



# EDUCATION BUDGET ISSUE PAPER

MAINLAND  
JULY 2022

## Key messages

- Between FY 2019/20 and FY 2021/22, the share of the government's budget allocated to the education sector grew by 17 per cent, increasing from TSh 4,512 billion to TSh 5,257 billion (equivalent to 17.9 and 18.9 per cent of the total government budget, respectively). In March 2022, an additional budget of TSh 368.9 billion was allocated to the education sector as part of an interest-free loan from the International Monetary Fund (IMF) to the Government of Tanzania for addressing the impact of the COVID-19 pandemic.
- Between FY 2020/21 and FY 2021/22, the proportion of local and foreign development funds in the education sector budget increased by 30 and 75 per cent, respectively, whereas the recurrent budget declined by 2 per cent between these years. The increase in development budget is indicative of increased government and donors' willingness to support capital investments in the education sector. However, declining recurrent budget also reduces the funds available for teacher training and inspection visits (among others), which are likely to impact education outcomes.
- Between FY 2019/20 and 2021/22, the budget allocation for secondary education increased by 61 per cent, while the pre-primary and primary education budget increased by 9 per cent. This points to the relative prioritization of secondary education over pre-primary and primary education.
- The execution rates for the foreign development budget were low but gradually increasing, at 37, 60 and 69 per cent in FYs 2017/18, 2018/19 and 2019/20, respectively. Incomplete budget execution could undermine the achievement of sectoral objectives.
- Between 2017 and 2021, the pupil-to-teacher ratio (PTR) in government primary and secondary schools increased from 50:1 to 62.1:1 and 18:1 to 27:1 respectively, whereas in government pre-primary schools, it decreased from 159:1 to 154:1. This signifies that teacher deployment is insufficient to cater to the increase in the number of students, following the implementation of the Fee Free Basic Education (FFBE) policy. In addition, there is unequal distribution of teachers between regions resulting into unequal participation and access to learning across regions.



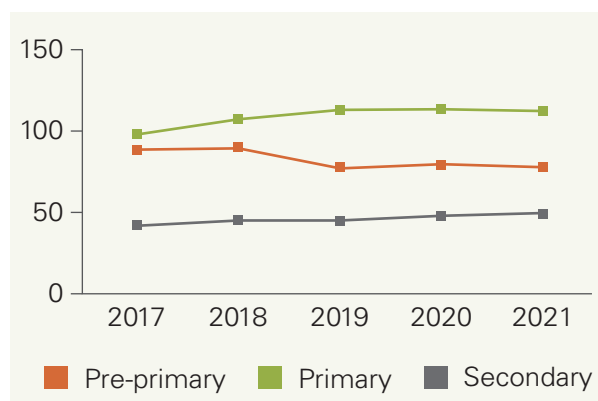
# Introduction

Tanzania’s Vision 2025 aims at achieving high-quality livelihood, peace, stability and unity, good governance, the rule of law, a well-educated and learning society, and a strong and competitive economy. The education sector in Tanzania Mainland is guided by the Education Sector Development Plan 2016/17 – 2020/21 (ESDP). The plan sets the strategic objectives for the education sector, and is aligned to the Tanzania Development Vision 2025, the National Five-Year Development Plan 2016/17-2020/21 and the Education and Training Policy 2014. The key policy initiatives of the current ESDP include Tanzania’s commitment to providing 12 years of free and compulsory basic education to the entire population, leaving no one behind, and the progressive expansion of Technical and Vocational Education and Training (TVET).<sup>1</sup>

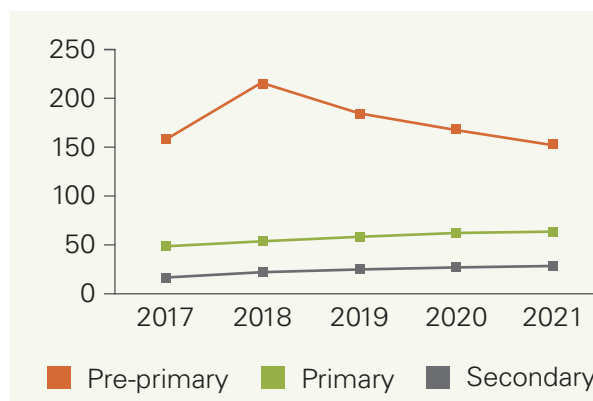
The sector experienced notable improvements, as evidenced by an increase in the gross enrolment rate (GER) in government and non-government primary and secondary schools from 96.9 to 109.7, and from 41.3 to 47.4 between 2017 and 2021, respectively. However, pre-primary GER decreased from 86.2 to 76.9 between the same years (Figure 1). The total number of government teachers decreased by 3 per cent between 2017 and 2021, dropping from 277,811 to 268,354. Indeed, the increasing enrolment in government schools, which grew from 11,970,633 to 14,359,406 (by 20 per cent) between 2017 to 2021 required a concomitant increase in teachers.

