

Achieving results?

Four challenges to Government, MPs and Donors



Introduction

Donors and the Government meet in December 2010 for the General Budget Support (GBS) Annual Review. During this review achievements of the past year will be considered and commitments for next year made. If all goes well, donors will pledge hundreds of millions of dollars in budget support to the Treasury. Will this money help Tanzania achieve results?

Several studies released in 2010 suggest that the country made progress in some areas. GDP growth was reported to be around 6 percent, infant and child mortality continue to decline, and mosquito nets are being adopted widely. In other areas progress has eluded Tanzania's citizens. In this brief we focus on two such areas: management of public resources and quality of basic education. There are many important challenges facing Tanzania; we choose to focus on these two because effective public finance management is needed to align resources with results, and better education is essential for developing a capable human resource base.

Regarding public resources, the *Open Budget Survey 2010*¹ demonstrates that Tanzania's budget process lacks adequate transparency, leaving citizens in the dark about how tax and donor money are used. Moreover, audit reports from the Controller and Auditor General (CAG) show how the Government has failed to manage public resources well and taken little action to respond to audit queries. Regarding primary education, studies by *Uwezo*, the Ministry of Education and Vocational Training and the CAG sketch an alarming picture of children learning little, of teachers not showing up at school, and of financial resources not reaching school in accordance with policy.

The Performance Assessment Framework (PAF) for the GBS should take the successes and challenges facing Tanzania into consideration. Similarly newly elected Members of Parliament (MPs) need to take up these issues as part of their oversight role on behalf of citizens. In this brief we ask the Government, MPs and donors to reflect upon the challenges and to take bold steps to address them. At the end of the day the effectiveness of the GBS Annual Review should be judged not by who participated, what was discussed or process indicators



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achieved, but by how well it triggers public resources to be used better to develop a more capable and confident citizenry.

Four challenges to Government, MPs and Donors

Challenge 1: When will citizens be able to scrutinize the budget?

Public scrutiny of the budget process is an important element of any system of checks and balances. Effective scrutiny requires timely access to sufficient budget information and the existence of channels for dialogue between the citizenry, elected representatives and civil servants.

According to the *Open Budget Survey (OBS) 2010*, Tanzania is not doing well on these counts. Of the eight key budget documents the Treasury is expected to produce and make publicly available, Tanzania produces five and releases only three (Table 1).

Moreover, the budget documents that are made publicly available contain limited information. The OBS score for the comprehensiveness of information in budget documents follows the grading shown below:

- A. Extensive information
- B. Significant information
- C. Some information
- D. Scant or no information
- E. Minimal information

With in-year reports as the exception, the OBS 2010 consistently rates Tanzania’s budget documents with a C or lower (Table 1). And as many documents are released late, the ability of MPs, citizens and journalists to scrutinize the numbers is further reduced. It contributes to an environment in which people are largely left clueless on how tax money and donor resources are spent and in which wasteful spending, misalignment of priorities and, at times, outright corruption can thrive unchecked.

Table 1: Tanzania’s performance in the Open Budget Survey 2010

Budget document	Availability of key document	Comprehensiveness of information contained
Pre-Budget statement	Produced, not published	Scant or no information
Executive’s Budget Proposal	Published	Some information
Enacted Budget	Produced, not published	Scant or no information
Citizen’s Budget	Not produced	Scant or no information
In-year Reports	Published	Significant information
Mid-year Review	Not produced	Scant or no information
Year-end Report	Not Produced	Scant or no information
Audit Report	Published	Some information

Source of data: The Open Budget Survey 2010

There are easy-to-implement steps the Government, the Treasury and Prime Minister's Office Regional Administration and Local Government (PMO-RALG) in particular, can take to rectify this situation. We suggest three such measures which, if adopted, will make the budget more accessible to the public:

1. Make all the key budget documents that are currently produced available in a timely manner on the Ministry of Finance's website. In 2009/10 the executive's budget proposal (budget books submitted to Parliament) was published on the Bunge website after they were presented to Parliament. This was too late to allow for effective scrutiny but much better than what happened in 2010/11 when nothing was published electronically. In the future the Treasury should make sure that:
 - a. the Pre-Budget Statement and Executive's Budget proposals are posted on the Treasury's website well before their tabling to Parliament;
 - b. the approved budget books are posted on the Treasury's website as soon as Parliament approves the budget;
 - c. a well organised archive with previous years' budget documents is created and kept up to date;
 - d. it improves the completeness of the information in the budget documents that it makes public;
 - e. a 'citizen's budget', that simplifies budget information, is produced in cooperation with civil society and made widely accessible.
2. Make sure that the local government information website is updated regularly on a timely basis with local government authority (LGA) budgets (enacted) and execution reports by quarter.
3. Publish a calendar of the budget process (Central and Local) showing when documents will be released to the public and indicating the dates of events/opportunities for engagement that are open to the public.

