



**THE UNITED REPUBLIC OF TANZANIA**

**FINANCIAL SUSTAINABILITY OF  
HIGHER EDUCATION IN TANZANIA**

***AN EXECUTIVE SUMMARY***

A Report of The Task Force on Financial Sustainability of  
Higher Education in Tanzania

Dar es Salaam  
Ministry of Science, Technology, and Higher Education

October, 1998

**THE UNITED REPUBLIC OF TANZANIA**



**FINANCIAL SUSTAINABILITY OF HIGHER EDUCATION  
IN TANZANIA**

***AN EXECUTIVE SUMMARY***

**A Report of the Task Force on Financial Sustainability of  
Higher Education in Tanzania**

**Dar es Salaam  
Ministry of Science, Technology, and Higher Education**

**October, 1998**

## Preface

This Report on Financial Sustainability of Higher Education in Tanzania marks the culmination of an attempt of the Government of the United Republic of Tanzania to put to an end the chronic problem of inadequate and unreliable funding of the higher education sector experienced for quite some time now. Other previous efforts geared towards a similar goal carried out by the Ministry of Science, Technology and Higher Education, in collaboration with other stakeholders, have led to proposals for the rationalisation of the existing higher education sector and its institutions so as to ensure that no duplication of efforts or spreading of the meagre resources too thinly occurs.

It is my sincere hope that implementation of the recommendations contained in this Report, when combined with those from the rationalisation exercise, will ultimately pave way for the smooth operation of a financially sustainable higher education sector in Tanzania. This will hopefully guarantee availability of adequate funds at all times for all the higher education institutions in Tanzania in the near future. The success of these plans will no doubt be contingent upon ensuring that good partnership prevails between the Government and the Tanzanian society at large.

I take this opportunity to commend my predecessor Hon. J.M. Makweta (MP) for initiating this most timely and important exercise in the history of this education sector. I also wish to thank all the members of The Task Force on **Financial Sustainability of Higher Education in Tanzania** under the Chairmanship of The Vice Chancellor, University of Dar es Salaam, Prof. Mathew L. Luhanga for their dedication and seriousness during the course of carrying out this work.

**Hon. Pius Ng'wandu, MP**  
**Minister for Science, Technology**  
**And Higher Education**

**Dar es Salaam**  
**October, 1998**

## **Acknowledgements**

On behalf of the rest of the members of the Task Force on Financial Sustainability of Higher Education in Tanzania, I wish to thank the Government of the United Republic of Tanzania for entrusting our team with this noble but very challenging work. Our very sincere thanks are due to the then Minister for Science, Technology and Higher Education, Hon. J.M. Makweta (MP) for closely assisting the Task Force from the day of inauguration to the time of submission of this Report. The Task Force has also benefited from Hon. Dr. P.Y. Ng'wandu (MP) due to his keen interest in the work of the Task Force, both before and after his being appointed Minister for Science, Technology and Higher Education. The Permanent Secretary, Ministry of Science, Technology and Higher Education, Mr. A. Ngororo and all staff members of the Ministry deserve our unreserved acknowledgements. The cooperation offered by the foreign embassies in Tanzania which were contacted prior to and after the Task Force visits to their respective countries is gratefully acknowledged. The support of all the Tanzanian missions in the foreign countries visited by the Task Force members also ought to be mentioned. The cooperation of NORAD (Dar es Salaam and Oslo), and The Technical University Eindhoven, in facilitating the success of this work deserves a special mention. Finally, the support of the offices from which the various task force members and the secretariat came should be appreciated, together with the members readiness to avail the Task Force with their useful time and other inputs at all times.

**Prof. M.L. Luhanga**

**Chairman**

**Task Force On Financial Sustainability  
Of Higher Education In Tanzania**

**Dar es Salaam  
October, 1998**

## TASK FORCE MEMBERS

1. Prof. M.L. Luhanga - Chairman, Vice Chancellor, UDSM
2. Prof. P.M. Msolla - Member
3. Mr. A. Mwaishumo - Member
4. Fr. Dr. M. Kilaini - Member
5. Dr. M. Mvungi - Member
6. Dr. P.J. Madati - Member
7. Mr. J. Zayumba - Member
8. Mr. A.I. Mwalongo - Member
9. Dr. A. Blomquist - Member
10. Dr. S.G. Bilal - Member

### SECRETARIAT

1. Dr. R.R. Ntuhah - Coordinator: .....
2. Prof. T.S.A. Mbwette: .....
3. Mr. W. Sabaya: .....
4. Mr. S. Mmwiry: .....
5. Mr. A.A. Kitaluka: .....