Government schools face the challenge of high pupil-to-teacher ratio (PTR), both of which worsened between 2017 and 2021, and increased from 50 to 62.1 and 17.5 to 27 for primary and secondary schools, respectively.<sup>2</sup> The expansion of pre-primary education is evidenced in the much improved Pre-primary PTR that peaked at 215.8 in 2018, and has subsequently declined to 154.4 in 2021 (Figure 2). This is due to the deployment of 2,183 pre-primary teachers between 2018 and 2021. Nonetheless, the hiring of additional teachers was not sufficient to make up for the increase in the number of students resulting from the implementation of the FFBE policy, loss of teachers because of transfers, retirement, and other reasons; and it remains lower than the nationally agreed rate of 25:1 PTR<sup>3</sup> and the maximum class size of 60 which is deemed acceptable in areas with teacher shortages.<sup>4</sup>

**Figure 1:** Pre-primary, primary and secondary GER – government and non-government schools



**Figure 2:** Pre-primary, primary and secondary PTR – government schools



Source: Pre-Primary, Primary, Secondary, Adult and Non-formal Education Statistics/ BEST 2021 Regional Data.

The scarcity of teachers is in some cases due to the disparity in teacher distribution for government schools. The table below displays the regions with the highest and lowest PTR for pre-primary and primary school levels in 2020:<sup>5</sup>

<sup>1</sup> ESDP – 2016/17 to 2020/21.

<sup>2</sup> BEST 2021.

<sup>3</sup> MoEST, 2014.

<sup>4</sup> Guidelines for Teachers Deployment in Pre-Primary and Primary Schools – November 2020.

<sup>5</sup> BEST 2021.

**Table 1:** Regions with highest and lowest PTR at pre-primary and primary school levels

Region	Pre-primary schools: highest and lowest PTR	Region	Primary schools: highest and lowest PTR
Shinyanga	364:1	Katavi	86:1
Songwe	278:1	Geita	75:1
Dar es Salaam	83:1	Njombe	43:1
Arusha	38:1	Kilimanjaro	35:1

Source: BEST 2021

The disparities point to unequal participation in learning across regions. This is also evident in the students' examination performance. Most of the regions with lower primary PTR showed better results in Primary School Leaving Examination (PLSE). For example, in 2021, Arusha (PTR of 49:1) and Dar es Salaam (54:1) achieved the highest PLSE pass rates of 92.4 per cent and 93.5 per cent, respectively.

