

Broken Promises in Primary Education: When enough money doesn't reach schools on time



1. Introduction

The Government of Tanzania is implementing an ambitious program to improve primary schooling. Getting this done requires money, that the money flows to schools, that it is put to effective use and for the intended purposes, and that there is effective accountability. But there are many questions about how the policy works in practice. Do the funds flow smoothly? Do schools get money on time? Is the amount adequate? Is it predictable? Is there accountability for failure to implement policy? How are funding flows related to quality of education and performance?

Public expenditure tracking surveys can serve as one useful tool to answer these questions. In 2009, the Government in collaboration with education stakeholders commissioned a Public Expenditure Tracking Survey (PETS) of primary and secondary education in Tanzania Mainland. This brief presents findings of the PETS concerning flow of resources for primary education and explores how this is linked to performance of schools. A separate brief touches on similar issues for secondary education.

The aim is to make the PETS findings accessible to a broader audience and to facilitate wider understanding and debate of the link between resource flow problems and educational performance. The brief shows that turning a blind eye to these problems undermines progress and could lead to further inequalities building up between schools and district councils.

The source for all data presented herein is URT (2010), Public Expenditure Tracking Survey of primary and secondary Education, Final report February 2010, Dar es Salaam, Ministry of Education and Vocational Training.



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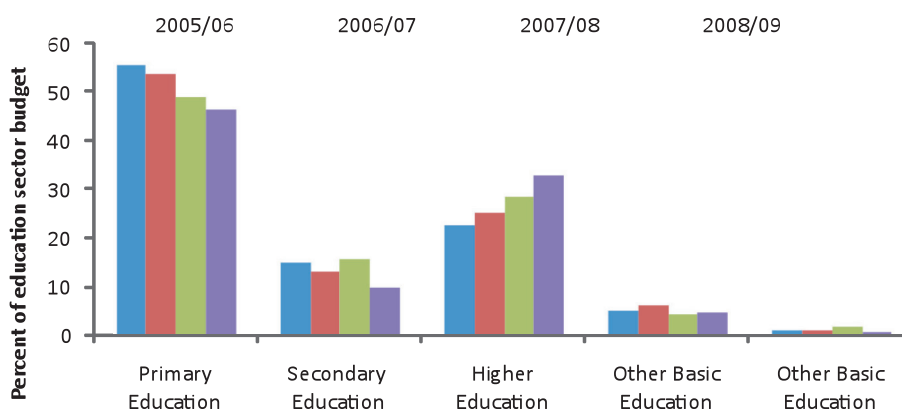
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2. Key Findings

Finding 1: More money for education, but less for primary education

The amount allocated to education doubled from 2005/06 to 2008/09, from Tshs 701 billion to Tshs 1,430 billion. This is a dramatic increase. As a percentage of the total budget, the share of education also increased but more modestly, from 17.4 percent to 19.8 percent. However, upon closer examination, the share of primary schooling in the education budget declined from 55.8 percent to 46.6 percent (Figure 1). In contrast, the share for higher education increased significantly over the same period, suggesting that the Government has chosen to prioritize higher education for the use of the additional resources. Interestingly, higher education was allocated a significantly higher share of the budget than secondary education.