- (A) This Report on **Financial Sustainability of Higher Education in Tanzania** is a result of five months work of a **Task Force** appointed by the Ministry of Science, Technology, and Higher Education in March 1998 to advise the Government of the United Republic of Tanzania on how higher education in the country could be improved, expanded and revitalized on a sustainable basis. The membership of the Task Force was a non partisan one, consisting of ten members from both government and non-governmental organizations, a secretariat of five people. During the course of conduction of the Task Force activities, two consultants were recruited from The University of Dar es Salaam to assist with specific inputs. The Task Force was chaired by the Vice-Chancellor of the University of Dar es Salaam, Professor Mathew L. Luhanga. The broad mandate of the Task Force was *"To make recommendations on how to ensure that financing of higher education could be sustained without compromising quality i.e., To ensure higher education institutions are assured of financial resources to achieve their missions at all times"*.

The **Task Force** held several meetings, reviewed mountains of literature, solicited public contributions, members and the secretariat split and visited USA, UK, Norway, The Netherlands, South Africa, Zimbabwe, Nigeria, Uganda, and South Korea to gain experiences and insights on strategies used for financing higher education in those countries. Country reports were produced and reviewed. The Secretariat, in collaboration with the Consultants, produced the initial draft reports and upon approval by the Task Force, a preliminary final report was produced as attached to this Executive Summary.

- (B) **The main findings, observations, and recommendations were as follows:**
- 1.0 Although Tanzania has made commendable studies in developing and institutionalizing the higher education system in the country, the financing strategies and concomitant actions have not been consistently supportive of the

system over the last one and a half decades. Therefore the sustainability of the system without compromising quality is in a precarious state.

- 1.1 Characteristically, the financing strategies have concentrated on budget items, with only personnel emolument budget item remaining stable in volume but erratic in timing, while direct student costs have been experiencing fluctuations, cancellation, delays and shrinkage. The other charges items have been at the mercy of the chief executives, with a heavy tilt towards utilities and housing while direct training costs such as text books and library have been greatly curtailed. Overall, higher education institutions have been receiving less than 35 percent of their budgetary requirements, resulting in curtailment of programmes, especially field work, practicals and new innovations hence affecting the quality of the education offered.
  
- 2.0 Financial sustainability in higher education has to do with strategies that ensure intergenerational prosperity of the country, enabling it to achieve both short term and long term national objectives, at local, regional and international levels. The essential elements of a financially sustainable higher education system include:
  - Provision of the basic core budget of the system and institutions,
  - Predictability of the availability of the budget resources,
  - Institutional autonomy, flexibility and strategic thinking,
  - Accountability and transparency in the operations of the institutions,
  - Diversified sources of funding,
  - Efficient and effective operations,
  - Ensuring accessibility and equity in distribution of benefits and costs,
  - Generally cutting your coat according to the size of your cloth.
  
- 2.1 In Tanzania, any financing strategy has to take into account the following needs:
  - The need for enhancing diversity, relevance and quality of higher education.
  - Enhancing the role of higher education in the economic and social development of the country.

- Sustaining the role of the country in regional and global governance.
  - Adherence to basic national ethos such as a progressive ideology, equity, humility and tranquility.
- 2.2 With regard to alternative modes of financing higher education, all experiences suggests that the main sources of funding higher education are and in the following order:
- Government - National and local
  - Tuition fees from students and parents
  - Internally generated resources
  - Other sources such as endowments and gifts.
- 2.3 Viable strategies and experiences that Tanzania can learn from other countries include:
- Partnership with industry - UK, Korea, USA.
  - Funding students in private Universities - Japan, Korean, USA.
  - Quality Assurance Mechanisms - UK, USA, South Africa.
  - Cost sharing schemes - Norway, Canada, Philippines.
  - Government Building and Owning Structures - Sweden, Holland, Norway.
  - Longer Financing Frame e.g. Sweden Three year budget cycles.
- 2.4 The government should introduce an education levy on the following items in order to ensure increased funding for education:
- (a) Key consumer goods - drinks and cigarettes
  - (b) Gasoline
  - (c) Company corporate buildings.

This should be collected as part and parcel of the national taxation system and be allocated either as a proportion of sectoral budgets or on a per-capital basis.