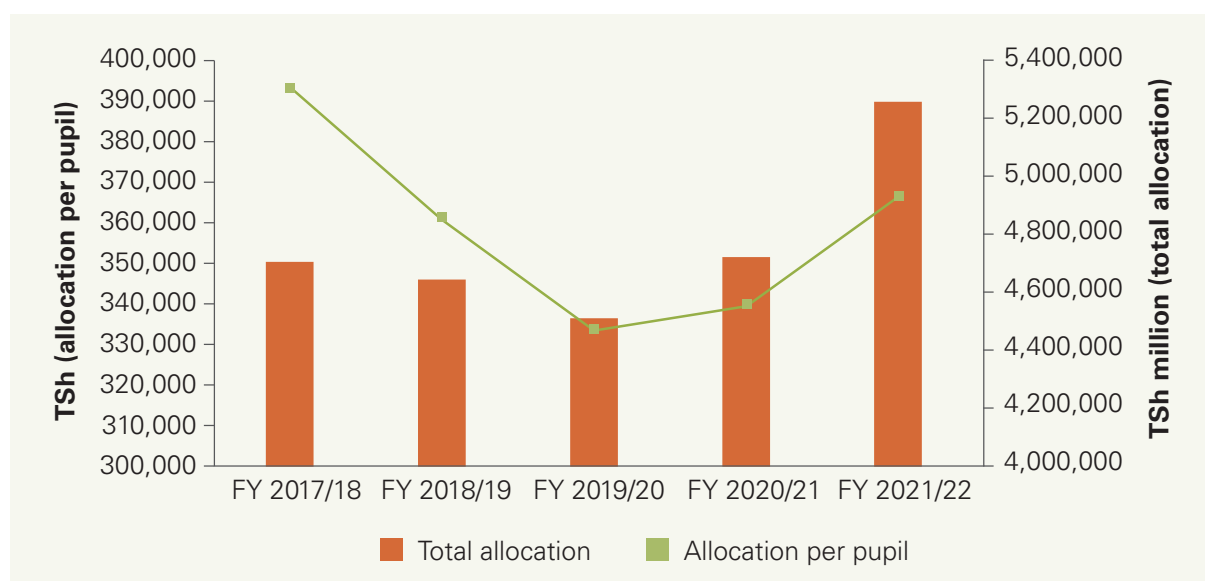
## Budget trends

Over the five-year period between FY 2017/18 and FY 2021/22 the education budget dropped to its lowest nominal allocation in FY 2019/20. Between FY 2017/18 and FY 2019/20, the government's nominal allocation to the education sector decreased from TSh 4.7 trillion to TSh 4.5 trillion (4 per cent decrease). However, the nominal allocation per pupil dropped from TSh 393,159 to TSh 333,422 (15 per cent) which in addition to the decreased nominal budget can also be attributed to a 13 per cent increase in the number of pupils enrolled in government schools.

In a reversing of the declining trend, between FY 2019/20 and FY 2021/22, the nominal budget increased from TSh 4.5 trillion to TSh 5.3 trillion, equivalent to 17 per cent of the government budget. This resulted in a 10 per cent (TSh 32,737) increase in the nominal allocation per pupil (Figure 3). The overall government enrolment increased by 20 per cent (2,388,773) between 2017 and 2021.

In March 2022, the Parliament of Tanzania approved an additional budget of TSh 135 billion as an interest-free loan from the IMF to combat the impact of COVID-19 in the education sector.<sup>6</sup> These funds will be prioritization for the improvement of the delivery of special education, increased opportunities, and quality of teacher's education and TVET.<sup>7</sup> The analyses below does not include the additional budget approved in March 2022.

**Figure 3:** Total public education budget nominal allocation and per pupil between FY 2017/18 and 2021/22

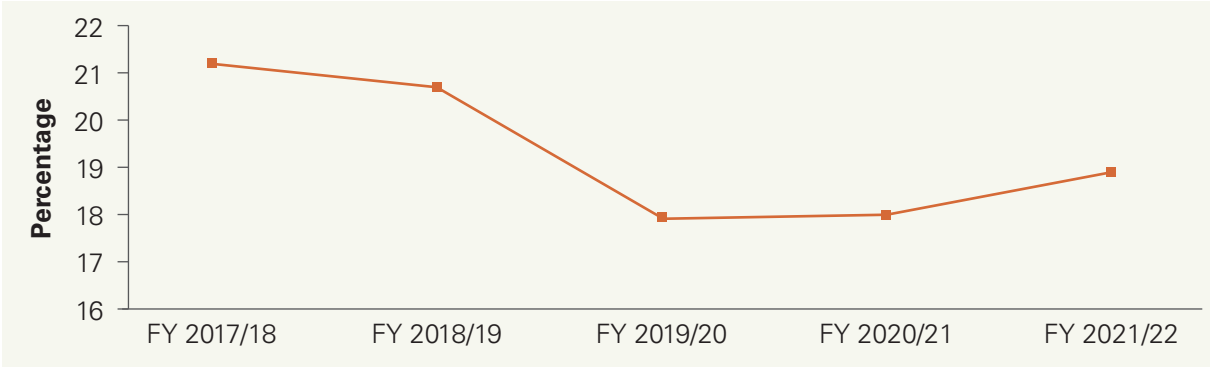


Source: Analysis of MOFP budget data and pupil numbers for Government schools (BEST 2021)

<sup>6</sup> Ministry of Education Science and Technology, 2022/23 Budget Speech.

<sup>7</sup> <https://www.tanzaniainvest.com/economy/parliament-approves-extra-budget-for-2021-2022>.

