<i>Maintenance</i>	4,923	5,671	115.2	0.6
TECHNICAL				
<i>Grants, Sub-vote.</i>	2,643,014	2,726,835	103.2	58.6
<i>Educational materials</i>	501,923	587,404	117.0	12.6
<i>Utilities</i>	182,220	162,486	89.2	3.5
<i>Maintenance</i>	35,500	144,483	407.0	3.1
<i>Office supplies</i>	74,517	99,772	133.9	2.1
HIGHER				
<i>Grants, Sub-vote., transfer</i>	37,772,774	36,978,375	97.9	99.67
<i>Travel and subsistence</i>	43,635	41,353	94.8	0.11
<i>Office supplies</i>	32,830	32,888	100.2	0.08
<i>Acquisition. of tech. Equip.</i>	11,000	18,742	170.4	0.05
<i>Household furniture</i>	4,125	12,918	313.2	0.03

Source: URT Budget Documents (various), percentages Computed

Predictability of Education Funding

- 3.15.1. The extent to which resource flows can be predicted in terms of volume and timely disbursement determine to a great extent the success of programmes within the time frame set shortfalls in disbursement in relation to budgeted figure and commitment will necessitate scaling down some of the priority programmes planned for implementation in the specified timeframe.
- 3.15.2. Disbursements which do not adhere to agreed and appropriate schedules lead to delays in implementation and may lead to wastage of resources (inefficiency) of complementary resources which will have already been spent. This is common for projects which are susceptible to wealthier changes (e.g. delays in disbursement which may lead to activities being undertaken during rainy season etc.).

3.15.3. Table 3.6 shows planned versus actual utilisation of resources in the education sector, for financial year 2000/01 at sectoral and sub-sectoral levels.

Table 3.6: Predictability of Education Funding in Tanzania 2000/01 (Tsh. Million)

	<i>Recurrent</i>			<i>Development</i>			<i>Average</i>
	<i>Planned</i>	<i>Actual</i>	<i>%</i>	<i>Planned</i>	<i>Actual</i>	<i>%</i>	<i>%</i>
<i>Primary</i>	138,060	176,462	127.8	6,598	497	7.5	89.7
<i>Secondary</i>	14,697	14,829	100.9	6,756	128	1.9	51.4
<i>Teacher</i>	3,590	3,601	100.3	1,671	206	12.3	56.3
<i>Technical</i>	472.0	5,158	1,092.8	4,210	4,210	100.0	596.4
<i>Higher</i>	38,022	37172	97.8	3,975	3,967	99.8	98.8
<i>Total</i>	194,841	237,222	121.8	23,210	9,008	38.8	80.3
<i>Sector</i>							

Source: URT Budget Documents. Percentages Computed

3.15.4. There are pronounced disparities in predictability across levels as well as recurrent versus development funding by public sources. With regard to recurrent expenditure, requests are mostly fully met. For development finance, primary, secondary and teacher levels had lowest predictability during 2000/01. The overall picture across levels is explained by low predictability of development expenditure. In comparison to 2001/02 budget, sectoral allocation is high (over 2000/01 estimates by 78.4%). Priority remains high for primary education. It is most likely that predictability of development expenditure will be higher in 2001/02 given the framework of the Medium term Expenditure Framework (MTEF) which requires commitments to be firmed and revealed for the three year MTEF period.

Overall Budget Performance

3.16.1. In order to assess overall budget performance in education we examine performance in both revenue and expenditure as shown in Table 3.7, by discerning such trends in the key institutions.

Table 3.7: Overall Performance of Education Budget 1998/9 – 2000/01 Actual vs Budget (%)

	<i>Revenue</i>		<i>Expenditure</i>	
	<i>MOEC</i>	<i>MSTHE</i>	<i>MOEC</i>	<i>MSTHE</i>
1998/99	92.7	88.5	97.8	92.8
1999/00	67.4*	60.0	56.8	86.0
2000/01	15.9*	78.7	63.8	99.6

Key * Excludes school fees collections retained at schools/colleges the performance of which was 70% in 1999/00 and 91.1% in 2000/01

Source: Computed from URT Appropriation Accounts for MOEC and MSTHE 1998/9 – 2000/01

3.16.2. The material differences between approved estimates and actual expenditure were attributed to:

(a) ***Revenue side***

- Over collection - increased price of publications and newsletters
- Under collection - Low enrolment of students
 - Students failure to report at schools
 - raised fees thus students failing to pay
 - Non recoveries from staff loans and advances
 - failure of local councils to collect sufficient revenue

(b) ***Recurrent expenditure***

- Over expenditure- Payment of arrears e.g. telephone bills, salaries due to promotion
 - Increasing cost of budget preparations
 - Increasing costs of items not adequately budgeted for (printing, fuel, building materials, furniture, rental charges, educational materials, stationery, tools and

equipment, medical supplies, consultancy services, vehicles).

Under expenditure- Non release of exchequer issues from Treasury

- Partial release of it
- Cash budget system (thus not funding some activities)

(c) *Development expenditure*

Over expenditure- Rising costs of building materials

- Exchange rate fluctuation

Under expenditure- Foreign funds not forthcoming

- late receipt of same (can not be accounted for in current year)
- Government not honouring its committed contribution (counterpart funds)

3.16.3. As it can be seen most of the factors relate to a poor information system to be able to predict developments in the economy (e.g. price levels) as well as developments in the global economy (exchange rate regime).

3.16.4. The main factors that constrain the allocation of resources are the low absolute size of the domestic resource envelope compared to demand an “imperfect” information system on key variables such as future price movements; and low predictability of development funding (donor funds) in terms of both disbursement levels and schedule of disbursements.

3.16.5. Control of expenditure on the other hand is constrained by a number of factors. Foremost are systemic problems as exposed by reports of the Controller and Auditor General (see chapter 4). These include flouting regulations such as financial powers, non-production of accountable documents for auditing, un-receipting of expenditures, non preparation/submission of bank reconciliation statements etc. Second is the fact that reallocations across budget lines are widely practiced. This creates room for divergence of expenditures targeted for priority activities into non priority spending. Third is the issue of capacity to adequately oversee procedures. Reports of the Controller and Auditor General point to lack of requisite skills in areas such as write off of losses, purchased goods not taken on ledger charge, improper recording or not recording at all of purchased goods, non maintenance of creditor registers, etc. Last is the issue of dishonesty e.g. “purchased” goods not reaching their destination? What it all amounts to is that the various reports of the Controller and Auditor General are seen as routine exercises needing no implementation or needing no accountability.

Expenditure Items Benefiting most from Increased Budget Allocation

3.17.1. The analysis of benefiting items is done using information disclosed in “Appropriation Accounts and Other Statements” to compute the probability of increased allocation going to particular line items. With regard to personal emoluments there are revealed differences by education levels. At primary, secondary and teacher education levels increased allocation favours salaries against allowances. At higher and technical level salaries increased budget allocation favours the component of allowances.

- 3.17.2. With regard to other charges the items benefiting most from increased allocation at primary level are educational materials. At the secondary level the greater beneficiary is educational materials followed by maintenance and travel and subsistence.

Arrears

- 3.18.1. An analysis of arrears for the period 1998/9 – 2000/01 shows the prominence of person emoluments followed by “other debts” with electricity bills dominating the category, throughout the period. Arrears feature much more prominently at higher and technical levels than at lower levels.
- 3.18.2. The main factor causing arrears have been cited as non or under issuance of Treasury cheques especially on “other charges”, experienced much due to the operation of the cash budget as well as the need to pay salary arrears for staff promoted in the preceding years whose benefits have to be effected in current fiscal year.
- 3.18.3. At the macro level (further) accumulation of arrears is to be tackled through clearing all budgetary arrears in 2001/02, controlling the generation of Local Purchase Orders through IFMS and dishonouring any payments for goods and services that are not accompanied by local purchase orders generated by IFMS (Budget Guideline for FY 02); Thereafter providing full allocation for items which have been attracting arrears. A further measure however needs to be taken that of synchronising promotions and fiscal years since promotions can be predicted with great accuracy and thus building-in such salary increases in the respective financial year.

Revenue Collection and Administrative Set-Up

Revenue Source, Bases and Rates

- 3.19.1. The major sources of revenue in the education sector are shown in Table 3.8. These sources are: ***receipts from training, Rent from government quarter and National Housing Buildings; Recovery of Public money, miscellaneous receipts.*** The school fees component (for primary, secondary, teacher training etc) is usually given under “Receipts from Training”. Only the Arusha Primary School level was at the high rate of Tsh.210,000 and Tsh.105,000 for boarders and non-boarders respectively. The rates at secondary school are Tsh.70,000 and Tsh.40,000 for boarders and days schools respectively.

Table 3.8: Enrolment vs Revenue Collection (school fees) by Sub-Sector 1999/00 – 2000/01

Sub-sector	No of Pupils/ Students	Boarders	Rate Tsh.	Non-Boarders	Rate Tsh.	1999/00 Actual Collection	2000/01 Expected Revenue (100% Collection)
Primary Education (Arusha School)	1000	200	210,000	800	105,000	135,127,000	126,000,000 (126,000,000)
Remarks: The short fall of 6.8% between the 1999/00 Actual collection and the 2000/01 budget was attributed to the fall in enrolment from 1,100 to 1,000 pupils at Arusha School respectively.							
Secondary Education	138,089	35,812	70,000	102,277	40,000	4,134,360,340	6,597,920,000 (5,720,046,500)
Remarks: The variance of 13% between the expected Revenue (100% collecting) and the budget is attributed by a number of reasons. 1. Inability of parents to pay the fees 2. Negative attitude towards education by communities in some regions 3. The current government directive of not expelling students who fail to pay school fees.							
Teacher Education	12,000	12,000	85,000	-	-	923,743,053	1,020,000,000 (1,077,956,000)
Remarks: The variance of 17% between Actual collection in 1999/00 and 2000/01 is due to increase in enrolment.							
Tertiary/Higher Education	1,746	1,746	-	NA	-	81,646,700	156,000,000 (156,000,000)
Remarks: The short fall of 20% between the actual collection and retention (2000/01) and the budget for 2000/01 (i.e. 156 mill/=) is attributed to the fall in enrolment in Technical colleges.							

Source: MOF: Financial Statements and Revenue Estimates Vol. I; MSTHE: Some basic Statistics in Higher Learning Institutions in Tanzania, 1996 – 1997 – 2000/01

Revenue Collection by Sub-sector

3.20.1. The interpretation of the total revenue collection by sub-sectors should be taken with care because they imply that by 31st October 2001 the whole amount of budget revenue from school fees collected and retained by spending centers has been realized. Practically, this is impossible.