Figure 1: Budget allocation for education sub-sectors 2005/06-2008/09



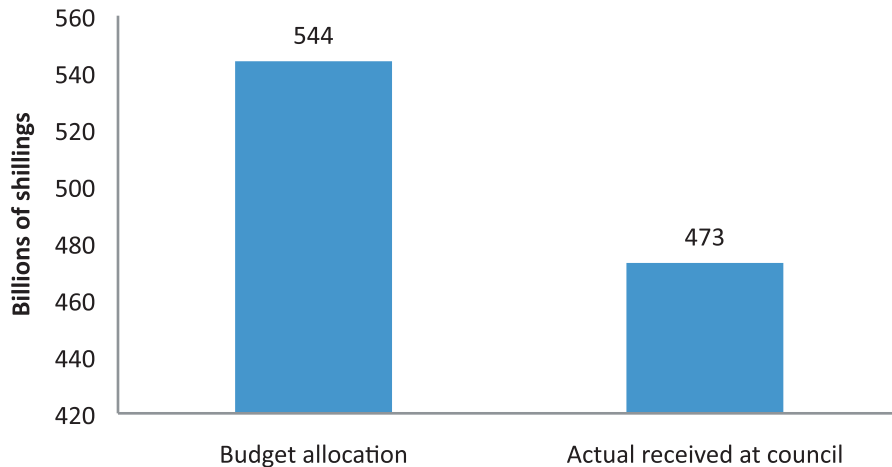
While all sub-sectors require investment, these choices raise interesting questions. Do they indicate Government satisfaction with what has been achieved in primary education? Is primary schooling sufficiently strong to provide a solid foundation for higher education? Does it make sense to spend more in higher than secondary education? And since fewer numbers benefit the further up the education pipeline one travels, are Government priorities reducing or exacerbating inequities across the country and between the rich and poor?

Finding 2: Most but not all of the money allocated to councils gets there

The budget allocation for primary education in 2007/08 was Tshs 544.2 billion. Of this amount, Tshs 513.5 would be transferred directly for execution at council level, while the rest would go through ministries responsible for education (MOEVT), local government (PMORALG), and regional votes. These are provided as Educational Block Grants (EBG) for teachers salaries and other operating costs including a grant for special schools, an earmarked capitation grant from the central government and a development grant. However, according to PETS the actual amount reported to have been received by councils as capital and recurrent grants for education in 2007/08 was Tshs 473 billion

(Figure 2), or about 87% of what was expected. This means that 13% of the initially approved budget did not get through.

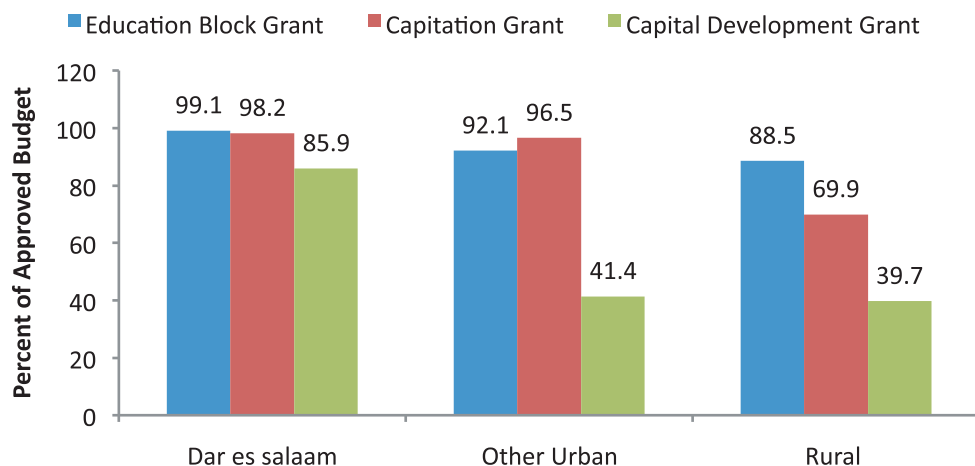
Figure 2: Budget allocation and release to councils for primary education in 2007/08



Finding 3: Rural district councils get less

While 13% shortfall is unacceptable, it is nonetheless encouraging that most of the funds do reach the councils. However, the picture is not the same throughout the country. The aggregate picture masks significant differences between urban and rural councils. The PETS notes that in the course of the year, significant reallocations of the money are done between councils. As a consequence, councils do not always get what they had in the approved budget. For example, while Dar es Salaam received 98 percent of its capitation grant allocation, rural areas received only 70 percent. The disparities are worse still for the capital development grant (Figure 3).