Challenge 2: When will audit recommendations be followed up?

The Controller and Auditor General (CAG) reviews annually the financial statements of the Central and Local Government Authorities (LGAs). The CAG reports scrutinize whether procurement and financial management rules and regulations are being followed. In 2009/10 the CAG identified TZS 2.6 billion in questionable payments among central Ministries and Departments (MDAs) and Regional Secretariats (RASs) and TZS 11.2 billion among LGAs. The CAG also released five value-for-money studies.

The CAG has noted that it is common for managers in Government not to respond to audit queries and has expressed disappointment about the speed at which financial management by public authorities is improving. LGAs, for example, typically ignore audit recommendations, which the CAG considers a *"reflection of lack of seriousness and non commitment on the part of the Accounting Officers and management"* (CAG, General Report on LGAs for 2008/09, page 121).

This can be illustrated by the growth in the amounts involved in unresolved audit queries. Between 2006/07 and 2008/09 there was almost a twelve fold increase in unresolved audits queries for LGAs from TZS 4.6 billion in 2006/7 to more than TZS 53 billion in 2008/9. During

the same period unresolved queries for Central Government departments (MDAs and RASs) increased from TZS 64 billion shillings in 2006/7 (or 1.3 percent of the budget) to over TZS 1 trillion in 2008/9 (or 15 percent of the entire budget!). The number of councils and MDAs that fail to address the auditor’s queries is also on the rise and has more than doubled since 2006/07 (Table 2).

Table 2: Trend of quantifiable audit queries that remains outstanding from previous audits

Audit of Local Government Authorities (LGAs)			Audit of Central Government (MDAs/RASs)	
Fiscal year	Amount Involved (TZS)	Number of Councils involved	Amount Involved (TZS)	Number of MDAs/RAS involved
2006/07	4,643,565,831	52	64,504,129,099	17
2007/08	32,903,395,306	112	1,036,225,348,815	17
2008/09	53,463,558,647	126	1,055,460,602,544	37

Source of data: CAG audit report for 2008/09

Unresolved audit queries need to be addressed without delay. If not it sends the signal that it is acceptable to mishandle money within Government without sanction. Two concrete steps can be taken to ensure that audit queries are treated seriously:

1. The CAG should make available, on its website, an easy to follow record of the queries made in the last five years, responses received, and issues still outstanding. The CAG could also use this information to provide a regular briefing to Parliament, Government and to the media on the status of response to queries, highlighting major successes and challenges.
2. The Government should consider adopting the CAG’s suggestion to no longer offer those in top management positions permanent employment contracts (as is currently the case), but to adopt renewable contracts instead, whose renewal depends on satisfactory performance. Such a system would allow Government to weed out non-performers and those not complying with financial rules and regulations. The appointing authorities should refrain from keeping officers who have a poor record of dealing with queries in office.

Challenge 3: When will schooling lead to learning?

Since 2002, primary school enrolment rates have increased, thousands of new classrooms have been built, and thousands of teachers added to the rolls. Enrolment in secondary schooling and tertiary education is also going up. The budget for education has increased significantly during the same time, and absorbs about one fifth of all public spending at present. These achievements have been recognized, and the country was recently awarded the Millennium Development Goal (MDG) prize in New York for its efforts in education.

But the key question is: are these achievements in expanding schooling translating into learning? Are Tanzanian children more literate and numerate, and more skilled? A learning

assessment by *Uwezo* involving 42,033 children aged 5-16 years, the largest survey of its kind ever conducted in the country, found that while the vast majority of Tanzanian children are in school, they learn very little. *Uwezo* tested children on standard two level literacy (English and Kiswahili) and numeracy tests (see Table 3 for sample English literacy test), developed in accordance to Ministry of Education and Vocational Training (MOEVT) curriculum requirements. It found that the majority of children in standard 3 are unable to pass the standard 2 test. In fact only:

- 3 in 10 pupils were able to pass the Kiswahili test
- 1 in 10 pupils was able to pass the English test
- 2 in 10 pupils were able to pass the Mathematics test

Moreover, by the time pupils leave primary school (standard 7) many still fail the standard 2 test. Specifically:

- 2 out of 10 pupils leaving primary school still cannot read standard 2 level Swahili
- 5 in 10 pupils leaving primary school cannot read in English
- 1 out of 3 pupils in standard 7 cannot do the Mathematics test