- 2.5 Policies that can guide the achievement of adequate financial sustainability in higher education should include:



- Financing timeframe should be on two or three year assured government commitment to facilitate strategic planning in higher education institutions.
- The proportion of GDP spent on education should increase from the current 2.3 percent to about 5 percent per annum.
- The proportion of the annual budgets spent on education should change from the current 16.9 percent in 1997/98 to about 30 percent in 2001/2002.
- The proportion of annual budgets spent on higher education should change from the current 17.6 percent to about 30 percent per annum.
- Higher education institutions should dramatically reduce the unit cost and use output based allocation strategy.

3.0 Currently, the major expenditure categories or items of higher education institutions can be subdivided into four categories:

Capital Expenditure  
 Personnel Emoluments  
 Other Charges  
 Student Direct Costs.

3.1 It is recommended that "Other Charges" be split into:

- (a) Direct Training Costs
- (b) Other Administrative Expenses.

3.2 The responsibility for funding each of the budget items should be as recommended in the Table on the next page. One additional source of funding is the Institutional staff themselves. It is high time staff felt a sense of responsibility to contribute through consultancies, contract research, and services rendered.

**Proposed Funding Sources of Higher Learning Institutions .**

ITEM	FUNDING AGENT				
	Government	Parents/Students	Internally Generated Funds	Donor & Private Groups/Institutions	Institutional Staff
A. Capital Development					
B: Research and Consultancy Costs					
C: Recurrent Costs					
1. Direct Training Costs					
• Teaching faculty /Institute Personnel emoluments					
• Teaching and Learning materials					
• Stationary and other Consumables					
• Laboratory chemicals/ Tools and equipment					
• Computer time and Computer Equipment					
• Library Books					
• Faculty special requirements					
• Journals and Magazines					
• Utilities					
• Staff Development					
2. Student Direct Costs					
• Application fees					
• Examination fees					
• Student Union					
• Student Medical Expenses					
• Student Books					
• Student Stationary					
• Field and research Costs					
• Thesis Production					
• Monthly Stipend					
• Meals Allowance					
• Accommodation					

ITEM	FUNDING AGENT				
	Government	Parents/Students	Internally Generated Funds	Donor & Private Groups/Institutions	Institutional Staff
<b>3. Other Administrative Overhead Costs</b>					
• General administrative personnel emoluments	***		**		
• Staff Housing	**		**		**
• Telephone and fax	**		**		**
• Postage and Telegrams	**		**		**
• Fuel and Lubricants	**		**		
• Auto maintenance	**		**		
• Office stationery	**		**		
• Office Furniture and Equipment	**		**		
• Office Equipment maintenance	**		**		
• Insurance Premiums	**		**		**
• Hotel/Travel Expenses	**		**		**
• Staff Travel Abroad	**		**		
• Staff Local Travel and Subsistence Allowance	**		**		**
• Library Services	**		**	**	
• Publishing and Printing	**		**	**	
• Advertisement Expenses	**		**		
• Uniform and Soaps	**		**		
• Cleansing Materials	**		**		
• Entertainment	**		**		**

Source: Adapted and improved from Omari, 1991

**Key:**

- \*\*\* = Most responsible funding source
- \*\* = Average responsible funding source
- \* = Least responsible funding source

- 3.3 Measures that will enable the identified major sources of funding to raise the resources should include:

*Central Government*

To ensure that adequate finance will be available at all times, the following additional measures will be necessary:

- (i) To introduce an education levy which should be payable by all Tanzanians. Within this levy, the proportion of the funds to be used for primary, secondary and high education institutions should be clearly defined.
- (ii) A trust fund or any equivalent body be established for purposes of managing and distributing the collected levy funds to the relevant bodies. This fund should be exempted from taxation. In the long-term, the objective must be to maintain a revolving loan fund into which repayments can also be made to support students needing sponsorship.
- (iii) The Higher Education Council should urgently form a grants committee for higher education institutions which will have to set up criteria for allocation of funds to various higher education institutions. Use of performance based criteria on inputs and outputs should be encouraged for teaching, research, and publications.
- (iv) To ensure that funds such as loans from central government have maximum impact on the society, a means testing system should be introduced in order to ensure those who have the ability to pay do not get government loans or grants. The system should also include a democratic public confirmation of the ability to pay of such candidates, directly involving the local community as successfully done by local government councils in the past in Tanzania. Use of local community leadership alone should be avoided as experience has shown that they can be easily influenced.

