

Are we investing enough on Education?

Education Development Budget 2010/2011

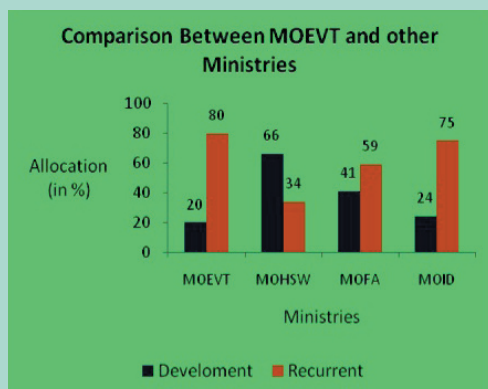
Uchambuzi wa Bajeti ya Tanzania ya 2010/2011

This brief analyses the Ministry of Education and Vocational Training's (MOEVT) development budget for financial year 2010/2011, and history of expenditure management and performance for the past two years and provides some answers to the question: 'Why has development in the education sector decelerated despite the perpetual increase in the education sector's budget each year?' The analysis focuses on the MOEVT budget as it holds the largest amount (between 94%-96%) of the total education sector development budget.

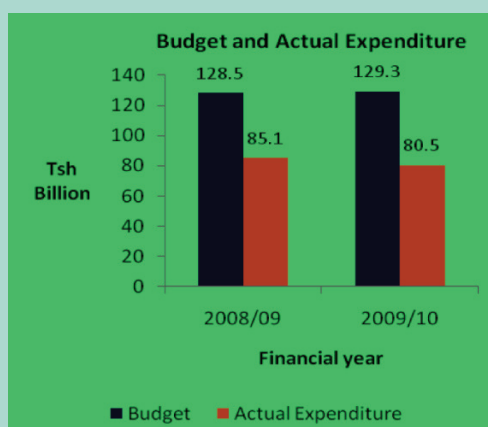
Table 1: Recurrent and development budget
(In Tsh billions)

	2009/10	2010/11	Increase
Total budget	557.7	665.6	107.9
Recurrent	428.4	526	97.6
Development	129.3	139.6	10.3

Source: Budget speeches 2009/2010 and 2010/2011



Source: Budget Books 2010/2011



Source: MOEVT budget Books 2009/10 & 2010/11

1: MOEVT's development budget is very meagre; compared to that of other ministries.

Despite a 20% increase in MOEVTs' budget, from T.sh 557.7 billion in 2009/2010 to T.sh 667.6 billion in 2010/2011, the ministry's development budget for financial year 2010/2011 has actually increased by only 7%, from T.sh 129.9 billion to T.sh 139.6 billion (a difference of only T.sh 9.7 billion). In view of this, it is not surprising to question how MOEVT will finance and effectively implement Secondary Education Development Programme II and Primary Education Development Programme II this financial year.

Lessons from other ministries?

While MOEVT is investing less in development projects, other ministries such as the Ministry of Health and Social Welfare (MOHSW), Ministry of Agriculture, Food Security and Cooperatives (MOAFSC) and Ministry of Infrastructure Development (MOID), have allocated more funds towards development projects (See graph 1).

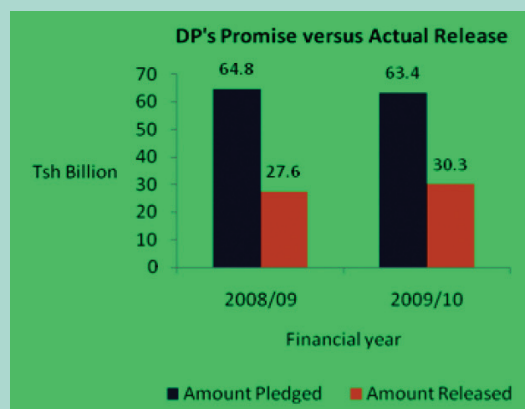
2: Big discrepancy between approved budget and actual expenditure.

MOEVTs development expenditure trend over the last two years raises a lot of doubt. In 2008/2009, the actual development expenditure was only T.sh 85.1 billion of the T.sh 128.5 billion allocated. In 2009/2010, MOEVT's actual expenditure decreased to T.sh 80.5 billion of T.sh 129.3 billion allocated.

On average, the actual expenditure of MOEVT in development projects has been between 62 and 66% of the approved budget. This implies that MOEVT is only realising a little more than half of its targets in development projects. This should have acted as a warning for MOEVT's 2010/2011 budget as it is clearly doubtful that the problem has been fixed.

If MOEVT does not monitor closely its development budget expenditure against implementation of development activities, actual development expenditure will not line up with budget targets, which implies continued negative impact on development in the education sector.

Graph 3



Source: Education Sector Annual Performance Report 2008 & 2009

Expenditure	Ministries			
	MOEVT	MOID	MOHSW	MOAFSC
Acquisition of vehicles	2 Bil	0	33Mil	0
Allowances	6.6Bil	2.01Bil	4.6Bil	1.32Bil
Travel in and out of Country	5.6Bil	1.04Bil	3.32Bil	4 Bil

Source: Budget Books 2010/2011

Recommendations

- MOEVT and MOFEA should reduce dependency on foreign aid. The development budget should come from local sources of funds.
- The development budget should be increased in the same proportion as the total MOEVT budget; by reducing unnecessary recurrent expenditures.
- MOFEA should demand that DPs honour their pledges on the budget.

3: MOEVT still spending more on motor vehicles, allowances and travel in and out of the country compared to other ministries.

In 2010/2011, MOEVT has planned to spend almost T.sh 2 billion on the purchase of new vehicles. Of this amount, the Inspectorate Department alone will spend T.sh 1.6 billion to acquire new vehicles. This is subject to a lot of questions such as the sort of vehicles required, why the huge allocation towards them and why this amount shouldn't have been planned for development projects such as the construction of 160 teachers' houses.

Comparison with other ministries?

While MOEVT has allocated huge funds towards the purchase of vehicles, the Ministries of Agriculture, Food Security and Cooperatives and Infrastructure will not purchase any vehicles this year. Also, the Ministry of Health and Social Welfare will spend only T.Shs 33 million for acquisition of vehicles.

A look at the budget for allowances and in-and-out of country travel

The MOEVT budget for allowances has increased by 94%, from Tsh 3.4 billion in 2009/2010 to Tsh 6.6 billion in 2010/2011 while the budget for travel in and out of country has increased by 85%, from T.sh 1.3 billion to T.sh 2.4 billion.

4: Though DPs do not honour promises, too much dependency continues.

Development partners delivery upon what they promised to contribute towards the MOEVT development budget has declined over the last two financial years. In 2008/09, DPs released only T.sh 27.6 billion of T.sh 64 billion (or only 43%) while in 2009/2010, only T.sh 30.3 billion of a promised T.sh 63.4 billion (this was only 48%) was released.

Despite this trend, MOEVT continues to depend on DPs' funds for development projects. In 2010/2011, aid dependency in MOEVT's development budget has increased to 60% compared to the past two years in which dependency was between 45 and 50%. There is no doubt that this dependency will also continue to negatively affect many programs in the education sector in 2010/2011.

Conclusion:

This analysis depicts the lack of commitment in MOVET's plans towards development of the Education sector on the overall.

Recommendation:

Of recent, Government has reiterated its move to cut-down on its expenditure through various initiatives. It would suffice to recommend here that MOVET follows-up on this commitment, as have some Ministries, and, in addition, allocate more funds towards activities that will foster development of the education sector.