3.20.2. Tables 3.8 and 3.9 show that:
(a) at primary education level (excluding UPE-fees which is retained) the expected revenue assuming 100% collection rate for the year 2000/01 was Tsh.126,000,000;

Table 3.9: Summary of Revenue Collection 2000/01 MOEC

Sub-Vote	Description	Budget	Actual Collection	Variation
1001	Administration and General	759,000	1,872,545	+1,113,544
1002	Finance and Accounts	319,000	732,883	+413,883
1003	Policy and Planning	893,000	75,040	-817,960
2001	Chief Education Officer	45,960,000	752,498	-45,207,502
2002	Inspectorate	1,248,000	307,511	-940,489
2003	Mantep Institute	18,223,000	67,979	-18,155,021
3001	Basic Education	127,660,000	299,444	-127,360,556
4001	Secondary Education	5,785,979,500	11,691,964	-5,774,287,536
5001	Teacher Education	1,104,052,000	6,627,591	-1,097,424,409
6001	Culture and National Language	86,000	81,842	-4,158
6004	Sports Development	74,019,000	615,167	-73,403,833
Total		7,159,198,500	23,124,463	-7,136,074,037

Source:: Appropriation Accounts and Attachments (2000/01) MOEC.

(b) at primary education, (mainly Arusha school) the expected revenue (assuming 100% collection) in 2000/01 was less than the 1999/00 actual collection. This was due to a shortfall in enrolment from 1,100 to 1,000 pupils respectively.

- (c) at secondary the 2000/01 expected revenue (assuming 100% collection) of Tsh.6,597,920,000 was higher than the actual 1999/00 collection of Tsh.4,134,360,340. (***However, during budgeting the realized figure was Tsh.5,720,046,500.***) The discrepancy of about 13% variance between the expected revenue and the budget is attributed to a number of reasons, including: ***inability of parents to pay fees; the current government directive of not expelling students who fail to pay school fees, should be reviewed and the low premium attached to general education by some sections of society especially for girls;***
- (d) at Teacher Training Level, the variance of around 17% between 1999/00 actual collections and the 2000/00 expected revenue was due to a slight increase in enrolment above the expected enrolment total of 12,000;
- (e) at higher and tertiary education level the difference between the budget and actual collections shown in Table 3.8 was due to under utilization of capacity in the Technical Colleges contrary to expectations.

3.20.3. The summary of revenue collection at MOEC and MSTHE for the year 2000/01

tends to suggest that for most of the sub-votes there was under collection of revenue as shown in Tables 3.9 and 3.10, particularly at the MOEC. At the MSTHE the over collection

Table 3.10: Summary of Revenue Collection 2000/01 at the MSTHE

<i>Sub-Vote</i>	<i>Description</i>	<i>Budget</i>	<i>Actual Collection</i>	<i>Variation</i>
1001	<i>Administration and General</i>	9,168,000	6,540,129	-2,627,871
1002	<i>Finance and Accounts</i>	16,000	28,028	12,028
1003	<i>Policy and Planning</i>	1,000	14,692	13,692
2001	<i>UNESCO National Commission</i>	4,000	42,760	38,760
3001	<i>Higher Education</i>	604,000	445,115	-158,885
3002	<i>Technical Education</i>	156,994,000	123,899,493	-33,094,507
3003	<i>Science and Technology</i>	9,000	240,000	231,000
Total		166,796,006	131,210,217	-35,585,783

Source:: Appropriation Accounts and Attachments (2000/01) MSTHE

was experienced in the sub-votes of: 1002 – Finance and Accounts, 1003 – Policy and Planning, 2001 – UNESCO National Commission, 3001 – Higher Education and 3003 – Science and technology

Problems Related to Revenue Tracking

- 3.21.1. Apparently, figures from Appropriation Accounts and Attachments by both ministries do not present fairly the actual amounts collected and retained by the schools, higher education institutions and colleges. Revenue tracking in the form of ascertaining the amount retained at cost-centres and how it is spent, is not transparent. The estimation of revenue and budgeting at the Ministries seems to assume as already pointed-out that all students at Secondary and Teacher Colleges levels pay fees.
- 3.21.2. The power to collect fees and spend at institutional level have been delegated to those institutions' heads. However, the requirement for monthly revenue and expenditure returns from the institutions is not functioning as expected. As a result the appropriation accounts of the parent ministries fall short on information related to fees.

Issues and Recommendations

- Basic education has been accorded priority in the Poverty Reduction Strategy. The allocation of government resources in 2001/02 has closely followed this priority. It is recommended that such an allocation pattern be sustained in order to realise the goals.
- Much of primary spending is under local government. This is in line with the process of decentralisation. However given the weak capacity at local governments it is recommended that improving IT skills and procurement areas will greatly increase the effectiveness of public spending at this level.
- Non wage expenditure, which in the past received paltry allocation is central to improving quality of education. It is recommended that this component should be allocated more funds and guarded from erosion of such an allocation.
- The Sector Ministries need to put in place a framework for ascertaining the revenue/income collection, its management, utilisation and reporting.

Chapter IV

TRANSPARENCY, ACCOUNTABILITY AND EXPENDITURE MONITORING

This Chapter assesses the adequacy of the measures currently in-place to increase transparency, targeting and monitoring of the priority sector expenditures. The chapter also attempts to relate issues of expenditure accountability to the latest reports of the Controller and Audit General.

Introduction Accountability in the Context of PEDP

4.1.1. The PEDP has in place an elaborate strategy for implementation and monitoring mainly for the purpose of determining impact and effectiveness of financial flows. In the document there are several measures, decision points and participatory organs at

Table 4.1: Transparency, Targeting and Monitoring of Education Expenditure in Local Government

<i>Objective</i>	<i>Measures</i>	<i>Characteristics</i>	<i>Assessment</i>
Autonomy	<ul style="list-style-type: none"> • Management of resources; • Determination of priorities, needs • Fiscal capacity to meet needs/priorities 	<ul style="list-style-type: none"> • Constraints on staff devolution; lack of fiscal autonomy • Lack of equalisation strategy 	<ul style="list-style-type: none"> • Lack of autonomy and constraints on optimal utilisation of resources (e.g. teachers) affect expenditure control through efficiency gains;
Accountability and Fiscal Control	<ul style="list-style-type: none"> • Known hierarchy of responsibility for administrative tasks; • Sanctions for maladministration are known; • Sanctions can be enforced through due process; • Financial manuals available 	<ul style="list-style-type: none"> • Most auditors reports are qualified or adverse; • Poor record keeping and misappropriations; • Weak internal control • Lack of internal audit functions • No follow-up on external audit reports; 	<ul style="list-style-type: none"> • Accountability and Financial control is weak • Sanctions not known to functionaries at lower levels; • Financial manuals prepared
Transparency	<ul style="list-style-type: none"> • Known community rights and responsibilities in relation to education provision; • Known redress of grievances; • LAs' activities are open to scrutiny (e.g. use of tax payers money); • Processing all expenditure programmes through the budget; • Participatory planning • School "barazas" 	<ul style="list-style-type: none"> • Lack of Information and Communication • Low level of participatory planning e.g. in school mapping 	<ul style="list-style-type: none"> • Variable level of awareness of financial allocations; • Low imaginative use of radio, news papers on school and district shares of budget; • "Barazas" not functioning yet
Targeting	<ul style="list-style-type: none"> • Documentation, Survey; • Research, Micro-plans 	<ul style="list-style-type: none"> • Relevant to allocation of block grants; geographical and locational, differences in institutional factors, seasonality, gender inequalities, social pathologies and social capital. 	<ul style="list-style-type: none"> • Newly created districts appear to be vulnerable; • No assessment of institutional capacity of districts; weak financial targeting.
Monitoring	<ul style="list-style-type: none"> • Problematic Reporting System; • Monitoring district performance for equalising grants; • Production of quarterly and annual financial reports 	<ul style="list-style-type: none"> • Expenditure tracking system related to priority areas; • Programme outputs 	<ul style="list-style-type: none"> • Expenditure tracking initiated but to be further developed and operationalised; • Quality indicators being developed at MOEC

the regional, district, ward and village levels². Our major observation in the field is ***“the dysfunctioning of these units/organs, in some cases”***, and lack of responsibility and accountability to councils in terms of appointment, performance and discipline. The objective of having transparent and accountable local governments in education provision will be attained in the long term. In this analysis we would like to select objectives, which can be targeted in the short and medium term. Against these objectives the process assessment of their achievement can be monitored as part of overall PEDP financial management. Table 3.1 gives a summary of our impressions on the objectives of financial autonomy, accountability, transparency, targeting and monitoring of education expenditure at local government level.

- 4.1.2. *Lack of LGs’ autonomy:* in matters related to managing of administrative personnel (mainly teachers), financial affairs (subsidies and internal fiscal resources) and on determination of priorities. Our assessment is suggestive that the process of autonomous management of education personnel mainly DEOs, teachers and adult education coordinators and that of determining of local priorities for a proper investment strategy is not yet achieved. There are still visible constraints in staff devolution due to legislation and lack of financial autonomy. These constraints impinge on LGs’ effort to attain financial efficiency and expenditure control. A typical case, is that of the December 2000 report of teachers in all districts where it was found that because of unfavourable Pupil-Teacher-Ratios (PTRs) 93 districts had a ***“transfer of teacher”*** recommendation, yet this action could not be realised by the relevant districts because of lack of clarity of legal and contractual implications.
- 4.1.3. *Accountability and Financial Control:* the LGAs’ internal financial controls are weak as are the functions of internal audit. Auditors’ reports are qualified or adverse on the basis of lack of accountability, poor record keeping and in some cases misappropriations. And although the Local Government Reform Programme is supporting strengthening of the internal audit function of Local Government Authorities the need for active and authoritative backup from PO-RALG is precondition for success.
- 4.1.4. The Integrated Finance Management system (Platinum), which is already being used at Ministries, Regional levels, is not fully implemented because IT skills are limited at local levels. An institutionalised competence-building programme for hardware/software or other logical support is not yet planned.
- 4.1.5. Through the use of Capitation and Development grants and Capacity building fund, a first generation criteria for allocation of funds to districts and schools has been put in-place so as to execute the objectives of PEDP. However, there remain problems as shown in the REPOA and ESRF (2000) expenditure tracking study. These problem issues were:
- (a) lack of publicity on disbursements of public funds which opens room for reallocations and possible misappropriations ***[recently there has been efforts by Government to publicise school/district allocations through newspapers and pronouncements in Parliament. Information contained in the exchequer issue notification is being made available to sectoral departments at the council***

² Such organs include School Committee, District Councils, Mtaa-Committees (Urban Authorities)

level-but this needs to be extended to the general public and more so for the service units];

- (b) the existing budget execution system suffers from poor staffing and absence of effective and established internal audit systems;
- (c) significant re-allocations of funds have been recorded at the council level and some of these re-allocations are being most likely misappropriated

4.1.6. *Transparency*: the gauging transparency of financial expenditure would require some measures being identified. These are: *if there are known local and community rights and responsibilities in relation to education financial expenditure; if there are known redress of grievances related to financial expenditures; if Local Governments' expenditure activities are open to scrutiny; if all expenditures programmes are processed through the budget and if there is participatory financial planning and allocation.*

4.1.7. Table 4.2 shows transparency measures and their visible indicators as well as the assessment of degree of achievement of transparency linked to the indicator. Several documents, circulars, Acts and policy papers spell out the community rights and responsibilities regarding revenue source/bases and their administration. In this case the system is operating at low to high assessment level.