**Figure 4:** Education allocation and actual spending as a percentage of government budget and total expenditure between FY 2017/18 and 2021/22



Source: Analysis of MOFP budget data

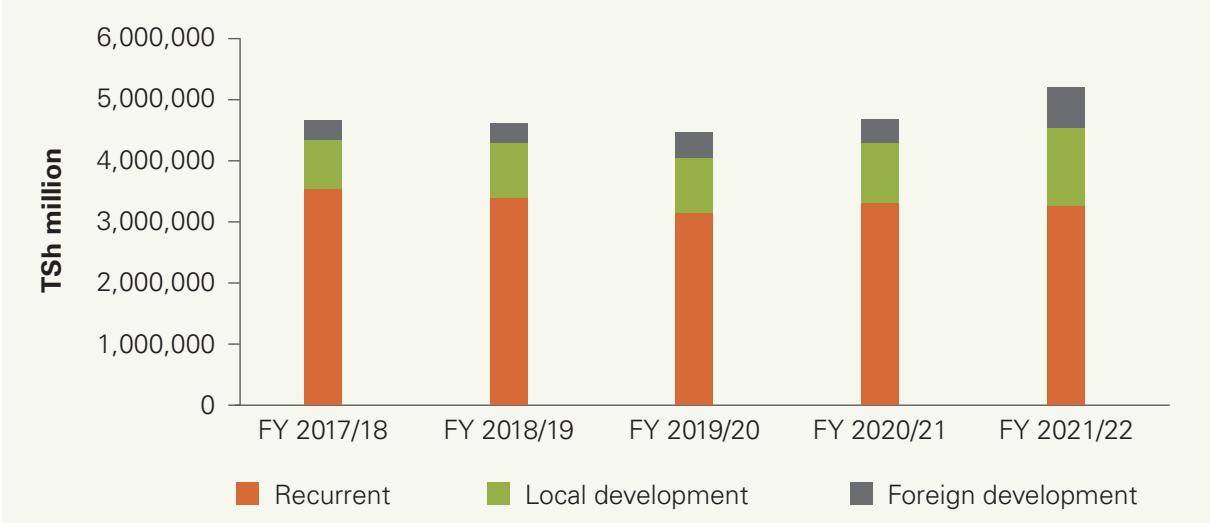
In FY 2021/22, the budget allocated to education was TSh 5.3 trillion, accounting for 18.9 per cent of the total government budget (Figure 4), excluding costs for debt servicing and the additional allocations from IMF COVID-19 funds. The share of budget currently allocated to the education sector remains below 20 per cent, recommended target under the Education for All (EFA) policy<sup>8</sup> and the 21.3 per cent target to be achieved by 2025.<sup>9</sup> It is noteworthy that the 20% threshold was achieved in FY 2017/18 and FY 2018/19.

## Budget analysis

### Analysis by funding category

Over the period of analysis, most of the resources were allocated to the recurrent budget, averaging 71 per cent between FY 2017/18 and 2021/22 (Figure 5). This is mainly due to teachers’ salaries being the key driver of the education sector budget. The share of the recurrent budget allocated for salaries was 93 per cent in FY 2019/20 and FY 2020/21, which increased to 96 per cent in FY 2021/22. Considering that the recurrent budget is not increasing, the increasing share for salaries comes at the expense of declining OC. In FY 2021/22, the recurrent budget was divided as follows: 83 per cent was allocated to LGAs and 15 per cent to the Ministry of Education, Science and Technology (MoEST).

**Figure 5:** Education sector nominal allocations by funds category between FY 2017/18 and 2021/22



Source: Analysis of MOFP budget data.

<sup>8</sup> UNESCO. 2014c. EFA Global Monitoring Report: Increasing Tax Revenues to Bridge the Education Financing Gap.  
<sup>9</sup> ESDP – 2016/17 to 2020/21 (Table 6.1).