- (v) To introduce the necessary legal measures to provide third party investors (local or foreign) on campuses of higher education institutions with tax incentives currently extended to foreign (or joint) investors through the IPC. This will attract the much needed investments in the campuses for delivery of municipal services.
- (vi) To seek the legal implications of the government participation in borrowing funds for facilitating capital development and upgrading of infrastructure.
- (vii) In addition to academic merit, the family financial status will be considered in awarding loans and grants to students, using a means testing procedure for all applicants.
- (viii) The government should set up a separate loan scheme given on purely academic merit to any higher education students who so wishes.
- (ix) There should be freedom of choice of programs and institutions (public and private) of study for all scholarship and loans holders.

### *Students*

To ensure that the students contribution is maximized, the following measures be introduced:

- (i) The government should proceed to introduce cost-sharing Phase III in order to ensure that all Tanzanians studying in higher education institutions contribute more to its sustainability by paying subsidized fees and introduce means testing, with a loan scheme in place.
- (ii) Ease the conditions for establishment of loan schemes for fellowships to enable one to study in public or private higher education institutions in Tanzania. However in the longterm, the objective must be to maintain a revolving loan fund into which repayment can also be made to support other students needing sponsorship.

- (iii) Higher education institutions and other companies should provide the students with increased opportunities for vocational or part-time employment.
- (iv) The government should take deliberate measures (administrative and political) to encourage Tanzanians to be proud to contribute towards facilitating access of qualifying candidates to higher education institutions.
- (v) Government should contribute funds annually to NGOs or trust funds which provide fellowships to students as an incentive, based on the numbers of recipients of the fellowship.
- (vi) All educational trust funds should be exempted from taxation.

#### *Higher Education Institutions*

To ensure that the financial contributions of higher education institutions are maximized, the following measures are recommended to be taken by them:

- (i) Set their tuition fees for privately sponsored Tanzanian candidates at competitive rates (i.e. reduce where too high) such that more students join and hence benefit advantages of economies of scale.
- (ii) Allow privately sponsored Tanzanian candidates to pay per term or semester in order to fit within their cash-flow limitations.
- (iii) Introduce a semesterized system of education to increase flexibility in participation in selected course packages that suit the interest of the candidates.
- (iv) Introduce as many up to date short courses and part-time programmes that can ultimately lead to formal qualifications award based on accumulated points within defined durations.
- (v) Introduction of undergraduate and postgraduate programmes that allow one to spend only a limited time on campuses and the rest to be done at or near their respective work places. This will allow more self employed entrepreneurs to study at higher education institutions.

- (vi) Increased coordination of consultancies and services, contracted research and review of the terms and conditions of the academic staff to ensure better staff deployment and hence higher earnings by higher education institutions.
- (vii) Make maximum use of technological developments by offering courses transmitted by modern audio-visual facilities in order to reduce the capital and running costs and hence save the funds for other uses.
- (viii) Improve the staff student ratios to 1:15 in the Humanities (including socials) and 1:10 in the Sciences and Technology fields, and work towards full capacity utilization for staff and infrastructure.

In order to exploit to the maximum this category of sources of funds, the following further measures should be undertaken:

- (i) Banks should be encouraged (through fiscal incentives) to play a more active role in providing funds as loans for facilitating higher education access or facilitating operations of trust funds and NGOs dealing with loans and grants to candidates wishing to study at higher education institutes.
- (ii) Government should provide special fiscal incentives (on taxes) for any employer who funds studies in any higher education institution in Tanzania. This may encourage employers who would otherwise take no interest in funding such studies to be more keen.
- (iii) Set up a special committee for fund raising in each institution of higher education.
- (iv) The capital funds for major development projects for academic infrastructure shall be expected to come from strategic funding sources including central government and donors, with the University providing a token contribution. Most of the service related infrastructure should be funded through the third party investment mode of operation involving short-term leases that do not involve transfer of land ownership. A prerequisite for these types of operations is to ensure that all land belonging to higher education institutions is provided a title deed for 99 years within

at most one year as a special operation. As narrated in literature (Negrao, 1994), successful higher education institutions in the 21<sup>st</sup> century will only be those which will genuinely embrace partnership of the Government, Private Sector and NGOs etc in strategic education delivery. For sustainable and adequate funding to prevail, one will in any case rely on:

- A strong political will of government,
- Good national economic performance,
- Donor commitment to provide the necessary resources and/or the required strategic support.