Table 4.2: Transparency of Education Expenditure in Local Governments

<i>Measures</i>	<i>Assessment</i>		<i>Indicators</i>
<i>1. Community rights and responsibilities</i>	<i>Low</i>	<i>High</i>	<i>Spell out revenue sources/bases and their administration.</i>
<i>2. Known redress of grievances</i>	<i>Low</i>	<i>Low</i>	<i>No appeal mechanisms for aggrieved communities.</i>
<i>3. Expenditures open to scrutiny</i>	<i>Low</i>	<i>High</i>	<i>Resources envelopes known through dissemination; publicisation.</i>
<i>4. Expenditures mainstreamed and processed through budgets</i>	<i>High</i>	<i>High</i>	<i>Involvement of planning committees at local level; budget lines are known and publicised.</i>
<i>5. Participatory, planning and allocation</i>	<i>High</i>	<i>High</i>	<i>Active and regular committee meetings.</i>

Community interests and rights are slowly being articulated and defended within representative institutions where the democratisation process is advancing to allow for meaningful participation in matters related to financial decision making. However, there are no immediate appeal mechanisms for aggrieved communities or target groups mainly as related to under disbursement (amount) or in delays (timing) of these disbursements.

4.1.8. As from financial year 2001/02 there has been improvement in transparency through increased public awareness of amounts of allocations/subsidies. The resource envelopes are being known through dissemination, publicisation and Ministerial statements. However, the expenditure side is not yet open to such scrutiny. The PEDP has presented large increases in funds earmarked for primary education use at local level, which tend to be vulnerable to fungibility; i.e. they may be appropriated for other purposes deemed of high priority (see TADREG, 1997). *A case is cited of around Tsh.4.7 billion which is part of the PEDP-Capitation Grant meant for school materials and supplies and which has recently been diverted for different*

expenditures because guidelines on how to utilise the allocation from MOEC to PORALG arrived late at the regional level.

- 4.1.9. *Targeting and Monitoring:* A number of education PRSP related indicators have been worked on and summarised in the recent School Mapping Data for which district level data exists. The targeting criterion then need to follow from the “*diversity and heterogeneity*” of the relevant districts’ mapping data. As the LGRP moves towards a block grant system, targeting will have to be done at district level in the context of nationally prepared guidelines. At the moment no effective targeting is in place except for development financing of selected projects.
- 4.1.10. The introduction of Capitation, Development and Capacity Grants has almost made the system “*a system of general purpose grants*” in nature. Districts and Urban Councils are now obliged to consider general provisions common to all. Since poverty varies both within and between districts this has implications related to financial targeting and educational provision. The extent of the allocation of the development grant is supposed to be “*based on the poverty levels of each district, as well as the relative numbers and distributions of school age population and existing classrooms*”. This criterion remains a major targeting puzzle.

Table 4.3: Education Financial Expenditure Monitoring Indicators

<i>Expenditure Indicators</i>	LEVEL			
	1	2	3	4
1. Districts/Villages/Schools monitor finance utilization quarterly.			x	
2. Schools/Parents are kept informed about school finances.	x			
3. Schools/Districts use a variety of approaches to monitor financial expenditures	x			
4. Schools/Districts reflect on and evaluate their own financial expenditure practice		x		
5. Communities are involved in fund-raising activities for the school				x
6. School Management/Committee is able to locate, obtain, bank financial allocations			x	
7. Textbooks and other prescribed books and materials are available, and kept in ledgers.				
8. The School/district budget is communicated to the education community.			x	
9. The School/District has a budget, which is approved at an annual meeting of the governing body.			x	
10. The School/District has a chequebook and receipt book, and financial records.			x	
11. The School’s/District’s development plan is used in allocating financial resources.	x			
12. The School/District accounts are audited every year.			x	

Key: *Level 4 – Very Good* [as good as possible]
level 3 – Good [good but can improve]
Level 2 – Fair [there are a number of indicators to be put right]
Level 1 – Unsatisfactory [monitoring is not yet getting right]

- 4.1.11. Table 4.3 shows our assessment of the situation of education financial expenditure monitoring indicators at local/school level. The table has twelve indicators, which we think have a bearing on financial monitoring. The data collected from selected schools in Dar es Salaam tend to suggest that:

- (a) the level of monitoring by districts/villages/schools of the finance utilization though done routinely and quarterly was not as good as could be;
- (b) schools/parents are not kept informed satisfactorily about school finances;
- (c) the level of use of a variety of approaches to monitor financial expenditure by schools and districts is unsatisfactory;
- (d) the level of involving parents in fund-raising activities for the school was as good as it could be;
- (e) the level of school management/committees being able to locate, obtain and bank finance allocated by government is good but needs improvement;
- (f) the level of the school budget allocation being communicated to the education community is not yet getting right;
- (g) the level of availability of textbooks and other prescribed books and materials at the schools and these being kept in ledgers is “unsatisfactory”;
- (h) the level of schools/districts development plan being used in allocating financial resources leaves much to be desired.

Review of The Controller and Auditor General Reports

- 4.2.1. The CAGs’ audit of MOEC accounts for 1999/00 gave an adverse opinion: “the **Supply Vote, Development Vote, and Miscellaneous Deposit Account do not present fairly the financial position of Vote 46 as at 30th June, 2000**”. (CAG August 2001). The same adverse opinion was expressed the previous years (CAG 1996: 182; CAG 1997:194). Reasons for the adverse opinion in the MOEC accounts vary appreciably from for example: outstanding matters from previous audit reports (Tsh.87,637,233); unconfirmed receipt of goods/services (Tsh.202,609,244); unvouched and improperly vouched expenditure (Tsh.608,272,218); to questionable payment for House Renovations (Tsh.10,857,000).

Table 4.4: Major Issues in Controller and Auditors General Report

<i>Major Issues</i>	<i>MOEC</i>	<i>MSTHE</i>
1. <i>Exceeding the Accounting officers financial delegated power</i>	<ul style="list-style-type: none"> • Payment to service providers without RTB authority. <ul style="list-style-type: none"> ○ Rehabilitation of buildings, ○ House renovation and stores acquisition: ○ Fumigation of Arusha school buildings and ○ House renovation at Patandi Teachers College 	NIL
2. • <i>Poor Record Keeping</i>	<ul style="list-style-type: none"> • Losses of stores not recoded <ul style="list-style-type: none"> ○ Goods ordered and paid for but not entered in ledger books, ○ Double payment to suppliers (not all) 	NIL
3. • <i>Misappropriation of funds/irregular payments</i>	<ul style="list-style-type: none"> • Deductions of salaries from non-existing staff. <ul style="list-style-type: none"> ○ Non receipted of unclaimed salaries 	• <i>Unaccounted for overseas bursaries and un-receipted student allowances</i>
4. • <i>Outstanding Audit queries related to previous years</i>	• <i>Non-compliance to 11 previous years queries</i>	• <i>Non-compliance to 29 previous years queries</i>
5. • <i>Un-booked Donor Funded Project</i>	• <i>A large portion of un-booked direct to project funds</i>	• <i>Equipment/goods purchased from Donor funds not clearly indicated and prices quoted are questionable (goods as services purchased were higher than market prices; when physical inspection of location of some suppliers was conducted some could not prove their business existence)</i>
6. • <i>Un-Timely submission of Accounts and Statements to the Controller and Audit General</i>	• <i>Late submission of Appropriation accounts and related records. (submission done beyond statutory due dates)</i>	• <i>Late submission of Appropriation accounts and related records. (submission done beyond statutory due dates)</i>

Source: Review of CAGs’ Reports (2000)

- 4.2.2. The Ministry of Science, Technology and Higher Education also received an adverse opinion in 2001. The same adverse opinion was expressed in 1995 and 1996. Reasons for the adverse opinion include: **lack of follow up on outstanding matters in previous report; un-vouched and improperly vouched expenditure (Tsh.8,2002,587,172); accountability of stores (Tsh.1,172,081,945) and un-receipted student allowances (Tsh.1,990,530,050)**. Table 4.4 gives the major issues raised in the Controller and Auditor General Reports. The major issues can be described under six categories namely: (1) **Outstanding Audit Queries related to previous years**; in this case the MOEC had 11 previous years' queries that had not been answered while the MSTHE had 29; (2) **misappropriation of funds and irregular payments**; in this category were cases of deductions of salaries from non-existing staff, non-receipt of unclaimed salaries, unaccounted-for overseas bursaries and un-receipted student allowances; (3) **exceeding the Accounting Officers financial delegated powers**; this category include cases of payment to services providers without Regional Tender Board (RTB) authority; (4) **poor record keeping**; which included cases of goods ordered and paid for but not entered in ledger book and double payment to suppliers; (5) **un-booked donor funded projects**; in this category are cases of large portions of un-booked direct to project funds and equipment/goods purchased from Donor funds but not clearly indicated while prices quoted being questionable.
- 4.2.3. Failure of the Sector Ministries to answer queries from previous years tends to suggest that the whole elaborate system of follow-up on external audit reports is dysfunctional after the relevant committees have deliberated on the reports. The Ministries need to be more active in the follow-up of the audit reports, recommendations of the accounts committees notwithstanding.
- 4.2.4. All actions taken thereafter, be they disciplinary, demotions, reprimand, dismissal from service or court action are/will be dealing with individual cases rather than "systemic failures". The public Expenditure Review exercise regarding the CAGs' report needs to go beyond queries and ask, "**What does it mean if a Ministry does not get an audit certificate?**"
- 4.2.5. The starting point is to tackle head on the systemic issues by sealing the loopholes. In this case some suggestions are in order. Before the IFMS goes to scale, piloting on the possibility of integrating selected lower level institutions could start on an experimental basis. Alternatively, by registration, it is possible to translate some elements of the already established Procurement Act into the envisaged new Audit Act with respect to operations at the level of units. One can also mandate By-laws for application at the lower level cost centres.