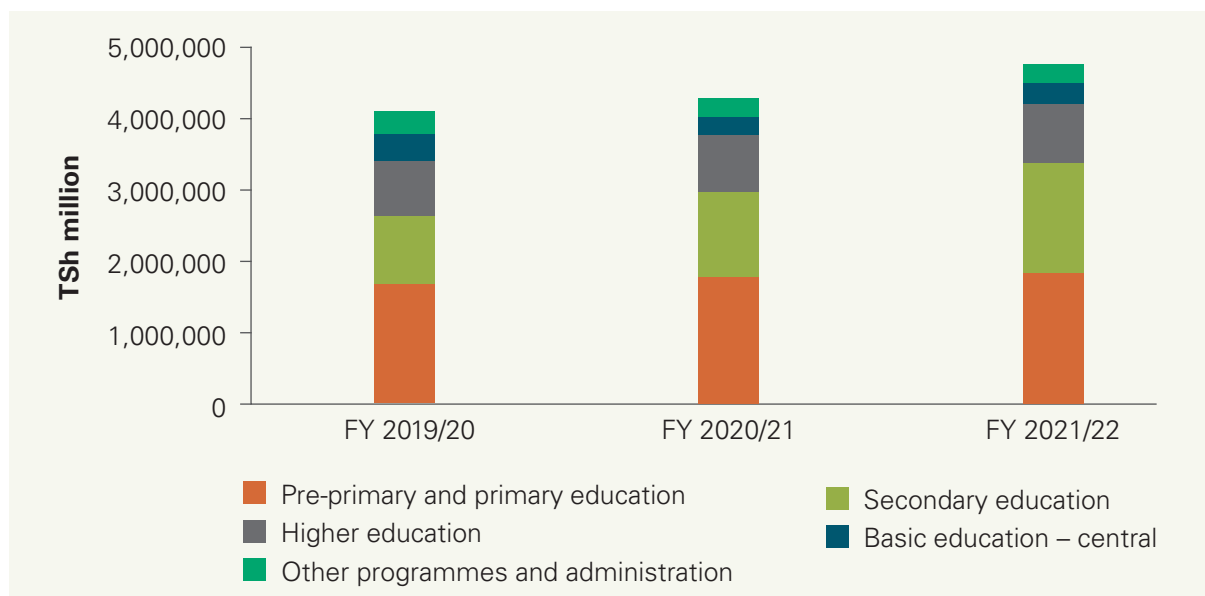
Between FY 2020/21 and FY 2021/22, the local development budget increased by 30 per cent from TSh 994 billion to TSh 1.3 trillion. Out of the budget increase, 46 per cent (TSh 135 billion) was allocated to LGAs, 34 per cent (TSh 100 billion) to MoEST and 17 per cent share (TSh 50 billion) to the President’s Office – Regional Administration and Local Government Authorities (PO-RALG). Despite these increases, MoEST continues to receive a high proportion of the total local development budget, accounting for 55 per cent in FY 2021/22. This is mainly due to its management of the Higher Education Students’ Loans Board (HESLB), which constituted 50 per cent of local development funds between FY 2019/20 and FY 2021/22.

Between FY 2020/21 and FY 2021/22, the foreign development budget increased by 75 per cent from TSh 388 billion to TSh 679 billion. In FY 2021/22, 69 per cent (TSh 469 billion) of the foreign development budget was allocated to LGAs. The main contributors to the foreign development budget during the year include The Tanzania Secondary Education Quality Improvement programme (SEQUIP) (50 per cent), The Education Programme for Results (EP4R) (22 per cent) and Primary Education Development Programme – Literacy and Numeracy Education Support (LANES) (7 per cent). This indicates the development partners’ focus on supporting basic education; however, there has not been a proportional increase in the recurrent budget to reflect the increased local and foreign development funding in the period of analysis.

### Analysis by sub-programmes

Between FY 2019/20 and FY 2021/22, pre-primary and primary education accounted for the largest share of the education sector budget, followed by secondary and higher education (Figure 6). In the period of analysis, the budget for secondary education grew at a faster rate compared to pre-primary and primary education. Between FY 2020/21 and FY 2021/22, there was a 29 per cent (TSh 388 billion) increase in the budget allocated to secondary education, whereas the allocation to pre-primary and primary and higher education has each increased by 3 per cent (i.e. TSh 63 billion and TSh 25 billion, respectively), while for basic education – central,<sup>10</sup> the increase was 18 per cent (TSh 50 billion) and for other programmes,<sup>11</sup> it was 3 per cent (TSh 9.6 billion).

**Figure 6:** Total public education budget allocation by subprogramme between FY 2019/20 and 2021/22



Source: Analysis of MOFP budget data.

Note: The analysis excludes budgets for FY 2017/18 and FY 2018/19, which were not available for lower categories.

<sup>10</sup> Basic education – Central includes school quality assurance, teacher education, basic education development office and coordination division.

<sup>11</sup> Other programmes include Technical and Vocational Education (TVE), Science and Technology (S&T) and Education Administration.

Between FY 2019/20 and FY 2021/22, the secondary education budget increased by 61 per cent (TSh 645 billion) (Figure 6). While the recurrent budget for secondary education had increased by 14 per cent (TSh 127 billion), it did not match the increase in government secondary enrolment rate (18 per cent) for the same period. Between FY 2019/20 and FY 2021/22, the secondary local development budget increased from TSh 163 billion to TSh 292 billion (an increase of TSh 129 billion). The increase included TSh 70 billion which was allocated for national examination management and TSh 171 billion for the Free Secondary Education Programme in FY 2021/22. The foreign development budget had increased from TSh 0 to TSh 389 billion (by TSh 389 billion), of which TSh 316 billion was from SEQUIP, TSh 72 billion from the EP4R and the rest (TSh 668 million) split between LANES and the Education (Equal) programme.