**Other measures should include:**

- (v) Higher Education Institutions
  - (a) Making maximum use of installed physical facilities.
    - Maximize teaching space utilization,
    - Maximize laboratory and library space utilization,
    - Rent free space to needy parties (companies),
    - Rent sports facilities to external clubs wishing to prepare for tournaments,
    - Rent/lease land to parties interested in investing in hostels, supermarkets, etc.
      - Charge cost recovery, medical fee to patients whose costs are not legally to be covered by the institution.
  - (b) Review the staff-student ratio and either increase the number of students in relation to staff or otherwise undertake a strategic retrenchment programme for academic staff in order to comply with internationally agreed operational norms.
- (vi) Re-examine staff employment terms and establish the optimally allowable number of staff who could be under permanent employment and then use temporary/occasional part-time employees.
- (vii) Focus financial resources mainly to the core mission-related activities, say, teaching, consultancy, services, and research. Institutions should distance themselves from provision of conventional non-core activities by:



- Rationalisation of such municipal services as cafeterias, canteens, hostels supermarkets, secretarial bureaux, etc.
  - Inviting private/public institutions to invest in pre-defined ventures of interest to both parties e.g. hostels, in the University land.
- (viii) Overhauling holistically the curriculum to attract the market and eliminate (minimize) possibilities of overlapping of discipline within and between institutions in the country.

Strengthen student/staff exchange programmes between countries/regions to make optimal use of various potentials and capacities available in participating countries.

3.4 The proportion of total higher education to be contributed by each source should be, for the time being:

- |   |            |
|---|------------|
| • Central government, Local Governments and Communities | 82 percent |
| • Students, parents, households                         | 12 percent |
| • Higher Education Institutions plus donors             | 4 percent  |
| • Other sources plus staff                              | 2 percent  |

3.5 Strategies for the Efficient use of available resources:

To consider introduction of the following further strategies for efficient use of available resources:

- Full utilization of the human resources in higher education institutes.
- Improve staff-student ratio to 1:15 in the socials and humanities 1:9 in the sciences, and other technical fields.
- Full utilization of fixed resources such as lecture rooms, staff, and laboratories.
- Cut down the time spent in meetings and committees.
- Rationalize programmes delivery to reduce overlaps, uneconomic units, duplications and under-utilization of staff.

- Privatize some services such as catering, staff housing, books etc so as to optimize on the use of scarce resources.
- Reduce the fragmentation of the education sector into three power centres.

3.6 Strategies for improved access to Higher Education for poor:

To consider introduction of the following strategies for improved access for the poor:

- Institute means testing to identify the needy.
- Put in place a loan scheme and a mechanism for loans recovery.
- Develop student aid schemes to include scholarships.
- Encourage the evolution of work-study schemes.
- Encourage employer and industrialist sponsorship through special incentives.

**4.0 The Role of the Government Relating to Existing and New Public and Private Institutions**

4.1 To organizations wishing to establish and operate new institutions, the Government should:

- Encourage positive dialogue and facilitation of expansion of access.
- Give concessions on land and capital investments.
- Give tax rebates on importation of instructional materials.
- Agree to pay tuition fees for at least 25 percent of their enrolments.
- Encourage them to offer programmes in needy and new areas of academic endeavour.

4.2 To existing public and private institutions, the government should:

- Sponsor students on capitation basis to any institution public or private to encourage competition.
- Apply quality assurance measures on regular basis.
- Give research grants on competitive basis.
- Offer consultancy opportunities on competitive basis.

- Give incentives for expanding enrollments, capacity utilization, quality assurance, equitable distribution of resources and teaching load, equity in enrollments, and special places for the disadvantaged. The criteria should be competitive.

## **5.0 Future Role of Higher Education Institutions in**

### **5.1 Ensuring Quality of Education, Higher Education institutions should:**

- Have the correct staff mix by disciplines, seniority, and gender.
- Teach for Inquiry and Practical work as opposed to rote learning.
- Put emphasis on learning and teaching materials.
- Ensure their staff pay more attention to teaching and students learning.

### **5.2 Income Generation Activities, Higher Education institutions should:**

- Avoid direct involvement, especially by senior/scarcce academics.
- Go for academically relevant activities rather than compete where one has no comparative advantage.
- Let Income generating activities also be training grounds.
- Establish Revolving funds for business start up initiatives.