Policy Options and Recommendations

- So as to promote further decentralization and autonomy the government through its CRS and LGR should support staff (teacher) devolution by implementing the policy options of the teacher Audit exercise;
- Enhance community/PTA role in monitoring and appraising financial expenditures and performance;
- Strengthen the MOEC's schools inspectorate system so that it can also perform financial expenditure and control functions at school levels.
- Translate some elements of the Procurement Act into an Audit Act for operation at the level of schools/units;
- Promote and encourage the use of school/district development plans in allocating financial resources/expenditures.

Chapter V

CROSS CUTTING ISSUES: GENDER AND IMPACT OF HIV/AIDS

This Chapter analysis the extent resource allocation and expenditure patterns in selected sub-sectors have taken into consideration gender concerns. The gender analysis looks at gender targeted projects and gender parity cost compensation implications of present allocations. The chapter also analyses the possible impact of HIV/AIDS on education from both supply and demand sides. The effects of HIV/AIDS on macro-economic variables and targets on enrolment and finance are also discussed by taking the PEDP as a reference point. The impact of HIV/AIDS on teacher attrition and its implication are also given.

Gender Inequities

- 5.1.1. There are still signals of gender inequity in Tanzania education sector. Disparities in the gender enrolment and achievement profile at secondary have not yet influenced the choice of priorities and investment patterns in sector as suggested by PER (2001). The improvement of girls standing and position at all levels of education is a key to promoting access and equity. In order to meet the long term goals of education improvement it is vital that the **allocation of education resources for both boys and girls be improved further.**
- 5.1.2. The PER(2002) notes that equality between boys and girls which includes equal access to quality schools and teachers for both genders at secondary and higher levels is not yet achieved. The SEMP – ought to work to ensure that boys and girls have equal access to teaching and learning materials.

Selected Resource Allocations, Expenditure Patterns and Gender Concerns

- 5.2.1. The allocation and expenditure patterns and formulae can help to make education in Tanzania work better for both boys and girls. The ultimate long-term objective of gender sensitive budgeting and allocation is to realize equal and high numbers of girls and boys at all levels of education and to ensure that both girls and boys are

Table 5.1: Projects with gender Focused Budget

<i>Initiatives</i>	<i>Gender Objectives</i>	<i>Estimated Budget</i>
<i>Community Based Education for Girls (CBEG) (September, 1996 -)</i>	•Reduce discrepancies between girl's and boys life opportunities	•US\$ 2,550,000 for five years (CIDA, UNICEF, GOT)
<i>District Based Support to Primary Education (DBSPE)</i>	•Mainstreaming gender concerns, gender actions plans and training of DBSPE and MOEC stakeholders.	•Part of Tsh.6,081,374,456 from Denmark Netherlands, and Finland
<i>Strengthening the Teaching of Science in 306 Government and Community built secondary schools</i>	•Construction of 3 laboratories and a girls' accommodation unit in each of the 36 community built secondary schools	•Part of ADF loan US\$27.7 million and contribution by Government US\$ 3.47 mill.
<i>Human Resources Development Programme</i>	•Expanding educational opportunities and improving quality at secondary, for girls from poor families	•World Bank Loan through the IDA (9 th IDA)
<i>Science Education in Secondary Schools (SESS)</i>	•Improving the teaching and learning of science; Gender sensitization	•Tsh.209 million Annually from GTZ

receiving the same quality package. In this case more classrooms, more textbooks, enough qualified teachers and adequate infrastructure and science related equipment. It is through targeted allocation to quantity and quality determining inputs that gender concerns can be identified and addressed.

5.2.2. Table 5.1 shows some of the selected projects with gender focused budgets in the education projects and programmes of the MOEC. All these projects fall under the development budget allocations and many are donor funded. ***The main concerns of the projects are: reducing discrepancies between girls and boys life/education opportunities; capacity building with a gender focus by use of gender sensitive action plans; addressing gender imbalances in provision of facilities and equipment; and improving enrolment of girls in science subjects/programmes.***

5.2.3. Table 5.2 shows the gender parity effects related to increase in recurrent expenditures brought about by “in-service training” in teacher colleges and “increase in form one streams” at secondary school level. The recurrent costs implications are estimated by multiplying the enrolment numbers and the unit costs for boys and girls separately. The data tend to suggest that:

- (a) in all two cases the expenditure increases in recurrent costs are in favour of boys; more of the resources are being allocated towards boys;
- (b) the increase in form one streams meant to improve on enrolment favours boys schools; even when the GER for girls is already lower than that of boys; with gender parity actually decreasing from 0.85 (1999) to 0.34 (2000);
- (c) resources meant for in-service training in teacher training colleges are benefiting boys more than girls with gender parities as low as 0.38 (1999) and 0.44 (2000).

Table 5.2: Enrolment Gender Recurrent Costs Compensation at Primary School level

	1998	1999	2000
<i>GER (Girls)</i>	76.0	76.7	76.7
<i>GER (Boys)</i>	77.0	77.4	78.5
<i>GER – Gender parity</i>	0.99	0.99	0.98
Total Unit Costs	28,030	28,030	31,230
Gender parity – adjusted Unit Cost	28,313	28,313	31,867
Gender Compensation Index	1.01	1.01	1.02

Macro-Gender Cost Compensation Analysis

5.3.1. Our analysis looks first at the macro-level of education system by gauging the magnitude and directions of financial resources in selected and recent initiatives meant to address the policy objectives of enrolment expansion, quality improvement and capacity-competence building. The directions in resource allocations are combined with the effects of estimated unit costs (expenditure) and enrolment numbers by gender. The selected activity-components are defined: ***primary education enrolment related allocations estimated from unit costs; teacher in-service training allocations; girls’ secondary education support costs; and costs related to increase of form one streams at secondary.***

5.3.2. The second way of analyzing the gender pattern of allocation of resources is to proceed by computing the enrolment gender parities across education levels and then establish (with the use of relevant input unit costs) the magnitudes of the gender parity compensation adjusted unit costs and corresponding gender parity cost compensation indices. A gender parity compensation index greater than one implies

that more of the relevant resources are to be allocated to girls so as to correct the gender differences. If the girls are doing as good as boys in a resource input the gender parity compensation index will have a value of one, and in this case no re-allocation is necessary except for other reasons. We tested this model on two aspects: resource allocation by gender, namely enrolment at both secondary and primary; and teacher, pupil ratio at primary level.

5.3.3. Tables 5.2 and 5.3 show the Gross Enrollment Ratios, the Unit Costs and GER parities for the year 1998, 1999 and 2000. The Unit Costs are adjusted to take care of the gender parity in gross enrolments ratios at both secondary and primary schools levels. The results would tend to suggest that:

- (a) the gross enrolment gender parities are higher in primary education than at secondary school level; that is girls are doing as good as boys at primary than they are doing at secondary;
- (b) the gender resource allocation index is higher at secondary than at primary school level; that is resource allocation at secondary need to be corrected by a higher factor than at primary so as to take care of gender differences in enrolment;
- (c) the gender compensation indices in resource allocation would have been around 1.01, 1.01 and 1.02 for year 1998, 1999, 2000 at primary respectively;
- (d) the gender compensation indices in resource allocation would have been around 1.12, 1.12 and 1.01 for the years 1998, 1999, 2000 at secondary respectively.

5.3.4. We also attempted to analyse the gender effects on Teacher-Pupil Ratio on teacher unit salary recurrent costs. TPR is a major determinant of quality at primary school level and therefore the allocation of teachers need to address gender concern. On the other hand teacher salaries account for higher than 80% of recurrent costs. Thus the way they are allocated between boys and girls schools can be a source of gender inequities.

5.3.5. Table 5.4 tends to show that at primary school level when gender parity is taken into consideration:

- (a) the teacher-pupil costs for female are supposed to be higher than those of male at least for the period 1998 – 2000;

Table 5.3: Enrolment Gender Recurrent Costs Compensation at Secondary School

	1998	1999	2000
<i>GER (Girls)</i>	0.057	0.059	0.062
<i>GER (Boys)</i>	0.064	0.066	0.068
<i>GER – Gender parity</i>	0.89	0.89	0.91
Total Unit Costs	96,774	96,774	96,774
Gender parity – adjusted Unit Cost	108,735	108,735	106,345
Gender Compensation Index	1.12	1.12	1.10

Table 5.4: Teacher – Pupil Ratio Gender Cost – Compensation Parity at Primary School

	1998	1999	2000
<i>T.P.R (Female)</i>	0.053	0.050	0.049
<i>T.P.R (Male)</i>	0.052	0.049	0.048
<i>T.P. Costs (Female)</i>	1,443	1,362	1,334
<i>T.P. Costs (Male)</i>	1,416	1,334	1,307
Unit – Salary Cost	27,230	27,230	27,230
Gender Parity TPR Compensation Index	1.02	1.02	1.02

NB. The teacher-pupil costs are computed by multiplying relevant teacher costs (approx. Tsh.27,230 (1999/00)) with the relevant T.P.R.

- (b) to be able to correct for differences in TPR differences by gender it would have costed Tsh.1,443 per teacher-pupil-girl in 1998 as compared to Tsh.1,416 per teacher-pupil-boy in the same year; the corresponding figures for the years 1999 and 2000 would have been 1,362, 1,334, 1,334 and 1,07 respectively;
- (c) for the period 1998 – 2000 the resource allocation gender parity compensation index for TPR would have been 1.02; that is for one shilling allocated to boys, the girl child would have received 1.02 shillings.

Impact of HIV/AIDS on Education Targets and Spending Patterns

- 5.4.1. *Overview:* From the first reported case in 1983, the number of HIV positive cases in Tanzania had reached 1.3 million in 1999 out of which 59,000 were children under the age of 15years (UNICEF 2002). Prevalence among adults (15 – 49years) jumped from 5.5% in 1992 to between 8% and 15% by 1999/00. The impact of HIV/AIDS on education is both indirect through affecting macroeconomic variables and direct through affecting enrolment and teacher force.