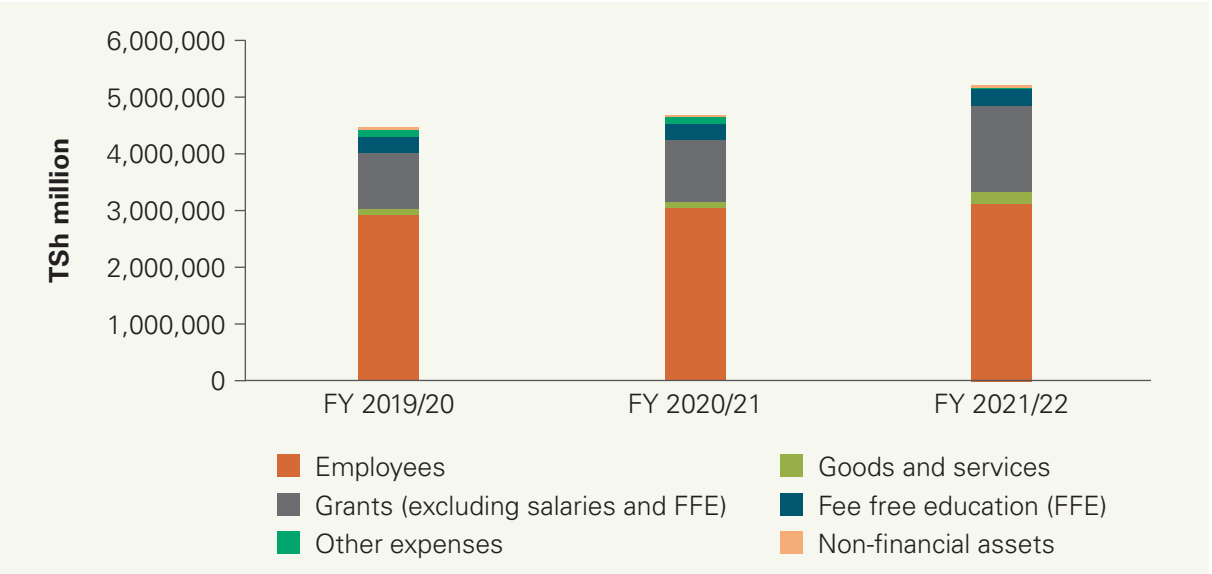
Between FY 2019/20 to FY 2021/22, the pre-primary and primary budget increased by 9 per cent (TSh 170 billion). Of the increase, the recurrent budget increased by 1 per cent (TSh 24 billion) compared to a 4 per cent increase in the government’s pre-primary and primary school enrolment. The growth in the pre-primary and primary budget during the period mainly resulted from an increase in the National Examination Management budget by TSh 54 billion and a rise in EP4R budget by TSh 56 billion.

The budget allocated for the TVET subprogramme grew by 120 per cent (TSh 63 to 138 billion) between FY 2019/20 and FY 2021/22. The increase was in line with the sector’s focus on the expansion of TVET to provide Tanzania with a pool of skilled human resources as indicated in the ESDP. The FY 2022/23 MoEST budget speech also revealed that a part of the COVID-19 additional budget for FY 2021/22 was spent on TVET. The activities to be implemented include training of Community Development Officers from 184 councils improving technology coordination and innovation, capacity building of 300 employees of Dar es Salaam Institute of Technology to improve quality standards in teaching and administration, and training of 82 winners of the National Science and Technology competitions on marketing research, copyright registration and entrepreneurship.

**Analysis by budgets category**

Between FY 2019/20 and FY 2021/22, employee costs and grants (excluding salaries and Fee Free Education - FFE<sup>12</sup>) accounted for 60 per cent and 29 per cent of the nominal budget for FY 2021/22 respectively. Employee costs including salaries, allowances and other personnel emoluments have been the largest expenditure category in the government’s education budget, (Figure 7).. Approximately 94 per cent of employee costs in the period of analysis were related to grants for salaries, most of which is salaries paid to pre-primary, primary and secondary education teachers.