## **6.0 The following will require the Government's special attention:**

### **6.1 Legal and Administrative Measures**

By and large, the establishment of the Higher Education Accreditation Council as a legal entity is anticipated in this Task Force report. However there is a need to quickly move to strengthen it and operationalize all its organs so as to make them functional as soon as possible.

#### **6.1.1 Budgetary Allocation**

It is important that the proportions allocated to education as per recommendations 2.5 be made legal.

- 6.1.2 The mechanisms and modalities for collaboration with the private sector and other partners need to be further articulated, operationalized and made transparent and legal.
- 6.1.3 The provision made in the public University Acts for visitation by the Chancellor needs to be used more seriously for quality assurance purposes by expert appointees.
- 6.1.4 The Education Levy need to be articulated further, its parameters elucidated, and be made legal through parliament.

## **6.2 Proposed Action Plan**

The government should prepare and implement the action plan proposed here with the main actors and stakeholders in the higher education sector in Tanzania being:

- (1) The government of the United Republic of Tanzania
- (2) The parents, the students, and the community at large
- (3) The Donor Community and other partners in the sector
- (4) The higher education institutions themselves.

Any action plan should involve all these key actors and stakeholders in the sector. As often said, actions speak louder than words. In addition the greatest marketing play for the sector is the quality of the product of the sector. Therefore all action should be geared towards quality improvement.

### **A. For the government the following actions would be desirable.**

- (1) Aggressive marketing of the higher education sector locally.
- (2) Improvement of rewards for excellence in higher education by
  - (a) Merit based employment of graduates
  - (b) Partial bursaries for excellent performers
  - (c) Matching grants for internally generated funds
  - (d) Matching scholarship for those ready to pay part of their fees
- (3) Targeted negotiations with donors or investment in the sector.

**B. For Parents, Students, and the Community**

- (a) Recognition that education is not free - have to pay something
- (b) Improvement of household savings
- (c) Improvement of attitudes - willingness to pay for higher education
- (d) Directing savings to education as the most paying investment.

**C. The Donor Community and other Financial Partners**

- (1) Give more favourable grants to the sector for capital development
- (2) Encourage strategic thinking and planning in the sector
- (3) Give priority to staff exchange and development

**D. Higher Education Institution**

- (1) Develop plans for sustained qualitative improvements and diversification of programmes and products.
- (2) Organize more exposures of what they are doing such as Open Days, exhibitions, talks and visitations.
- (3) Use Strategic Plans for better control and direction of resources.
- (4) Develop further mechanisms for recruitment and retention of senior staff.

**6.2.1 Main Activities Proposed To be Undertaken**

1. Dissemination of the Report to Key Stakeholders.
2. Seminar/Workshop with Ministries responsible for Education.
3. Seminar with Private Universities.
4. Meetings with Ministries of Finance and Planning.
5. HEAC to Establish the Various Committees.
6. Consultancy on the Establishment of Education Levy.
7. Pilot Study for Means Testing.
8. Evaluate the Effects and Potential of Cost Sharing based on Phase I and II, and Establish Recovery Mechanisms.
9. Appoint a Small Committee to do the follow up.
10. Operationalize Accepted Recommendations.

### **6.2.2 Recommended Time Frame**

It is important that Tanzania at this juncture takes Mwalimu Julius K. Nyerere long held wisdom seriously "Run while others are walking". Given the lag and the tempo of technological and social changes in the world, Tanzania can only escape from further marginalization through more concerted and speedy actions geared towards the realization of financial sustainability in Higher Education. A two year plan is therefore planned as in the following time chart, based on operationalizable recommendations in this Executive Summary

Proposed Timetable For Implementation of Major Recommendations

Recommendations as in the Executive Summary	TWO YEAR TIME FRAME											
	1999						2000					
	Jan./ Feb.	Mar./ Apr.	May/ June	July/ Aug.	Sept./ Oct.	Nov./ Dec.	Jan./ Feb.	Mar./ Apr.	May/ June	July/ Aug.	Sept./ Oct.	Nov./ Dec.
2.4 Education Levy						■						
2.5 Policies for Financing	■	■	■	■	■	■						
3.1 Splitting of Other Charges						■						
3.2 Apportionment of Paying Res.					■							
3.3 Measures for Implementation	■	■	■	■	■	■						
3.4 Proportions of Financing				■								
3.5 Strategies for use	■	■	■	■	■	■	■	■	■	■	■	■
3.6 Strategies for Improved Access	■	■	■	■	■	■						
4.01 Govt. Role for New initiatives	■	■	■	■	■	■						
4.02 Govt. Role in existing inst.						■	■	■	■	■	■	■
4.1.1 Role of High Ed. Institutions					■	■	■	■	■	■	■	■
4.1.2 Income Generation	■	■	■	■	■	■						