Effects of HIV/AIDS on Macroeconomic variables

- 5.5.1. HIV/AIDS robs an economy of the labour power and the potential to expand skills for economic growth. This in turn leads to lower GDP and lower growth rate, lower tax base hence loss of domestic revenue needed to finance central government operations, lower per capita income to finance household consumption etc. It is estimated that Africa loses about 1% of GDP annually due to the impact of HIV/AIDS and by 2010 GDP will be 17% below; per capita GDP 5% lower and life expectancy halved (ADB 2001). Government fiscal operations become strained as stress on health budget increases by anywhere between 20% and 90% thus calling for government restructuring of expenditure in favour of health care.

Effects of HIV/AIDS on Education

- 5.6.1. HIV/AIDS has the potential to affect: (UNESCO 2000)
- demand for education
 - supply of education
 - availability of resources for education
 - potential clientele for education
 - process of education
 - content of education
 - role of education
 - organization of schools
 - planning and management of the education system
 - donor support for education
- 5.6.2. Given such a wide scope, it is possible to demonstrate the effects on enrolment and teacher recruitment targets articulated in the Primary Education Development Plan as case study. The results of such demonstrations are as shown in Table 5.5.

**Table 5.5: Impact of HIV/AIDS on education Targets in Tanzania 2002 – 2006
Within PEDP Context**

A: MACROECONOMIC SCENE	2002	2003	2004	2005	2006
Scenario 1: Without HIV/AIDS					
Population, all ages (mill.)	33.6	34.5	35.3	36.2	37.0
GDP (Tsh. Billion) real	1,848	1,965	2,092	2,240	2,397
GDP growth rate (real)	5.9	6.3	6.5	7.0	7.5
Revenue as % of GDP (excluding grants)	12.5	12.9	12.9	12.9	12.9
Revenue (excluding grants) (Tsh. Billion)	231	253	270	289	309
Per capita GDP growth (real)	3.4	3.7	3.9	4.0	4.0
Scenario 2: With HIV/AIDS					
Population, all ages (mill.)	33.6	34.5	35.3	32.6	37.0
GDP growth (real %)	4.9	5.3	5.5	6.0	6.5
GDP (Tsh. Billion) (real)	1,816	1,932	2,060	2,202	2,356
Revenue (excluding grants) (Tsh. Billion)	227	249	266	284	304
Per capita GDP growth (real)	2.9	3.2	3.4	3.5	3.5
B: IMPACT ON PEDP TARGETS					
Scenario 1: Without HIV/AIDS					
Population 7 – 13 years (000)	5,810	5,944	6,081	6,221	6,364
Admission into Std 1 (000)	1,500	1,600	1,641	1,042	1,066
New teacher recruitment	9,047	11,651	10,563	7,286	7,249
Total Teachers at 1.6% attrition	108,101	118,011	126,674	131,933	137,071
Scenario 2: With HIV/AIDS					
Implied Admission (000)	1,131	1,206	1,237	786	803
1. Loss of teachers at 0.5% attrition (our estimates)	107,561	117,421	126,041	131,273	136,385
Implied recruitment	9,587	12,241	11,196	7,946	7,935
2. Loss of 14,460 by 2010 (1,446 p.a.) (World Bank)	106,655	116,565	125,228	130,487	135,625
Implied new recruitment	10,493	13,097	16,897	8,732	8,695
Difference 1 - 2	906	856	813	786	760
Variance by (1) (%)	0.50	0.50	0.50	0.50	0.50
Variance by (2) (%)	1.34	1.23	1.14	1.09	1.05

Sources: 1. URT (2001) ESDP, PEDP, July
2. URT (2002a) Budget Guidelines for FY 02
3. URT (2002b) Progress in Meeting MDGs

(a) *Impact of HIV/AIDS on pupils and school enrolment*

The effect is through limiting access to schooling (through death, being orphaned hence access put at risk³ due to lack of support, dropping out of school for social and economic reasons etc).

(b) *Impact of HIV/AIDS on Teaching Force*

Infections in teachers are now resulting in deaths. It is estimated that by 2010, 14,460 teachers will have died of HIV/AIDS the number reaching 27,000 by 2020 (UNESCO, 2000). The effect on teachers is through mortality, reduced productivity (loss of teaching time due to erratic attendance, posting of chronically ill teachers in urban areas close to medical support) costs of replacement by part time teachers and continued pay of non-productive teachers; and teacher stresses related to HIV/AIDS related problems.

Estimating the Impact of HIV/AIDS in Tanzania

5.7.1. (a) *On Teachers*

³ It is estimated that the number of children left orphaned doubled between 1991 and 1999. By 1999 there were 960,000 children under fifteen years who had lost a father; 525,000 a mother and 165,000 both father and mother (UNICEF 2002).

We work with two scenarios: one using 0.5%⁴ attrition rate attributed to HIV/AIDS calculated as the difference between the traditional rate and the current rate; and the second uses results of a World Bank study cited in UNESCO (2000). Linear estimates are then made for the years 2002 – 2006. These results, as shown in Table 8.1, point to the need to increase new recruitment over and above PEDP targets with variance ranging between 0.5% and 1.3%. Both estimates show close results with differences of less than 1% (of total teacher force).

(b) *On Enrolment*

In estimating resource requirements (in monetary terms) we make the following assumptions:

- The economy has three sectors: education, health and the rest of the sectors
- Expenditures in health and education, as priority sectors, are fully protected and continue to enjoy current allocations
- Recurrent expenditure equals domestic revenue
- Health budget stress due to HIV/AIDS is at the lowest level of 20% (ADB 2001) with private sector and other means (e.g. traditional healers) absorbing the rest
- Infected children at ages under 15 will not have started dying yet (infections turn into deaths at any where between 5 and 10 years – ADB op. cit.).

⁴ See Education Status Report (2001) on Teacher Attrition Rate

5.8.1. Table 5.6 shows the implied resource allocation.

Table 5.6: Impact of HIV/AIDS on Education Financing

A: MACROECONOMIC SCENE		<i>(Tsh. Billion)</i>				
Scenario 1: Without HIV/AIDS		2002	2003	2004	2005	2006
	<i>Government Revenue</i>	231	253	270	289	309
	<i>Education Budget (at 40.7% 2001/02)</i>	94	103	110	118	126
	<i>Health Budget (at 19.5% 2001/02)</i>	45	49	53	56	60
	<i>Rest of Sectors</i>	92	101	107	115	123
Scenario 2: With HIV/AIDS						
	<i>Health Budget with 20% add. Stress</i>	54	59	64	67	72
	Education Budget	94.5	103.5	111.7	118.4	126.5
	<i>Support to Primary at Tsh. 33,000 per Disadvantaged Pupil (ESDP, 2001 Table 8.1.)</i>	0.12	0.13	0.13	0.08	0.09
	<i>Add. Teacher Training at Tsh. 250,800 per Teacher (ESDP, 2001, and Table 8.1)</i>	0.36	0.36	1.60	0.36	0.36
	<i>Rest of Sectors' Allocation</i>	82.5	90.5	94.3	103.6	110.5

B: EDUCATION SECTOR

It is assumed that the allocation will follow the 2001/02 proportions of 64.4% to primary, 7.5% to secondary, 1.8% to teacher education, 20.5% to higher and technical education and 5.8% to administration and others.

Scenario 1: Without HIV/AIDS (Tsh. Billion)		2002	2003	2004	2005	2006
	Education Budget	94	103	110	118	126
	<i>Primary</i>	60.5	66.3	70.8	76	81.1
	<i>Secondary</i>	7.0	7.7	8.2	8.9	9.5
	<i>Teacher Education</i>	1.7	1.9	2.2	2.1	2.3
	<i>Higher and Technical</i>	19.3	21.1	22.5	24.2	25.8
	<i>Administration and Others</i>	5.5	6.0	6.3	6.8	7.3
Scenario 2: With HIV/AIDS						
	<i>Primary</i>	60.6	66.4	70.9	76.1	81.2
	<i>Implied %</i>	64.5	64.5	64.5	64.5	64.4
	<i>Teacher education</i>	2.1	2.3	3.8	2.5	2.7
	<i>Implied %</i>	2.2	2.2	3.5	2.1	2.1

Source: Own Computations

5.9.1. *Interpretation of results*

At the macro level HIV/AIDS impact in education translates into diversion of resources from the rest of the sectors to education and health. At the level of education sector priorities become distorted in added favourable allocation to primary and teacher education, much pronounced for the latter e.g. almost twice in 2004. Thus within the sector, restructuring has to take place leading to distortion of priority ranking.

Policy Options and Recommendations

- (a) **On Gender:** In order to promote equality and active involvement of boys and girls in the education process, the PER (2002) recommend that:
- There should be an integrated gender aspect concern in all elements of education resources allocation for recurrent and development;
 - Resources be allocated to promotion of opportunities for girls enrolment and retention (reducing wastage);
 - Introduce further support mechanising to keep girls in school along lines of GSES.

- Introduce gender-parity compensation budgeting and resource allocation at secondary, colleges and tertiary levels.

(b) **On HIV/AIDS:** Has many potential adverse impacts on the education sector. It has the potential of reducing government fiscal performance, weakens the teacher force and threatens enrolments. In light of this it is recommended that while concerted efforts are directed at checking HIV/AIDS spread, in education in particular more fiscal spending is called for to offset impact. Increased training of teachers and increased spending on orphaned children has to be mainstreamed in the education budget.

Chapter VI

MINISTERIAL STAFFING AND DECENTRALISATION

This Chapter analyses the profile of MOEC staffing and gives a discussion of the adequacy of the profile. Some observations on decentralization are given. Due to unavailability of data analysis of the MSTHE situation is not given

Major Issues

- 6.1.1. The profile of ministerial staffing at MOEC can be divided into two divisions: **Core Task Divisions** and **Support Divisions**. With this clear-cut divisions at MOEC our analysis is delimited to the following issues: *whether the profile of staffing is adequate to complete the envisaged realignment between central, district and school authorities as per structural and organizational reforms; whether the organizational responsibilities, roles and functions for implementation and accountability are mainstreamed in the existing structures at all levels; whether there are no enclave Project Implementation Units (PIUs); and whether implementation is decentralized in line with the governments on going drive for decentralized delivery of basic social services under the Local Government Reform Programme.*

Staffing Levels at MOEC

- 6.2.1. Staffing levels for MOEC are shown in Table 6.1. The total staffing level is 209. And of these, 63(30%) are in the Development and Monitoring Section while 146(70%) are in the Management Section. Within the Divisions, 85(41%) workers are in the Core Divisions and 124(59%) are in the Support Divisions. The general outlook of staffing levels suggest that:
- the majority of staff (70%) are in the management section as compared with 30% in the development and monitoring section;
 - in-terms of functions, the majority of staff that is 59% are in the Support Division as compared to 40% in Core functions;
 - within the “**Core functions**” the highest number of staff is in School Inspection 29(34%) followed by Secondary Education 24(28%); then Basic Education 20(24%) and lastly Teacher Education 12(14%);
 - within the “**Support functions**” the highest number of staff is in the planning and policy division with 70(56%), followed by finance and accounts with 36(26%) and Administration and Personnel with 18(15%).