Figure 3: Who gets what after reallocations of the original budget have been done



Again, these choices raise important questions. On what basis are urban areas, and particularly Dar es Salaam, getting more of the allocated funds as compared to rural areas? If reprioritization needs to be done, shouldn't rural areas that are likely more underserved be entitled to a greater share? Does Dar es Salaam receive more because of its greater need or because of its political proximity to decision-makers? What implication do these priorities have on the ability of rural primary schools to plan and deliver quality education? Again, do these actions reduce or exacerbate current inequities?

Finding 4: The grant allocation system is confusing

The grant allocation system is a complex maze of formula based and discretionary elements, involving multiple ministries and disbursement channels. In addition, vague instructions and changes in budget figures during the planning and implementation process that are done without notifying councils mean that the final effect is often confusion and lack of transparency of key people along the education budget chain.

Three types of grants were allocated to education in FY 2008: Education Block Grants (EBG), a Capitation Grant (CG) and Education Capital Development Grant which is allocated by the Ministry of Education and Vocational Training (MOEVT) outside the regular local government grant system. The EBG, a recurrent grant, has three components; a discretionary component to cover wage related expenses (personal emoluments), a formula based element for Other Charges (OC), and another discretionary grant element for special schools in some councils.

The capitation grant from the Ministry of Finance and Economic Affairs (MOFEA) is specified per pupil on the basis of projected school age population in the specific district. Districts are required to transfer this money as it is to schools. In the case of 2007/08 this was TSh. 5,000 per pupil. When the OC element of the EBG has been allocated according to formula (number of pupils enrolled in schools in the district) the remainder (if any) is supposed to be added by councils to capitation grant transferred to school. Here the 2007/08 Budget Guidelines provided conflicting instructions; in one section it said the councils should allocate a minimum of Tshs 3,000 per pupil and in another it said Tshs 6,000 per pupil be allocated as additional capitation grant resources.

The capitation grant amount is meant to be equal per pupil for all schools countrywide. In this case however, and depending on which part of the circular the council reads, the capitation grant to be transferred from councils to schools would vary from one school to another and possibly range between Tshs 8,000 to 11,000 depending on how much additional resources were available.

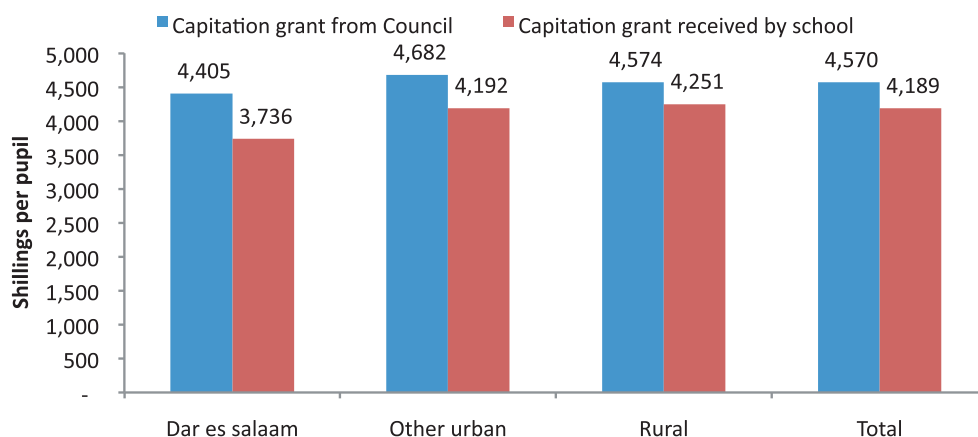
Finding 5: The full capitation grant does not reach schools

The central capitation grant allocation according to budget circular in 2007/08 was Tsh. 5,000, and the councils were instructed to allocate the remainder of OC from EBG as additional capitation transfers. Assuming district councils planned their budgets such that a minimum of Tsh. 3,000 per pupil remained in the OC after other costs had been

deducted, schools would have received anything between Tshs 8,000 and 11,000 per pupil in 2007/08 (Tsh. 5,000 plus 3,000-6,000).