1111

**TABLE OF CONTENTS OF THE MAIN REPORT**

	<b>PAGE</b>
Table of Contents.....	(xxiv)
Executive Summary.....	(vi)
<b>1. Chapter One: INTRODUCTION.....</b>	<b>1</b>
1.1 The Genesis of The Formation of The Task Force .....	1
1.2 Justification of the Initiative.....	2
1.3 Task Force Membership.....	3
1.4 Terms of Reference.....	4
1.5 Methodology of Inquiry.....	7
1.6 Definition of Higher Education.....	8
1.6.1 General Definition .....	8
1.6.2 Specific Definition and Purpose of Higher Education in Tanzania	9
1.6.3 Definition of Higher Education Within The Context of This Study	9
<b>2. Chapter Two: HIGHER EDUCATION FINANCIAL SUSTAINABILITY</b>	<b>10</b>
2.1 Definition of Financial Sustainability.....	10
2.2 Essential Elements of Financial Sustainability.....	11
2.3 Financial Sustainability With Respect To Higher Education in Tanzania	14
2.4 Tanzanian Economy Related Constraints .....	16
2.5 Implications for Tanzania's Higher Education Development.....	18
<b>3. Chapter Three: HIGHER EDUCATION IN TANZANIA</b>	<b>19</b>
3.1 Historical Perspective.....	19
3.2 The Challenges of Independence.....	21
3.3 Localization and Relevance of Higher Education.....	23
3.4 The New Development Trends and Policies.....	26
3.5 Attempts at Coordination and Consolidation of Higher Education...	27
3.6 Routine Activities of MSTHE.....	33
3.7 The Higher Education Accreditation Council.....	34
3.8 Capacity Building, Utilization and Enrolment Expansion.....	42
<b>4. Chapter Four: PAST AND PRESENT FINANCING STRATEGIES.....</b>	<b>49</b>
4.1 Comparative Public Spending By Sectors.....	49
4.2 Government Response To The Economic Crisis .....	51
4.3 Public Spending in Higher Education.....	51
4.3.1 Trends in the Allocation of Funds in Public Universities in Tanzania.....	56
4.4 Donor Presence in Higher Education in Tanzania.....	60
4.5 Alternative Strategies for Financing Higher Education.....	62
4.6 The Major Sources of Funding.....	63
4.7 Budgeting Techniques and Allocation Mechanisms.....	66
4.8 Comparative Experiences in Cost Sharing and Student Loan Schemes	69
4.8.1 Cost-Sharing and Student Loans in Western Europe and USA.....	70
4.8.2 Cost-Sharing and Student Loans in Asia.....	71
4.8.3 Cost-Sharing and Student Loans in English Speaking Africa.....	73
4.8.4 Cost-Sharing and Student Loans in Tanzania.....	75
4.8.5 Outlook For The Future.....	78
4.9 Education Levy.....	81
4.10 Other Sources of Funding Higher Education.....	84
4.11 Analysis of Strengths and Weaknesses of Each Financing Strategy...	85



<b>5.</b>	<b>Chapter Five MAJOR EXPENDITURE ITEMS IN HIGHER EDUCATION INSTITUTIONS.....</b>	<b>88</b>
5.1	Expenditure Patterns in Universities.....	88
5.2	Major Recurrent Expenditure Items.....	89
5.3	Rationalization of Paying Responsibilities.....	93
5.4	Proposals for Improved Utilization of Resources.....	97
5.4.1	Service Delivery Efficiency.....	97
5.5	Cost-Cutting Measures.....	98
5.6	Methodology of Delivery of Academic Programmes.....	98
5.7	Indifferent attitudes and Human Fear of Changes.....	98
5.8	Operational and Organizational Efficiency.....	99
5.9	World-Wide Cost-Cutting and Financing Trends in Higher Education.....	99
5.10	Experience of Other Countries.....	100
<b>6.</b>	<b>Chapter Six: RECOMMENDATIONS AND PROPOSALS FOR THE ATTAINMENT OF FINANCIALLY SUSTAINABLE HIGHER EDUCATION SYSTEM IN TANZANIA.....</b>	<b>102</b>
6.1	The Main Sources of Funding and Their Characteristics.....	102
6.2	Allocation of proportions to each Source of Funding.....	108
6.3	Measures that will enable each of the identified main Sources of Funding To Raise/Acquire Adequate Finances.....	110
6.3.1	Central and Local Government.....	110
6.3.2	Students.....	112
6.3.3	Higher Education Institutions.....	112
6.4	The General Strategy.....	116
6.4.1	Strategies for the efficient use of available resources.....	116
6.4.2	Strategies for improved access to Higher Education for the poor.....	117
6.4.3	The role of the government relating to existing and new public and private institutions.....	117
6.4.4	Future role of higher education institutions.....	118
6.5	Necessary Legal and Administrative Measures.....	118
6.6	Proposed Action Plan.....	119
6.7	Main Activities Proposed.....	120
6.8	Recommended Time Frame.....	121
<b>Annexes</b>		
Annex 1:	Format of Country Report.....	126
Annex 2:	Country Reports Available.....	128
Annex 3:	Country Documents Collected.....	129
Annex 4:	The University of Dar es Salaam Expenditure Items 1992/93-1996/97.....	130