**Figure 7:** Total public education budget allocation by category between FY 2018/19 and 2020/21



Source: Analysis of MOFP budget data.  
 Other expenses include vehicles insurance, education transfers, consumption of fixed capital and social benefits.

<sup>12</sup> The FFE budget comprises of cash grants to schools.

Between FY 2020/21 and FY 2021/22, the budget allocated for goods and services increased by 95 per cent. This was mainly contributed by an increase in training allowances and classroom teaching supplies by 3,128 per cent (TSh 13 billion) and 77 per cent (TSh 2 billion) respectively. In FY 2021/22, textbooks and technical materials had also been allocated TSh 50 billion and TSh 7.5 billion, respectively. The TSh 50 billion that was allocated for textbook funding in FY 2021/22 was split into TSh 27.5 billion for secondary schools and TSh 22.5 billion for primary schools. This indicates the government’s determination to improve the quality of education.

During the same period, the budget for non-financial assets increased by 89 per cent (TSh 20.9 billion). The increase was attributed to a 550 per cent (TSh 11 billion) increase in the budget for office buildings and structures, 272 per cent (TSh 4.1 billion) increase in the budget for colleges and universities and 50 per cent (TSh 4.2 billion) increase in the budget for colleges and other tertiary institutions.

FFE (capitation grants) accounted for 6 per cent (TSh 314 billion) of the budget for FY 2021/22. This budget witnessed a rise of 11 per cent (TSh 30 billion) between FY 2019/20 to FY 2021/22. The ESDP (2016/17–2020/21) reported that in FY 2020/21, the budget allocated for capitation grants (TSh 289.6 billion) had exceeded the target amount (TSh 268.2 billion) by 8 per cent.<sup>13</sup> This demonstrates the government’s focus on supporting the implementation of the FFE policy.

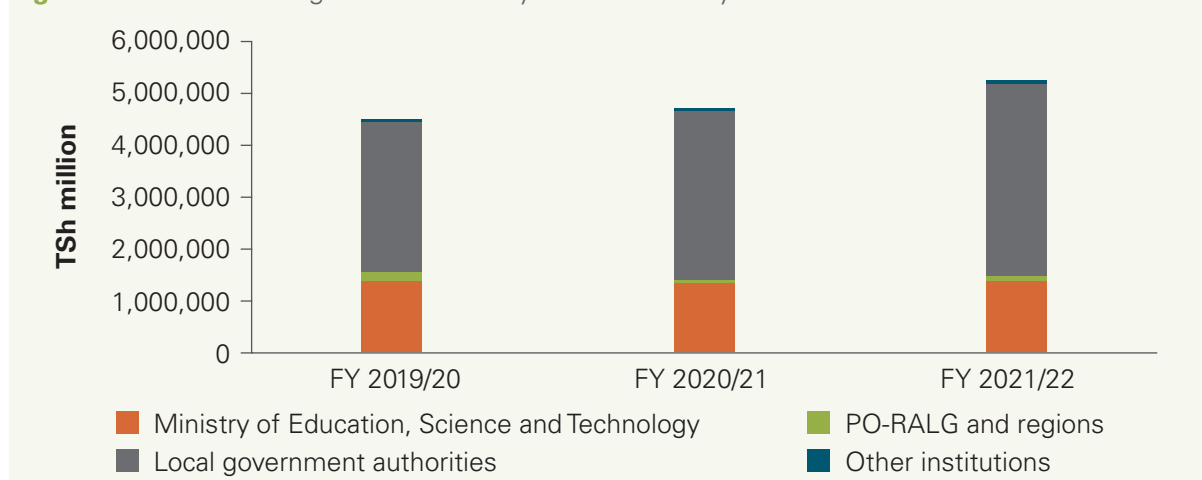
Recurrent grants allocated for OC accounted for 2 per cent of the nominal budget for education in FY 2021/22 (down from 5 per cent in FY 2020/21). This budget declined by 55 per cent (TSh 122 billion) between FY 2020/21 and FY 2021/22. The decrease in OC grants was offset by a 5 per cent increase in the salary grants (TSh 136.7 billion). This is likely to impact the quality of education due to limited funding being allocated for school inspection and follow-up visits.