Table 6.1: Summary of Staffing Levels at MOEC

	<i>Development and Monitoring Section</i>	<i>Management Section</i>	<i>Total</i>
<i>A. Core Divisions</i>			
<i>Basic Education Division</i>	15	5	20(24%)
<i>Secondary Education Division</i>	15	9	24(28%)
<i>School Inspection Division</i>	7	5	12(14%)
<i>Teacher education Division</i>	26	3	29(34%)
<i>Total</i>	63	22	85(100%)
<i>B. Support Divisions</i>			
<i>Administration and Personnel</i>	-	18	18(15%)
<i>Policy and Planning</i>	-	70	70(56%)
<i>Finance and Accounts</i>	-	36	36(28%)
<i>Total</i>	-	124	124(100%)
Total Headquarters	63(30%)	146(70%)	209(100%)

Source: Compiled from MOEC Statistics on Staffing

Note: Not that all Support Staff in the Support Division are Categorized as belonging to Management Section

Adequacy of Staffing Profile

- 6.3.1. According to the MOEC own breakdown the staff requirements appear to be concentrated in the Development and Monitoring Sections of the Core Divisions (i.e. Basic Education, Secondary Education, Teacher Education and Inspection division). It is estimated that the unmet requirements are 15 for Basic Education, 15 for Secondary and 7 for Teacher education in Development and Monitoring Sections. The staff requirements for School Inspection are 8 for Primary education, 13 Secondary and 5 Teachers Education. Although MOEC appears to require more staff at Headquarters this requirement cannot be ascertained because of the following reasons:
- the envisaged realignment between central, district and schools staffing profiles is not yet in place;
 - some of the organizational responsibilities, roles and functions of implementation and accountability are not yet mainstreamed in the existing structures at all levels; e.g. the school maintenance and physical planning unit is currently in the policy and planning department; all curriculum related activities which could be transferred to TIE (mainly at Basic Education Section) are still at the Ministry Headquarters.

Enclave Project Implementation Units

- 6.4.1. A substantial number of staff at MOEC headquarters are still based in the individual project implementation units e.g. DBSPE, ED-II P, HRDP, SESS. Most of the activities under these projects could be implanted in a decentralized way in line with the Government's on going drive for decentralized delivery.
- 6.4.2. Table 6.2 shows the staffing profile in selected enclave Project Implementation Units at MOEC. The Table would tend to suggest that even in such a select group of PIUs the number of total staff is as high as 55 with 44 local and 11 foreign staff.

Table 6.2: Staff Profile in Selected Project Enclave at MOEC

<i>Project</i>	<i>Total</i>	<i>Notes</i>
<i>BMU</i>	<i>12</i>	<i>7 Local Professionals, 5 Support</i>
<i>COBET</i>	<i>7</i>	<i>4 Local, 2 International (Unicef) 1 Local Consultant</i>
<i>DBSPE</i>	<i>15</i>	<i>9 Local, 6 Foreign</i>
<i>ED-II P</i>	<i>6</i>	<i>5 Local, 1 part-time Consultant</i>
<i>HRDP</i>	<i>7</i>	<i>7 Local Professional</i>
<i>ICBAE</i>	<i>4</i>	<i>4 Local (expected to increase)</i>
<i>SESS</i>	<i>4</i>	<i>3 Local, 1 Foreign</i>
<i>Total</i>	<i>55</i>	<i>(44 Local and 11 Foreign)</i>

Source: Compiled from MOEC, (2001) Education Projects and Programmes

Decentralisation Effects

- 6.5.1. It is most likely that the decentralization effects would affect mostly staff transferred to PORALG and Local Governments. For staff transferred to lower levels of MOEC i.e. Secondary Schools and Teachers Training Colleges the effects would still be felt under MOEC. The question is how to determine the critical number of staff to move from MOEC to PORALG and LGs. To be able to do this, MOEC will need a Ministerial profile of establishment posts and staff on post and on filled positions. The present and the future staff assignment at Ministry, region and district need also to be established.

Policy Options and Recommendations

- (a) Within the context of CSR programme and the LGR-programme the MOEC needs to initiate an internal realignment between central, district and schools staffing profile so as to address mainly school teacher shortage and in capacity at local government levels;
- (b) Since a substantial number of staff at MOEC headquarters are “enclave projects” based a situation which contracts the general government policy of decentralized delivery of social service and SWAP the MOEC needs to initiate a process of mainstreaming project based activities.

Chapter VII

PROJECT PORTFOLIO AND RECASTING OF PRSP (EDUCATION) TARGETS

This Chapter reviews the sector Ministries project portfolio by showing the start and expected completion dates, status of implementation and coherence with the overall expenditure programme of the Ministries. The chapter also attempts to recast education targets in the context of PRSP.

Review Of Project Portfolio

- 7.1.1. Under the two ministries there are 20 identified projects under the MOEC and 13 under MSTHE. The reported projects are only those, which appear in the Treasury estimate books on Development Funds for ministries and Regions. Out of 20 projects under MOEC, 6 are being funded wholly by donors, 4 by Government and donors jointly, and the remain are being financed solely by the government. Under MSTHE out of 13 projects, only one is being financed wholly by donors and 2 by government and donors jointly and the rest are financed by the government. The projects under these ministries serve different purposes ranging from rehabilitation of infrastructures to capacity building and have different starting and completion dates.

Recommendation: It is recommended that the government should abandon ‘the stand alone project type’ interventions and commit fully to the sector wide approach to planning. The recommendation is given due to the fact that such a type of approach (i.e. project type intervention) has proven to have less impact in bringing about significant reform and development in the sector.

Project Coherence with the Overall Expenditure Programmes

- 7.2.1. The projects under these ministries have varying degrees of coherence with the overall expenditure programme of the relevant ministry. As shown on Appendix II, the degree of coherence has been indicated high for projects which do have a relatively higher coherence, medium and low for projects which we think their coherence are relatively less as compared to the former ones. In this case, for example, under MOEC, 12 projects namely Strengthening NECTA, rehabilitation of schools and colleges, strengthening Tanzania Institute of Education, Community Intervention (ICBAE and COBET), SACMEQ, DBSPE, Improving Inspection of schools and colleges, supply of primary School textbooks, construction of laboratories and supply of equipment, improving the performance of girls in secondary schools (GSES), supply of science equipment to secondary schools and in-service training are all ranked high in terms of coherence. Two projects, namely strengthening statistics and rehabilitation of Bagamoyo College of Arts are ranked medium while the remaining six projects are ranked low.
- 7.2.2. Under MSTHE all projects were regarded as coherent to the ministry’s overall expenditure programmes as shown on Appendix II.

Recommendation: In addition to the sector wide approach, it is recommended that adequate resources should be allocated to those projects with high coherence with the overall expenditure programmes relative to those in medium and low categories.

Recurrent Expenditure Implications

7.3.1. The projects identified under the two ministries also have varying degrees of recurrent expenditure implications. They have been categorized as high, or medium and low. As it can be seen from the attached Appendix II, 8 projects under MOEC are categorized as high and these are strengthening of statistics, improvement of Education Sector Development Programme, Community Interventions (ICBAE and COBET), improving inspection of schools and colleges, construction of laboratories and supply of equipment, improving the performance of girls secondary schools (GSES), supply of science equipment to secondary schools and lastly in-service training. Likewise, 9 projects are categorized as low and these are construction of Dodoma Library, strengthening NECTA, rehabilitation of schools and colleges, strengthening Tanzania Institute of Education (TIE), District Based Support to Primary Education, support to Community Education Fund (CEF), supply for primary school textbooks and lastly the Education Sector Development Programme (ESDP). The remaining 3 projects are categorized as low.

Under MSTHE out of 13 projects, 10 are categorized as high and the rest are low as shown in the attached Appendix II.

Recommendation: Out of 30 projects under the two ministries, 18 projects have been identified to have high recurrent expenditure implications with high coherence with ministerial overall expenditure programmes. It is recommended that the government, through the sector wide approach, allocates adequate resources to these related project reforms, as they are core to overall development of the sector, despite the fact that they have high recurrent expenditure implications and efforts are made to mainstream their activities in SWAPs.

Recasting Education Targets in the Context of PRSP

Raising Enrolments

7.4.1. The PRSP target is to raise gross primary school enrolment to 85% and to reduce dropout rate from 6.6% to 3% by the year 2003. The priority activities costed are:

Table 7.1: Recasted Targets and Costs

PRSP Targets	Activities	Units	PEDP-Budget Resources (Mill.)	Actual Available Resources (Mill.)	Actual Available Resources vs Requirement (%)	Recasted Targets
Raising Enrolment	1. Classroom construction	13,868	57,551.0	47,834	86.1	11,940
	2. Classroom Rehabilitation	2,323	9,729.2	1,046	10.8	251
	3. Recruitment of New Teachers	9,047	6,829.4	5,200	76.1	6,885
	4. Teachers' House Construction	8,000	12,086.0	340.1	2.8	224
	5. Expanding COBET		2,301.6	456.0	0.2	
Increasing the number of students passing Std VII examinations at a reasonable high standard from 20% to 50%	1. In-service Training	116,560	4,196.2	4,974.0	118.5	138,124
	2. Strengthen Inspection Services		1,461.0	1,080.4	73.9	
	3. Increase Textbook Supply and other supplementary reading materials	1,801,690	19,458.3	10,497.4	53.9	971,111

construction of 13,869 classrooms by 2002; rehabilitating 2–3% old classrooms; recruiting 9,047 teachers; constructing 8,000 houses and expanding COBET.

- 7.4.2. Table 7.1 shows the recasted education targets in the context of PRSP given the resource requirements for each activity as per budget and the actual resources available as at April 2002. The recasted targets are estimated by using the actual resources secured as a percentage of the resource requirements times the PRSP corresponding targets.
- 7.4.3. Thus more formally for the objective of raising enrolment the corresponding PRSP requirement and recasted targets are as follows:
- instead of constructing 13, 868 classrooms as per requirement, the recasted target is 11,940 classrooms; which is 86.1% of the target;
 - instead of rehabilitating 2,323 classrooms as per requirement, the recasted target is 251 classrooms which is 10.8% of target;
 - instead of recruiting 9,047 new teachers as per requirement, the recasted target is 6,885 teachers which is 76.1% of the target;
 - instead of constructing 8,000 teachers houses as per requirement, the recasted target is 224 houses which 2.8% of the target.