#### List of Tables

1	University Age Cohort Participation Rates in higher Education in Selected African Countries.....	2
2	Enrolment of Tanganyikans in Schools and at Makerere College in 1947 and 1956.....	20
3	Enrolment of Tanganyikans in Schools and Higher Education Institutions in 1961.....	20
4	Student Enrolment Trends at the University of Dar es Salaam, in East Africa, and Abroad, 1961-1993.....	24
5	Establishment and ownership of Higher Education Institutions in Tanzania.....	28

6.	Current Status of Institutions of Higher Learning.....	41
7.	Distribution of Tanzania University Students by Specialisms and Sex.....	45
8.	Trends in Female Enrolment in Education and Training Institutions.....	46
9.	African Central Government Consolidated Expenditure by Selected Functions, 1980-1990.....	51
10.	Proportion of GDP Spent on Education in Selected Countries.....	52
11.	Public Spending on Education as a Percentage of Total Government Spending.....	53
12.	Public Spending on Education as a Percentage of Total Education Spending.....	54
13.	Projected Education Spending by Subsector, in Percentage, in Tanzania.....	54
14.	UDSM Budget Proposals and Approved Budgets, 1984/85-1996/97.....	57
15.	SUA Recurrent and Development Budgets.....	58
16.	UDSM Growth Rate, Unit Costs, and Staff-Student Ratios.....	59
17.	SUA Growth Rates, Unit Costs, and Staff-Student Ratios.....	59
18.	Comparative Unit Costs in Selected African Countries.....	59
19.	Proportion of Funds Allocated to Various Expenditure Items in Universities in Africa, Europe, and UDSM.....	60
20.	Government and Donor Contribution to Capital Development Funds at UDSM, 1984/85-1996/97.....	61
21.	Estimated Average Donor Disbursement to Tertiary Education 1992-1993 in Millions of US\$.....	62
22.	State and Non-State Contribution to Higher Education in Percentages in UK, USA, and France.....	64
23.	Education Expenditure by Source of Funds, All Levels in Percentages in Selected Countries.....	65
24.	Possible Financing Strategies: Strengths, Weaknesses, and Operationalization.....	86
25.	University of Dar es Salaam Recurrent Budget Trends.....	90
26.	Proposed Funding Sources of Higher Learning Institutions.....	95
27.	Experiences in Financing Strategies from Countries Visited.....	100
28.	Fees Income as a Percentage of Recurrent Expenditure in Selected African Universities.....	110
<b>List of Figures</b>		
Figure 1:	The Organisational Structure of Higher Education Accreditation Council.....	36
Figure 2:	Possible Sources of Funding Higher Education in Tanzania.....	105
Figure 3:	Share of Private Enrolment in Higher Education.....	106
Figure 4:	Tuition Fees as a Proportion of Recurrent Expenditure in Public Higher Education Institutions in Selected Countries.....	107
Figure 5:	Implementation Time Frame.....	122
<b>List of Boxes</b>		
Box 1:	The Manifestation of a Crisis in Higher Education in Tanzania.....	3
Box 2:	The Essential Elements and Characteristics of Financially Sustainable System.....	17
Box 3:	Minuscule Higher Education Sector with Many Institutions.....	48
Box 4:	Education Financing Strategies in Tanzania.....	87
Box 5:	Changing Patterns of Expenditure Items.....	100
<b>Selected Bibliography.....</b>		<b>123</b>