### Analysis by level of delivery

In the period of analysis, the government’s education budget was largely held by LGAs, which are responsible for implementing pre-primary, primary and secondary education under a decentralized structure. There are 185 LGAs in the 26 administrative regions in the Tanzania Mainland. MoEST has the second largest budget allocation followed by PO-RALG and regions (combined) and other institutions.<sup>14</sup>

Between FY 2019/20 to 2020/21 and FY 2020/21 to 2021/22, the budgets allocated to LGAs increased by 13 and 14 per cent, respectively (Figure 8), mainly due to the increase in grants allocated to LGA. On the other hand, the budget allocated to PO- RALG fluctuated significantly decreasing by 76 per cent (TSh 123.5 billion) between FY 2019/20 and FY 2020/21, followed by a 99 per cent (TSh 38 billion) increase in FY 2021/22. Between FY 2019/20 and FY 2021/22, the percentage of the nominal education budget allocated to MoEST was relatively stable, ranging from 26 and 31 per cent.

**Figure 8:** Education budget breakdown by level of delivery



Source: Analysis of MOFP budget data

<sup>13</sup> ESDP 2016/17 – 2020/21 (Table 7.7).

<sup>14</sup> Other Institutions include Ministry of Finance and Planning, The Treasury, UNESCO Commission and Teachers Service Commission

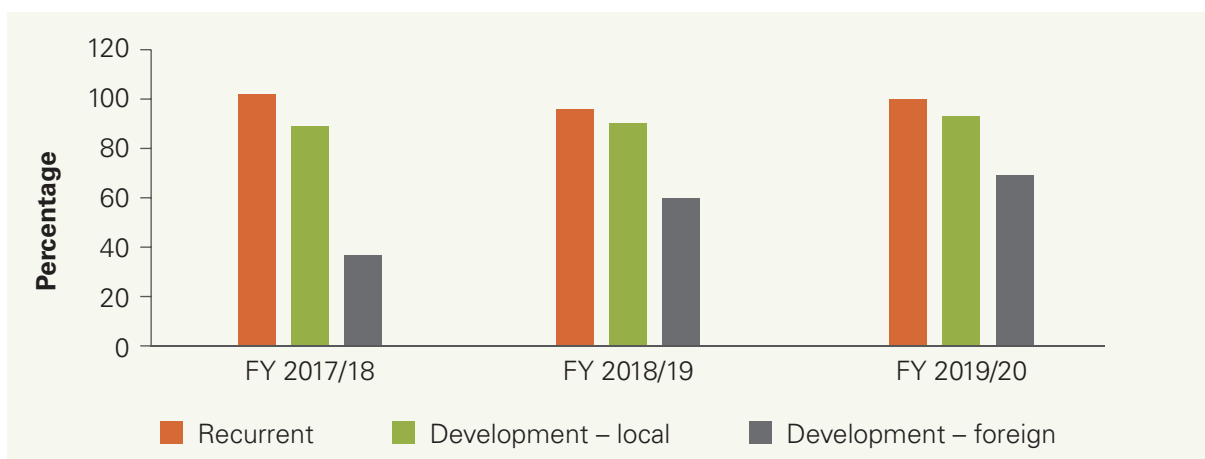
# Expenditure analysis

## Analysis by funding category

There are persistent gaps faced by the government in capturing sectoral expenditure. For example, between FY 2017/18 and FY 2021/22, aggregated expenditure data for MoEST and LGAs was not available. MoEST had low budget execution rates for foreign development budget (69 per cent in FY 2019/20), whereas the recurrent and local development budgets had execution rates exceeding 90 per cent between FY 2017/18 and FY 2019/20 (Figure 9).



**Figure 9:** MoEST Budget execution by fund category between FY 2017/18 and 2019/20



Source: Analysis of MOFP budget data.

Between FY 2017/18 and FY 2018/19, the execution rate for recurrent funds decreased from 102 per cent to 96 per cent (Figure 9). This was followed by a subsequent increase to 100 per cent in FY 2019/20. The execution rate for foreign development funds increased from 37 per cent in FY 2017/18 to 69 per cent in FY 2019/20. Underutilization of the foreign development budget was mainly due to delayed fund disbursements, failure to meet milestones for results-based programmes and challenges in procurement processes, among others.<sup>15</sup> There has been an upward trend in the execution of the local development budget, which increased from 89 to 93 per cent between FY 2017/18 and 2019/20, signifying increased efficiency in the utilization of locally available resources.

Positive progress has been registered in the education sector over the past few years. In order to accelerate improvement of sector outcomes further, it is critical for the sector to improve execution of foreign development budget, reduce pupil-to-teacher ratio for pre-primary and ensure equal distribution of teachers between regions.

<sup>15</sup> Ministry of Education Science and Technology, planning department, May 2022.