Raising Examination Performance (and Quality)

- 7.4.4. Increasing the number of students passing standard VII examinations at a reasonable high standard from 20% to 50% by the year 2003 is also one of the PRSP targets. The priority activities are: ***In-service training for 116,560 teachers, strengthening Inspection services and supply of 1,801,690 textbooks and other supplementary reading materials.***
- 7.4.5. By increasing the number of students passing standard VII examination, the following have been observed:
- available resources of Tsh.4,974.0 million is enough to train 116,560 teachers at the rate of USD\$40 (PEDP rate), therefore, this target is achievable;
 - the PEDP budget is Tsh.1,461 million and the available resource is Tsh.1,080.4 million which is 73.9% of the requirements;
 - the textbook demand at the ratio of 3:1 is 1,801,690 (enrolment figure is 5,405,070). The PEDP budget is Tsh.19,458.3 million and the available resource is Tsh.10,497.4 million which is 53.9% of the requirement. The target has to be recasted to 971,111 textbooks instead of 1,801,690.

Policy Options and Recommendations

- The PEDP targets need to be recasted in the light of available resources and in the light of present performance related to PRSP.

Appendix 1: PEDP Cost Summary

	2002	2003	2004	2005	2006
Primary Education Unit Cost	36,545.35	36,473.08	36,395.12	37,287.41	37,168.95
Primary Education Enrolment Projection	5,405,070	6,247,624	7,125,416	7,421,234	7,710,240
A. RECURRENT COSTS					
Cost (mill. Tsh.)					
Primary Education Recurrent Costs ⁵	197,530.0	227,870.0	259,870.0	276,733.4	286,581.5
NFE Recurrent Costs	2,301.6	6,904.8	12,658.8	19,558.8	26,061.0
TOTAL Recurren	199,831.6	234,774.8	271,989.2	296,292.2	312,642.5
B. DEVELOPMENT COSTS					
1. CONSTRUCTION					
Classrooms	57,551	55,596	58,942	28,197	24,205
Sanitation and Water	7,000	7,000	7,000	-	-
Teacher Housing	12,086	11,675	12,378	5,921	5,083
ST Construction	76,637	74,269	78,320	34,118	29,288
2. CAPACITY BUILDING					
School Committee	5,337	5,536	5,535	5,643	5,751
District	4,731	4,731	4,731	4,731	4,731
Region	830	830	830	830	830
Central	1,660	1,660	1,660	1,660	1,660
Technical Assistance	448	448	448	448	448
ST Capacity Building	13,006	13,105	13,204	13,312	13,420
3. IEC	2,000	900	900	900	900
4. TEACHER REDEPLOYMENT	7,990	-	-	-	-
TOTAL Development	299,464.6	323,048.8	364,413.2	344,622.2	356,250.5

⁵ Total Recurrent Costs for formal primary education = Unit Cost x Total Enrolment

Appendix II Ministerial Project Portfolio - 1999/00 - 2001/02 (MOEC)

S/No	Item Code	Project Name	Status of Implementation	Coherence with Ministerial Overall Expenditure	Recurrent Expenditure Implications	2001/02 Funds in Mill. Tsh.		2000/01 Approved Expenditure (Mill. Tsh.)		1999/00 Actual Expenditure (Mill. Tsh.)		Source of Funding
						Local	Foreign	Local	Foreign	Local	Foreign	
1.	5762	Construction of Dodoma Library	Project not Started	Low	Low	79.3	-	80.4	-	85.2	-	GOT
2.	6282	Strengthening NECTA	The construction of the Printing Unit is in Progress	High	Low	262.2	-	80.0	-	65.0	211.28	GOT
3.	4371	Rehabilitation of Schools and Colleges	The project is on going Schools and Colleges are being rehabilitated	High	Low	970.4	-	768.55	-	669.87	-	GOT
4.	6355	Strengthening Statistics	The project is on going. Equipping the statistical Unit at MOEC is being done.	Medium	High	46.0	-	66.9	-	45.0	108.44	GOT
5.	6403	Improvement of Education Development Programme	The project is on going	Low	High	121.4	4,664.9	80.0	2,457.1	50.0	66.7	GOT, Irish Aid, UNICEF, Norway, Sweden Japan
6.	4320	Strengthening Tanzania Institute of education	The project is on going and the work is in progress	High	Low	70.0	-	76.9	-	45.0	-	GOT
7.	4370	Community Intervention (ICBAE and COBET)	The programme is still operating as a pilot in some districts	High	High	132.0	476.3	91.70	780.23	85.12	-	GOT,ADB
8.	6406	SACMEQ	The project is on going	High	Medium	20.0	-	60.0	-	-	-	GOT
9.	6292	Renovation of Correspondence Institute building	The rehabilitation of the building is on progress	High	Low	76.8	-	66.0	-	48.0	-	GOT

(Appendix II Continued)

10.	4321	District Based Support to Primary Education	The project is on going	High	Low	-	1,408.9		2,628.02	-	4,612.03	Netherland, Finland, Canada, Denmark
11.	4327	Improving Inspection of Schools and Colleges	The project is on going and schools and colleges are being inspected	High	High	86.0	-	160.3	-	85.6	-	GOT
12.	6341	Support to Community Education Fund (CEF)	It winding-up	High	Low	-	1,776.0	-	1,720.0	-	1,011.7	World Bank
13.	6401	Supply for Primary Textbooks	The function of this project has shift to Local Governments	High	Low	-	2,730.5	-	2,250.0	-	4,036.5	Sweden, EU
14.	4301	Construction of laboratories and Supply of Equipment	The programme is on-going and construction of laboratories is being done	High	High	158.24	4,988.0	67.15	4,650.29	12.16	1,416.92	GOT, ADB
15.	4322	Strengthening the Teaching of Science Subjects (SESS)	The project is on-going	Low	Medium	17.0	79.8	-	962.5	-	110.0	GOT, GTZ
16.	4325	Improving the Performance of Girls in Secondary Schools (GSES)	The project is on going and is carried out on pilot basis in some identified districts	High	High	-	816.0	-	1,000.0	-	804.0	World Bank
17.	1374	Supply of Science Equipment to Secondary Schools	The project is on going	High	High	125.0	-	-	-	230.0	-	GOT
18.	4372	In-service Training	The project is on going and in-service training is being carried out to teachers	High	High	-	907.2	-	540.0	-	382.52	Sweden
19.	6364	Rehabilitation of Bagamoyo College of Arts	The Project is on-going	Medium	Medium	65.0	-	-	-	35.0	283.33	GOT
20.	6303	Education Sector Development Programme	The Project is on-going	High	Low	-	2,000.0	-	-	-	-	World Bank
TOTAL MOEC						2,230.0	19,689.37	1,597.87	17,164.14	1,455.95	13,043.43	

Appendix III Ministerial Project Portfolio – 1999/00 - 2001/02 (MSTHE)

S/No	Item Code	Project Name	Status of Implementation	Coherence with Ministerial Overall Expenditure	Recurrent Expenditure Implications	2001/02 Funds in Mill. Tsh.		2000/01 Approved Expenditure (Mill. Tsh.)		1999/00 Actual Expenditure (Mill. Tsh.)		Source of Funding
						Local	Foreign	Local	Foreign	Local	Foreign	
1.	4349	Rationalisation of tertiary Education	Not Started	High	Low	100.0	1,215.0	200.0	-	-	-	GOT, World Bank
2.	4398	Rehabilitation of Open University buildings	The project is on going	High	High	200.0	-	75.0	-	150.0	-	GOT
3.	4365	Infrastructure Rehabilitation of UCLAS	The project is on going	High	High	50.0	-	100.0	-	100.0	-	GOT
4.	4338	Institute of Marine Sciences	The project is on going	High	Low	10.0	-	5.0	-	5.0	-	GOT
5.	4385	TAN-NORWAY Agreement to support UDSM	The project is on going	High	Low	5.0	-	50.0	890.0	5.5	1,240.3	GOT, Norway
6.	5740	Applied Microbiology Unit (AMU)	The project is on going	High	High	350.0	-	55.0	-	5.0	-	GOT
7.	5741	Rehabilitation University of Buildings Dar Es Salaam	The project is on going	High	High	100.0	582.0	660.0	-	160.0	-	GOT
8.	5743	Computer Science	The project is on going	High	High	30.0	-	5.0	-	60.0	-	GOT
9.	6210	Construction of Scientific Research Centre	Not Started	High	High	480.0	-	30.0	-	210.0	-	GOT
10.	4332	Rehabilitation and Expansion	Project is on going	High	High	-	-	700.0	1,500.0	-	-	GOT
11.	6221	NORAD Support (SUA)	Project is on going	High	High	-	582.0	-	-	-	-	Norway
12.	4348	Rehabilitation of Technical Colleges	Project is on going	High	High	350.0	-	35.0	-	-	-	GOT
13.	6229	Construction of Radiation Waste Facility	Project is on going	High	High	140.0	-	-	-	-	-	GOT
TOTAL MSTHE						1,820.0	2,379.0	1,820.0	2,390.0	1,100.0	3,315.3	

Appendix IV

Costed Programmes for Basic Education FY 2002/03

1.0. Introduction

- 1.1. In 1996, the Tanzania Government undertook to develop the Education sector Development Programme (ESDP) to address the existing problems and face the new challenges resulting from the on-going socio-economic reforms and increasing demand for human resource development. ESDP is a sector-wide programme aimed at operationalising the various policies pertaining to sub-sector in Education and Training Policy.

Under the programme the government has imitated a series of policies and reforms in the sector with the aim of ensuring that all children have equitable access to a good quality education.

- 1.2. In order to attain the above, the Education Sector has launched a Primary Education Development Plan (PEDP) which is one of the first outcome of the Education Sector Development Programme (ESDP). The coverage of the plan ranges from the provision of primary education for out of school children and youth.

The main PEDP components are:

- (a) Expanding Enrolment
- (b) Improving the quality of teaching and learning processes
- (c) Building capacity within the education system and other public and private sects with a stake in education provision
- (d) Strengthening the institutional arrangements that support the sensitization and education service delivery

The above components are constructed around the PEDP strategic priorities which are:

- (i) Enrolment expansion
- (ii) Quality improvement
- (iii) Capacity building
- (iv) Optimising human, material and financial resource utilisation

- 1.3. For each of the PEDP strategic priority, there is a combination of strategies undertaken. The following is the summary of strategic activities under each strategic priority.