Figure 4 demonstrates that this is not what happens. What councils report to send to schools is lower than what was planned, and what is reported to have been received in schools is even less. Total amount received in schools were estimated to be 8.3 percent less than what the district councils reports say they transferred to them, and significantly less than the Tsh. 8,000.

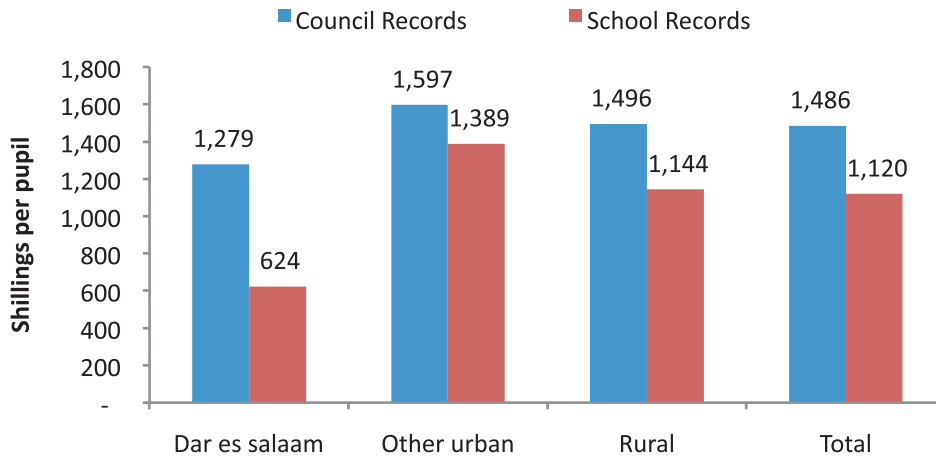
Figure 4: Capitation grant reaching schools compared to capitation grant planned in budget



Finding 6: School data reveal large leakage of capital development grants

District council records indicate that higher amounts of capital development grant were disbursed as compared to what was received by schools. Moreover, some school reports do not show any receipts of capital development grant even where district council reports show that they have been sent money for that purpose. While the council reports show that 48% of the sampled schools were allocated capital development grants money, only 18% of the schools recorded receipts of development grants. The amount of capital development grant accounted for by schools is approximately 27% less than what is reported to have been forwarded from district councils. The difference is particularly large in the case of Dar es Salaam (Figure 5).

Figure 5: Average development grant per pupil- council records vs. School records

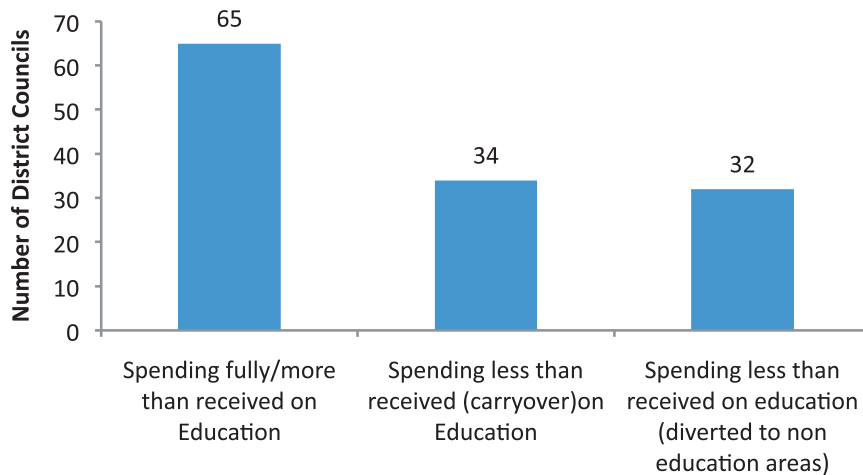


Finding 7: Money meant for education is diverted to other uses

When total education grants money transferred to councils in 2007/08 is compared with the councils total expenditure on education, findings show that several councils spent less on education than what they had received. In this case either the money was not spent (and carried over to the next year), or diverted to other purposes than education. This was the case in half – 66 councils out of 131 councils whose expenditure was analysed. According to the PETS, an estimated Tsh. 28.9 billion of education grants transferred to these councils in 2007/08 was diverted to purposes other than education.