Table 3: Uwezo Tanzania English literacy assessment tool

<p>e n d</p> <p>u w f</p> <p>y v j</p>	<p>This is my cat.</p> <p>That dog is big.</p> <p>I like my school.</p> <p>My home is small.</p> <p>I have two sisters.</p>
<p>boy tall good</p> <p>best come sing</p> <p>take five work</p>	<p>Juma is living in a small village. He gets a letter once a month. The letter is from his son Musa. Musa lives in Dodoma. Juma cannot read the letters. He asks Sara to read the letters for him.</p> <p>a. <i>Where does Juma live?</i></p> <p>b. <i>What does Sara read?</i></p> <p>c. <i>What is the name of Juma’s son?</i></p>

Source of data: Are Our Children Learning? *Uwezo*, 2010

Clearly, these results suggest that our schools lack quality and that the quality assurance function in MOEVT has fundamentally broken down. A Performance Audit² released recently by the CAG confirms these concerns. It reveals how the Schools Inspectorate Programme in MOEVT fails to effectively carry out its mandate of safeguarding quality of learning in schools even though it conducts inspections regularly.

These situations suggest that the answer is not more money for what the Government has been doing. Increased resources and inputs are not being effectively translated into learning outcomes, probably because they are not used in the most effective manner, and there is a need therefore to realign the focus system wide from inputs to learning outcomes.

Studies worldwide demonstrate also that there is a weak link between increasing schooling inputs and student achievement, and that a more effective approach may involve realigning incentives to reward outcomes. In the absence of such action, billions of shillings of public money and donor resources may continue to be squandered, and millions of children will go through schooling without attaining even the basic literacy and numeracy skills they need to thrive.

Three key measures can be taken to ensure schooling in Tanzania delivers on its promise:

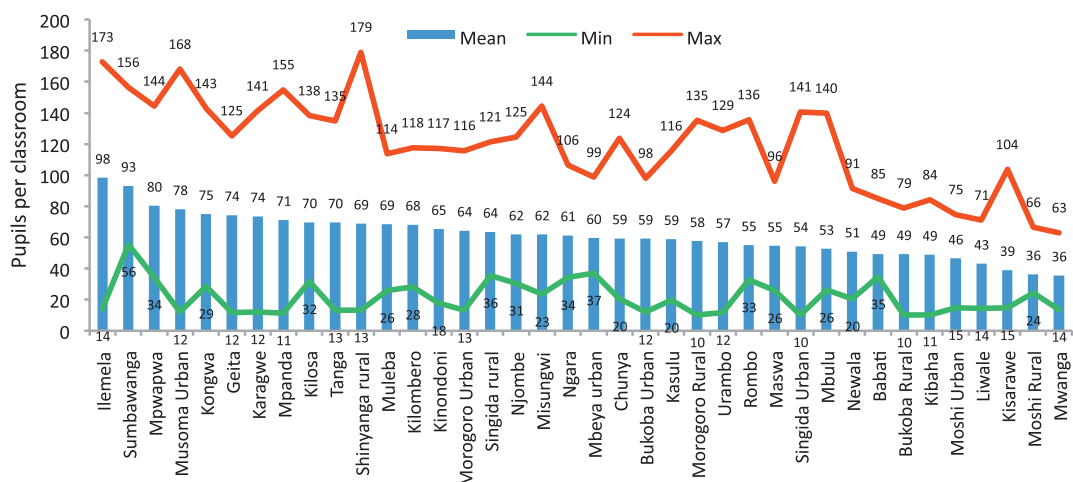
1. The Government needs to acknowledge the gravity of the learning crisis instead of hiding behind achievements in improving enrolments and building buildings or dismissing the Uwezo findings. Senior MOEVT representatives have been involved in the development of the Uwezo methodology from the outset, and the entire approach has been expert assessed and verified. The Government should establish explicit goals and strategies to improve learning, and measure progress in a manner that stands up to independent scrutiny.
2. The School Inspectorate Programme is meant to undertake quality assurance, but the evidence suggests it has failed to fulfil this mandate. To do its job properly, the Inspectorate should focus on assessing student achievement and learning, and how teachers and resources are aligned to contribute to learning, rather than more narrow and bureaucratic checks of schooling inputs. Moreover, to ensure its autonomy and avoid conflict of interest, the Inspectorate should be made into an autonomous institution that does not report to the MOEVT hierarchy.
3. One potential approach to realign incentives from inputs to outcomes worth trying is *Cash on Delivery*³, a resourcing instrument that pays for progress in outcomes (e.g. donors would give the Government a set amount per child that completes primary education with the agreed level of competence). President Kikwete has publicly endorsed this approach, but there is no evidence that the approach has been seriously considered or preparation made for testing it in practice. The Government make its stand on this approach clear, and take prompt action accordingly.

Challenge 4: When will our children be taught in proper environments?

