In 2016/2017 budget the government has approved Tshs. 4,770 billion as total expenditures for the education sector which include expenses for Ministry for Education Science, Technology and Vocational training. This amount is equivalent to 22.1% of the total National budget which is Tshs. 29,539.6 billion. The figures here in exclude the national debt.

From the figures of approved expenditures for the education sector, we can trace an increase of Tshs. 882.3 billion from Tsh 3,887 billion in FY 2015/16 to Tshs. 4769 billion in 2016/17 which is an increase of 22.7%

So in terms of approved budget allocation, there is an increase in the education sector, but real allocation is subject to discussion. See the figures below;

**Figure 1: Education Sector’s Budget - Excluding National Debt**

![Bar chart showing increase in education budget from 2015/16 to 2016/17](image)

*Source: 2015-16 & 2016-17 National Budget*

It is important to consider whether the approved budget integrates the national debt or not because the national debt normally eats into the capacity of the budget to spend.
Example, according to the National Budget the government has planned to spend Tshs. 8000 billion to service the National debt for the FY 2016/17. This amount therefore is deducted from the main budget hence causing the spending power of the budget to decline. In the education sector for instance the share of the approved sector’s budget to that of the National budget devoid of the national debt is 22.1% which is implausible. However if we factor in the national debt service the share of the sector’s budget to the national budget becomes 17% which is quiet the same from the last year’s proportion.

The figures below compare the share of the education sector to the national budget in the last two years by looking into the approved expenditures at both, before and after featuring in the national debt service.

The education sector’s budget is further divided into recurrent and development budget. In 2016/17 budget a total of 3,069.5 billion, equivalent to 64.3% was allocated for recurrent expenditures while Tsh. 1,700.5 equivalent to 35.7% was approved for Development expenditures.

Essentially the share amount of recurrent versus development expenditures within the education sector has improved close to the recommended ratio of at least 60:40 (Recurrent: Development). According to the above analysis the allocation proportion for 2016/17 stands at 64:35 (recurrent; development). The proportion is a balanced one compared to the previous year’s allocation of 84:16. The figure below illustrates this proportion;-
According to the budget objectives and set of priorities, the main focus of the 2016/17 education sector’s budget is to implement free basic education country wide; provision of loans to higher learning students; constructions, rehabilitation of education infrastructures; improving quality education by building relevant skills at all levels; to strengthen Research and Development and the use of science and technology for stimulation of economic growth. To implement and attain these set objectives the education sector’s funds are distributed through the following implementing ministries which receive different amounts according to the functions they perform:-

- Tsh. 2,871.6 billion goes to President’s Office Regional Administration and Local Government
- Tsh. 1,397 billion Ministry of Education Science and Technology
- Tsh. 500.1 billion allocated centrally through different ministries responsible for education.

These include; Ministry of Women, Gender and Child Development and Ministry of Health and Ministry of Information, Arts and Sports Development
Other spending highlights for the education sector’s budget includes Tsh. 3,069.5 billion set to implement “Free Basic Education Program”; in which Tshs. 2,871.6 billion has been set as grant transfers to LGA’s while TShs. 197.89 billion allocated centrally through different ministries. Program for Technical and Vocation training has received Tsh. 44.61 billion, developing science and technology receives Tsh. 69.66 billion while Tsh. 431.71 goes for providing loans to students admitted to higher learning and Tsh. 43.75 will be spend for Quality assurance, rehabilitation of Teacher’s colleges and strengthening inspectorate and establishment of Teachers’ Services Commission (TSC)

Ministry of Education’s (MoEST) Budget for 2016/17

The Ministry of Education Science and Technology is the leading Government’s advisor on the education system, shaping direction for education agencies and providers and contributing to the Government’s goals for education. Its main responsibilities are to draw up strategies, policies and plans for educational reform and development; and to draft relevant rules and regulations, and supervise their implementation. To achieve such obligations, the MoEST has in 2016/17 requested and approved to spend a total of Tshs. 1,397 billion being expenditures for recurrent and development activities for the FY 2016/17.

This is an increase of Tsh. 407.5 billion, equivalent to 41.2% from Tsh. 989.5 billion requested and approved in the FY 2015/16.
Out of the total Tshs. 1,397 billion, the Ministry has set to spend Tsh. 499.3 billion equivalent to 35.7% of the budgeted amount for its recurrent expenditures that include funds for salary for ministry’s employees and costs for other charges. However the Ministry has set Tsh.897.7 billion, equivalent to 64.3% of the total budget for development expenditures in the FY 2016/17. Development activities include construction and renovations of infrastructures and other development projects under the ministry.

Budget analysts and some education stakeholders suggest this ratio between recurrent and development expenditures to be impressive as more effort is channeled to capital expenses rather than recurrent expenditures.
However, the Ministry’s development budget is further divided into expenditures for Loan board and for other capital expenditures under the ministry. On financing higher education through providing loan to students admitted to higher learning institution, the government has set Tsh. 431.71 billion; this is equivalent to 31% of the total Ministry’s budget and 47% of the total Ministry’s development budget, while Tsh 465.9 (equivalent to 53%) has been set for real Ministry’s development expenses for the FY 2016/17.

Figure 8: Ministry of Education Development’s Expenditures Division

Source: 2016-17 National Budget

Key Policy Messages

- Approved budgets should always be presented after considering the National debt to avoid confusion on the actual spending ability of the particular year’s budget. In 2016/17 the approved budget excluded the national debt; this made the budget figure look huge while in actual sense it is not because part of the approved money will be used to service the national debt.

- The proportion between recurrent and development budget has improved towards the recommended 60:40 ratio. We commend the government’s initiatives and encourage this to sustain.

- However, the Ministry’s development expenditure is still inflated with the incorporated amount for the Higher education students’ loan services which we classify as recurrent expenditures.
• The budget plan has no consistency with the previous plans such as the BRN initiatives that the government made the Public to believe was an excellent and appropriate plan for improving education.

• Distribution of education sector’s budget to different ministries derogates the principle of transparence and accountability. We recommend that education sector be implemented by one ministry or with only the ministry responsible with LGAs.