1.3.1. *Expanding Enrolment*

Strategies are:

- (i) Increase enrolment of both boys and girls
- (ii) Construct new classrooms
- (iii) Rehabilitate old classrooms
- (iv) Expand complementary education programmes
- (v) Construct teachers houses

1.3.2. **Quality Improvement**

Strategies are:

- (i) Upgrading of teachers qualifications
- (ii) Increase textbook supply and other materials
- (iii) Strengthen inspection services
- (iv) In-service training

1.3.3. **Capacity Building**

Strategies are:

- (i) Expand Pre-service teacher training
- (ii) Up-grade qualification of teacher training college tutors
- (iii) Strengthen education management skills
- (v) Devolve financial management skills
- (vi) Improve Educational Management Information System

1.3.4. **Optimise human material and financial resources utilization**

Strategies are:

- (i) To complete the re-alignment of roles and responsibilities
- (ii) To make sure that LGAs and Regional government bodies effectively support primary education delivery to children
- (iii) Make sure that national staff effectively collaborate on the development for primary education

The table below is the costed priority expenditure programmes and activities of basic education.

Table (a) Basic Education Fully Costed Requirements per Activity – 2002/03 – 2004/05 (in bill. Tsh.)

Sector	Activity	1999/00 Actual	2000/01 Actual	2001/02 Budget	2002/03 Budget	2003/04	2004/05
A. Primary Education							
1. Expanding Enrolment							
	1. *Expand enrolment of all groups of children	-	-	19.46	22.49	25.65	26.72
	2. To construct new classrooms.	-	-	57.55	55.59	58.92	28.20
	3. *To rehabilitate old classrooms	-	-	9.73	11.24	12.82	13.36
	4. To recruit new teachers.	-	-	6.0	10.31	13.70	12.42
	5. To expand complementary education programmes	-	-	0.46	2.30	6.90	12.66
	6. To construct teachers' houses	-	-	12.07	12.67	11.67	12.78
	Sub-Total			105.27	114.6	129.66	106.14
2. Improving the quality of teaching and learning process							
	1. Up-grading Teachers qualifications	-	-	4.2	3.96	4.38	4.76
	2. Strengthen Inspection service	-	-	1.46	1.61	1.77	1.94
	3. *Increase textbook supply and other materials	-	-	19.50	22.50	25.7	26.72
	Sub-Total			25.16	28.07	31.85	33.42

(Table (a) Continued)

Sector	Activity	1999/00 Actual	2000/01 Actual	2001/02 Budget	2002/03 Budget	2003/04	2004/05
3. To develop capacity within the education system	1. Expand Pre-service Teacher Training	-	-	2.80	2.80	2.80	2.80
	2. To upgrade qualification of teacher training college tutors	-	-	4.20	4.62	5.08	5.59
	3. Strengthen education management skills	-	-	7.67	4.50	4.50	3.30
	4. Devolve financial management skills to school level	-	-	5.34	5.34	2.44	2.44
	5. Improve Educational Management Information System	-	-	1.0	0.85	2.00	2.00
	Sub-Total			21.01	18.11	16.82	16.13
4. To strengthen the institutional arrangements that support the delivery of education service	1. To complete the re-alignment of roles and responsibilities among local district and central authorities	-	-	3.00	5.34	5.55	7.78
	2. To make sure that LGAs and Regional government bodies effectively support primary education delivery to all children	-	-	5.70	14.00	16.92	19.22
	3. Make sure that national staff effectively support primary education	-	-	3.93	5.34	6.55	8.77
	Sub-Total			12.63	24.68	29.02	35.77
Primary Education Total				85.56	187.56	210.97	228.50
B. Secondary Education					185.46	207.35	191.46
1. To improve the teaching and learning environment at the secondary level	1. To construct and furnish the new classrooms and laboratories	-	-		3.00	2.25	2.38
	2. To enhance teachers' competencies (INSET)	-	-	0.22	0.12	0.12	0.09
	3. To supply textbooks and other teaching and learning materials	-	-	5.78	6.36	1.02	3.0
	4. To improve inspection service	-	-	-	0.16	-	-
	5. To support girl students from poor/disadvantaged families for secondary education	-	-	0.82	1.35	-	-
	6. To supply teaching equipment to community secondary schools	-	-	0.13	3.68	5.0	3.19
	7. To rehabilitate secondary school physical facilities	-	-	4.43	6.58	6.79	7.47
	Sub-Total			11.38	21.25	15.18	15.13
2. To strengthen the management capacity at secondary level				-	0.20	0.18	0.18
	Sub-Total				0.20	0.18	0.18
Total Secondary Education				16.37	20.19	15.36	15.31

(Table (a) Continued)

Sector	Activity	1999/00 Actual	2000/01 Actual	2001/02 Budget	2002/03 Budget	2003/04	2004/05
1. To control the spread of HIV/AIDS/STD through the education system	1. To design develop print and distribute teaching and learning materials for primary, secondary, teachers training colleges and higher and technical education			0.57	0.80	0.80	0.88
	2. To establish monitoring and evaluation process by developing guidelines for monitoring and evaluation instructions			0.14	0.20	0.20	0.22
	3. To facilitate and improve the management co-ordination and implementation of AIDS activity plans of the AIDS Unit			0.14	0.19	0.19	0.21
	4. To determine the impact of HIV/AIDS and inform decision makers on the fight against the pandemic			0.04	0.63	0.63	0.70
	5. Promote behavioural change at the post secondary school level through peer education			0.05	0.61	0.61	0.67
	6. Incorporate life skills educational in the education college curriculum			0.05	0.75	0.75	0.83
Sub- Total				0.99	1.39	1.39	1.52
Total Basic Education				182.8	208.3	224.1	208.29

Note: * These activities constitute money for capitation grant as follows:

(i) Expand enrolment – USD\$4 (Chalk, exercise books, pens and pencils – USD\$2, Administration materials – USD\$1, Examination paper purchase and printing US\$1)

(ii) Rehabilitation – USD\$2

(iii) Textbook supply teaching guides and other supplementary reading materials – USD\$4

ANNEX I: Terms of References

SPECIFIC TASKS

Review PER FY01 findings and actions taken by the sector in response to those findings indicating unaccomplished/pending action and reasons as well as implications and the way forward.

Identify follow-up actions planned in FY02 in response to PER FY01 findings.

Assess the adequacy of measures currently in place to increase transparency, targeting and monitoring of the priority sector expenditures at the local government level.

Analyse the recurrent and development budget performance at the sector and sub-sector levels for the past three years and for the current fiscal year:

- (a) Show clearly the trends to expenditures at sectoral and sub-sectoral level (i.e. primary, secondary, tertiary, teacher education and non-formal) including central-local government split and a PEDP and non-PEDP primary education split. This should include doing an analysis of specific priority areas/items of expenditure highlighted in the PRSP.
- (b) Assess whether and how far these trends reflect policy objectives.
- (c) Review deviations in overall budget performance (budgeted vs. actual expenditure) indicating clear justification for such deviation and factors constraining the allocation resources and supervision control of expenditure.
- (d) Assess planned versus actual resource allocation in FY01 at sectoral and sub-sectoral levels highlighting any notable new developments and their relationship with the FY02 budget.
- (e) Analyse at sector and sub-sector levels non-wage expenditures (OC) by major expenditure items over the past three years and assess the relationship between budgeted and actual expenditures of at least five largest budget items. Also assess the appropriateness of the current composition of OC expenditures with respect to achieving the objectives of the sector.
- (f) Document which expenditure items have benefited most from increased budget allocations and actual expenditures of the sector and sub-sector levels including amounts (percent) that went to OC and to PE, and if there was prioritisation to specific expenditure items, e.g. maintenance, transport, training, etc.).
- (g) Provide a profile of arrears over the past three years at sector and sub-sector levels and identify principal expenditure items on which arrears occur, and discuss underlying causes for arrears and measures taken to contain the accumulation of arrears.
- (h) Identify explicit and implicit contingent liabilities and indicate magnitude of these liabilities.

- (i) Analyse revenue collection at the sector and sub-sector levels including a description of the rate structure and tax base, the appropriateness of the administrative set-up and rules for the use of such revenue.
- (j) Undertaken a more detailed review of the sector/involved Ministries' project portfolio, including an overview of the project implemented, by the involved Ministries, start and expected completion dates of the projects, status of implementation, coherence with the overall expenditure programme of the ministry, recurrent expenditure implications etc.
- (k) Analyse (a) the profile of Ministerial staffing (established post, and staff in post, and unfilled positions by grade) and a discussion of the adequacy of the staffing profile; and (a) staff assignment i.e. ministry HQ branch, region, district).
- (l) Discuss in detail how the decentralization affects the Ministry's expenditure programme including transfer of staff that affects the wage bill, changes in expenditure responsibilities.
- (m) Review the latest report of the Controller and Auditor General and actions taken by the sector to address the major queries raised on systemic fiscal issues assessing adequacy of the actions taken.
- (n) Analyse the impact of HIV/AIDS on targets and spending patterns at the sector and sub-sector levels.
- (o) Analyse to what extent resource allocation and expenditure patterns of the sector have taken into consideration gender concerns.

Review existing plans and strategies for the sector (including prioritisation), with a view to harmonise the PRSP, sector policies objectives and MTEF. This will include, among others, re-aligning and sector priorities and articulating the links between the inputs and outputs identified in MTEF and sector/PRS objectives.

Undertaken/refine costing of priority interventions over the medium term and their impact on PRSP targets. Compare the financial requirements for meeting PRSP targets to projected resource availability for the sector (domestic and foreign; recurrent and development) and present options for restructuring expenditure to meet the targets (e.g. scaling back the targets, improving efficiency, mobilization of additional resource etc.). Also spell out the implications of these options and recommendations.

Identify the key performance indicators that will be used to monitor progress. They should include annual indicators and more medium terms impact measures. These should relate to the PRSP and information being collected through the poverty monitoring process. Also use these indicators to review sector performance.

STUDY MANAGEMENT

The identified consultant will have to carry out the study in close collaboration with relevant sector officials. In doing so the consultant has to reflect on the previous PER studies done by Bannock Consulting Oxford Policy Management, OPM and the University of Dar es Salaam. A critical review of the above mentioned studies revealed some potential gaps for consideration for the FY2002 PER.

The consultant will provide an action plan for the study a progress report and final report to the stakeholders (the Ministry of Finance, MOEC, MSTHE and PO-RALG). The consultant will present the study report to the PER working group. The consultant may be required to present and discuss the findings of the report to other stakeholders.

The final report will be handed over to the Ministry of Finance and the involved Ministries.

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