The low quality of the schooling environment probably contributes to the poor levels of learning in school. Despite ample evidence and repeated calls to rectify the situation, the Government has continued to perform particularly poorly in two aspects: ensuring that teachers are equitably deployed and teaching, and that adequate funds reach schools in a timely and transparent manner.

The Tanzania Basic Education Statistics (BEST) show that the pupil classroom ratio in Tanzania in 2010 is on average 73:1. The pupil-teacher ratio stands at 51:1. These numbers are averages and hide huge disparities between districts and schools, and between classes within schools. The Uwezo survey highlights some of these disparities. For example, it found instances of schools with between 120 and 179 pupils per classroom (Figure 1).

Figure 1: Pupil classroom ratio in Uwezo survey sample districts



Source of data: Uwezo Tanzania survey, 2010

These findings are corroborated by a survey by Uwazi at Twaweza amongst 35 schools in Dar es Salaam. This study also found stark disparities in teacher pupil ratios between schools, ranging from 14 pupils per teacher in one school to 73 in another.

These problems typically arise from two situations. On the one hand funds are not reaching schools as intended (too little too late in the year) and on the other because there is poor oversight of public resources. The Public Expenditure Tracking Surveys (PETS) of Education commissioned by MOEVT in partnership with donors shows how the Government, contrary to its own policy, has systematically failed to budget for and release the USD 10 per enrolled child per year capitation grant. In 2008/09 only TZS 4,189 (or about USD 3) per pupil arrived at the schools, which is barely enough to buy one textbook per child.⁴

This finding shows that while the overall education budget has been increasing, the amounts reaching school are even lower than what was reaching school at the start of the education reforms. The PETS also shows how teachers fail to report to schools, in particular in rural areas, resulting in thousands of children missing out of learning opportunities. Finally, the CAG Audit Report of LGAs for 2008/09 notes further poor management of education funds that result in resources being abused or redirected elsewhere. Within schools themselves, oversight also appears to be weak with patchy levels of transparency.

These problems are not without a solution. The following measures can be taken:

1. The Government should ensure that the capitation grant of US \$10 per primary school pupil (about TZS 15,000 at 2010 values) and higher levels for secondary schools reaches schools in full and on time. This can be achieved by establishing a simpler, more transparent, scheme to transfer resources to schools from the centre so that the budgeted resources reach schools on a predictable basis. The capitation grant amounts should be ring fenced, and over the medium term serious consideration should be given to increasing the amount of the capitation grant through savings in less effective areas.

2. The Government should increase meaningful transparency to its citizens all the way down to the school level. The policy, amount and disbursements of the capitation grant should be made available online and publicized widely through the media, mobile phones and other popular means, so that each parent, teacher and pupil can know exactly how much money is due when and what to do if the funds do not arrive as required. The Government could establish a transparent information portal on all resources flowing to various schools in LGAs so that every shilling allocated can be tracked to school level.
3. The Government should solve the persistent problem of inequitable teacher deployment by offering incentives to recruit and retain teachers to work in underserved areas, and greater transparency and oversight. Teachers willing to work in rural remote areas could be provided with additional cash allowances. A nationwide database of all teachers in public schools could be established, regularly updated and made available. Moreover, teacher attendance data could be compiled and made publicly available through the portal described above and other means to enable authorities, the teachers' union and citizens track whether teachers are doing their job.

Conclusion

This brief identified a number of critical challenges Tanzania faces in public resource management and basic education. Many other areas could have been addressed, but we chose to highlight these areas because of their vital importance to development, as well as the desire to bring focus to the GBS Performance Assessment Framework. For too long the GBS PAF has failed to effectively trigger development by its over emphasis on process indicators and its opaque, closed door and fuzzy assessments of progress. The 2010 GBS Annual Review presents an opportunity to be more explicit and transparent about results that matter to citizens. In this regard, greater engagement from MPs that will hold both the Government and donors accountable for delivery is likely to be essential for success too.

Further reading

Those interested to learn more about the issues identified in this brief may want to turn to the Uwazi website (www.uwazi.org) where briefs can be found about the budget transparency, capitation grant and school inspections. The website of the Controller and Auditor General (www.nao.go.tz) presents the mentioned value for money studies along with the general audit reports. The PETS survey has not been publicly released but can be found on the website of the Affiliated Network for Social Accountability (www.ansa-africa.net). More information about Uwezo and results of the learning survey can be obtained from www.uwezo.net.

Notes

¹ For full report see http://www.internationalbudget.org/files/2010_Full_Report-English.pdf

² See http://www.nao.go.tz/files/pa/SI_CAG%20Report.pdf

³ See http://www.cgdev.org/section/initiatives/_active/codaidd

⁴ See <http://www.uwazi.org/index.php?i=357>