In the councils which spent more or the same as received amount of grants, the over expenditure could be explained by councils own resources, and other sector grants (possibly off budget). However, other studies have noted that government departments including LGAs carry over considerable sums of money into outer years due to late releases and absorption problems. This situation affects most development expenditure, particularly its capital component. It is thus possible that part of the explanation for over expenditure in the 65 councils is carried over resources from the previous year. Just as diversion of resources to other activities is bad for education so are carryovers as they undermine progress. Carryovers in themselves also reflect weaknesses in financial management practices in the councils.

Figure 6: District councils according to how they spend education grants

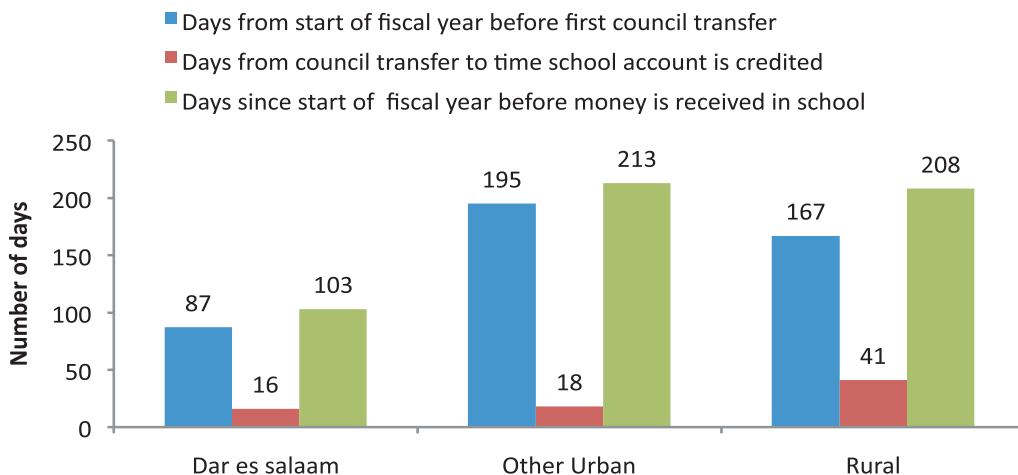


Finding 8 Capitation grants are disbursed very late

If schools are to provide books for pupils and teaching materials for teachers, the money needs to be sent and received in a timely manner during the year. The PETS reveals that there is a problem with timing of release from councils as well as receipt of capitation resources at schools. Consequently, money is significantly delayed and plans cannot be implemented on time.

Councils in Dar es Salaam transfer their first instalment in September, about two months and a half after the start of fiscal year (Figure 7). Rural area councils make the first transfer around January-February of the fiscal year (at the beginning of the next school year). After the transfer has been done, it takes 16 more days before the money gets to school accounts for schools in Dare s Salaam, and about 41 more days for schools in rural district councils.

Figure 7: Time it takes for money to reach schools



Since all councils have remaining balances from previous years' unspent grants from central government, in most cases they do not rely on current fiscal year transfers to disburse the first instalment of capitation grants to schools, which suggests inefficiencies in the bureaucracy. At the same time, the frequency of disbursement is unclear. Some councils send only one or two instalments each year to schools, others make more transfers. Yet, there are some schools that did not receive their FY capitation grants before the end of the fiscal year.

Finding 9: Urban Councils fare better than rural councils

Urban councils generally do better than rural councils. Urban councils have better performing schools (as measured by their PSLE ranking), they have on average more teachers for a group of pupils (low Pupil:Teacher ratio or PTR), and spend more on recurrent expenditures for schools (wage and non wage inputs). Urban councils also have a lower poverty rate than their rural counterparts and better quality of facilities in schools, measured in terms of availability of equipment per student and ranking of different facilities available at the schools.

Findings from the PETS suggest that non wage inputs are crucial, but high expenditure on capitation and development grants alone cannot compensate for absence or inadequacy of teachers. Deployment of teachers, measured by the PTR is a major determinant of school performance. In fact more non wage resources tend to flow to councils and schools where the pupil teacher ratio is lower.

Table 1: Selected School Indicators (average for councils) based on survey sample data

Council	Dar es Salaam	Other urban	Rural
Pupil Teacher ratio*	40	44	62
School Expenditure per Student	58,176	59,870	49,394
Rank of School Facilities	114	117	147
PSLE Pass rate	74	67	53

*based on number of teachers attending school

In the PETS sample, councils with low PTRs received more non wage resources (capitation and development grants) as well as other kinds of contributions and had higher recurrent expenditure per pupil than councils with high pupil teacher ratios. These councils performed better in exams than their counterparts with a high PTR (fewer teachers for a group of pupils), lower non wage resources spent per pupil and lower quality of facilities in schools.

Finding 10: Remote schools get fewer resources

Location of schools, measured by the distance from the council (district) headquarters, explains a lot of the variation between schools in rural councils. The more remote a school is located from the council headquarters, the less teachers it receives and the lower is the quality of facilities. For example, schools located 20 km from council

headquarters are better resourced and have better school facilities compared to schools that are located more than 100 km from the council headquarters (Table 2).

Table 2: School indicators by school distance to council headquarters

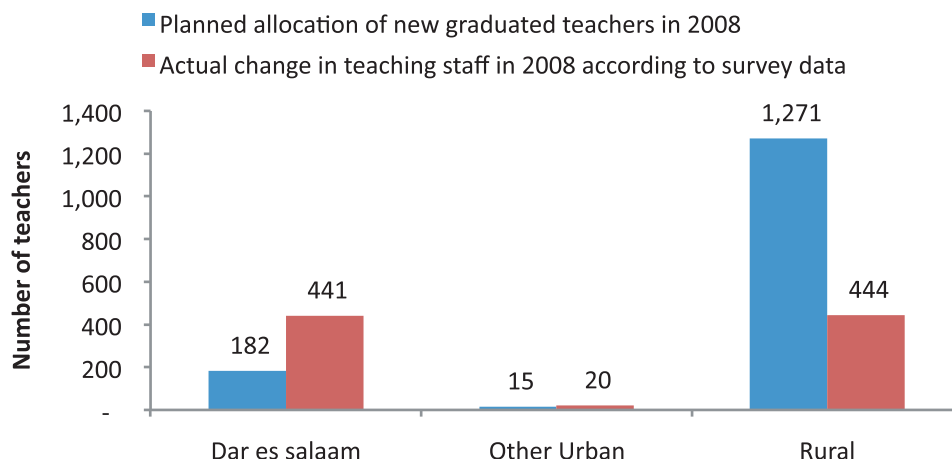
School Distance to Council HQ	<20 Km	20-50 Km	50-100 Km	>100 Km
Pupil/Teacher Ratio	50	66	60	71
Percent passed PSLE	58	51	50	50
Council Expenditure per student	57,226	45,324	49,674	47,929
School Expenditure Per Student	5,604	4,056	4,710	7,201
Rank facilities	146	147	142	175
Rank facilities excluding Staff Houses	147	148	135	179

Even where remote schools spend more money on non wage items per pupil than other schools, it is not enough to compensate for the inadequacy of teachers and poor quality of facilities so that they still end up performing poorly in exams.

Finding 11: Teachers avoid rural areas

For many years now Tanzania has experienced a large disparity in teacher deployment between rural and urban areas. Consequently the Government has established a policy that seeks to establish better equity by prioritizing allocation of teachers to rural, remote areas. In practice, however, this policy commitment is not practiced or apparently enforced. PETS data show that allocation of more teachers to rural areas alone has limited impact. In 2008, while the planned allocation of graduate teachers for Dar es Salaam was only 182, actual change in staff was 441; the allocation in rural areas was 1,271 but the actual change was only 444 (Figure 8). This partly explains why even when rural councils are allocated more grants (PE component of the Education Block Grant) to employ more teachers, they are unable to do so.

Figure 8: Planned and actual allocation of new teachers in 2008



These data suggests that the key to achieving equality in resources between rural and urban areas lies in addressing reasons why councils cannot attract and retain teachers. More money in budget allocation alone does not change inequality as in the course of execution reallocations are made from under spending councils to spending councils. Specific measures to enable rural councils employ and retain teachers, for example incentive schemes for teachers serving rural and remote councils, may go a long way in correcting this situation.

Finding 12: Data is unreliable and undermines policy implementation

There is no consolidated information about council's transfers to and expenditure for individual schools in Tanzania, even though the grant system has been implemented since 2002. A situation like this undermines planning as one is unable to properly assess progress against goals, and the effect of particular interventions. The PETS found noteworthy differences in records concerning capitation grant amounts disbursed at councils and reported to have been received in schools. 41 percent of schools in 19 out of 27 district councils visited by the PETS team reported amounts received of capitation grant that were very different (less) compared to what councils said they had disbursed. Differences also existed in the number of students in a school as provided by district councils, as compared to the number of pupils as reported at schools, and number of teachers reported to be in schools according to council payroll compared to the number of teachers that are actually serving the school according to school administration (head teachers).

To the extent that resources are allocated on formula basis on the basis of pupils enrolled or teachers in the district council, such discrepancies may cause some schools to be ineligible to access some of or all of the resources that they should receive, while others may get more resources than their fair share. Unfortunately, because information management weaknesses are left to accumulate, these problems are not corrected on time, compounding distortions and practice even further.

3. Conclusion

The Tanzania Education PETS 2009 reveals that there are significant problems with flow of resources for primary education, and that rural councils are the most disadvantaged in this aspect. The PETS notes that the system is overly complex, instructions that are given are not always clear and this is further compounded by bureaucracy in processing the transfers. In the case of wage resources, budget execution failures in rural district councils result in resources initially allocated to them being reallocated elsewhere and as demonstrated by the teacher allocation exercise in 2008, they go to urban based councils.

The likely upshot of these problems translates into failure to achieve quality, poor performance across the country, low value for money, and marked disparities between schools in urban and rural communities. The promise of education – that it will provide all children with the basic skills to thrive in life – is all too often broken.

What can be done to solve some of these problems? We propose four main interventions:

- 1. Establish a simpler, more transparent, one source scheme to transfer resources from the centre to schools.** The basis of allocating each type of grant should be simple and transparent, the amounts should be established and known, the funds should be disbursed on a predictable basis, with amount and schedule widely publicized in multiple channels so that they can be easily known to all.
- 2. Create explicit incentives (such as higher pay or hardship post pay)** to attract and retain teachers to work in rural remote locations.
- 3. Ensure that resources allocated for schools in rural areas become a reality.** Achieving equity requires that resources allocated in the budget reaches councils and/or schools and benefits the communities.
- 4. Establish a simple open, transparent information portal** where anyone connected to the internet or with a mobile phone can easily track how every single shilling is allocated and moves through the system to the school.

The shame today is that hundreds of billions of shillings spent on primary education and the efforts of Government and citizens alike are not translating into better schools and well educated children. Getting the money to schools on time, with equity, and making sure it is well used is one key part of the answer. Real, concrete action is possible – the question is whether Tanzanians, their Government and donor partners will act to make the difference.

References

URT (2010), Public Expenditure Tracking Survey of primary and secondary Education, Final report February 2010, Dar es Salaam, Ministry of Education and Vocational Training