



# Capitation grants in primary education: A decade since their launch, does money reach schools?



## 1. Introduction

Many students who sat their Form Four examination in 2012 would have started Standard One in 2002. On the face of it, 2002 was a great year to start your school career: it marked the beginning of the Primary Education Development Program (PEDP), a landmark development which opened up schooling for all by abolishing school fees. As became clear in March of 2013, however, it all ended in tears for more than half of these students (61% of students received Division 0). What happened?

The architects of PEDP foresaw that expansion of schooling should go hand in hand with improvements in quality. Realizing that very little resources were reaching the school level, particularly books, PEDP established the capitation grant as the primary instrument for improving quality in schools (alongside a development grant for infrastructure) for all public primary schools.

The capitation grant was designed to finance the purchase of textbooks and other teaching and learning materials so as to improve the quality of learning; it could also be used to fund small repairs, administration and examination expenses. The capitation grant was established at USD 10 (or about TZS 16,000 in 2013 terms) per primary school child in policy, but has since been set at TZS 10,000 in plans and budgets, effectively discounting changes in the exchange rate. The funds are supposed to be disbursed quarterly.

Does the capitation grant reach schools in full and on time? Do teachers and parents know about the grant? In this brief Twaweza presents new findings from a nationally representative panel of respondents from across mainland Tanzania. The data have been collected by *Sauti za Wananchi*, a mobile phone survey in Tanzania and the first of its kind in Africa.

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The findings in this brief are based on the second round of *Sauti za Wananchi*. Calls were made between 11 and 25 April 2013; data include responses from 1762 households and 112 head teachers. This brief’s key findings are:

- 34% of primary schools did not receive any 2013 capitation grant by 25 April 2013
- Average receipt in 2013, so far, was TZS 2,094
- The average annual receipt between 2010 and 2012 was TZS 2,202 per student
- 93% of head teachers report not obtaining textbooks in sufficient quantities

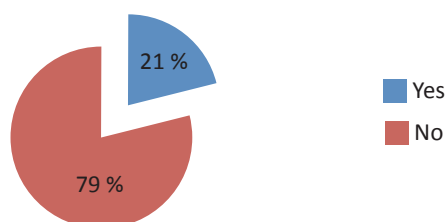
## 2. Seven Facts about the capitation grant in Tanzania

### Fact 1: Most parents are not aware of the capitation grant

Teachers, students and parents are beneficiaries of the capitation grant policy and may therefore have the strongest incentive to monitor whether these funds arrive and arrive in sufficient quantity. *Sauti za Wananchi* asked parents – with children currently attending primary school or having left primary school within the last two years – whether they have ever heard about the capitation grant.

The response is negative for 79% of parents (Figure 1). There is little difference in knowledge of the capitation grant between rural and urban respondents, or between poor and non-poor respondents (poverty here is defined by asset ownership, poor households are the bottom 40% in terms of assets owned). This means that citizens are not able to monitor, let alone demand, a basic but important school grant that directly affects the quality of their children’s education.

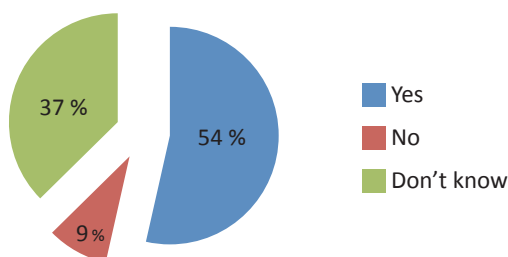
**Figure 1: Have you ever heard of the capitation grant?**



**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

When head teachers are asked about the size of the capitation grant, 54% can identify the amount provided for in current plans, TZS 10,000 (Figure 2).

**Figure 2: Do head teachers know the size of the capitation grant?**

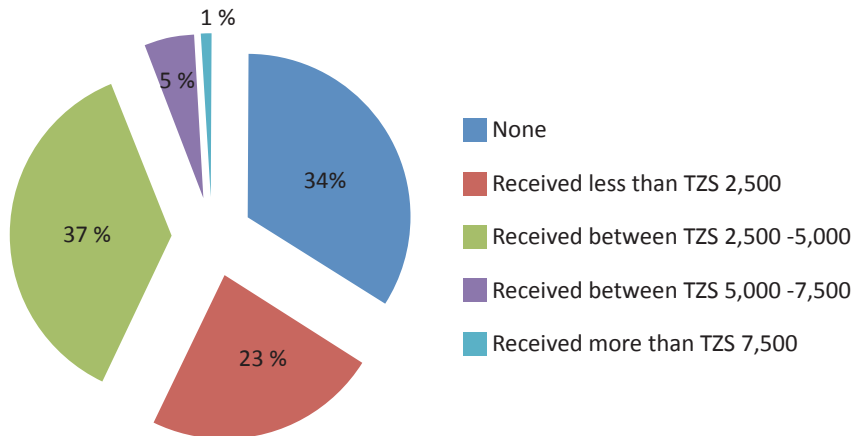


**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

**Fact 2: 34% of primary schools have not received any capitation grant**

Figure 3 illustrates the amounts of capitation grant per student received at schools as reported by head teachers at the time of calling, i.e. not later than 25 April 2013. In 34% of schools head teachers indicated that they had not received any capitation grant for 2013. The average capitation grant receipt for all of 2013, so far, was TZS 2,094.

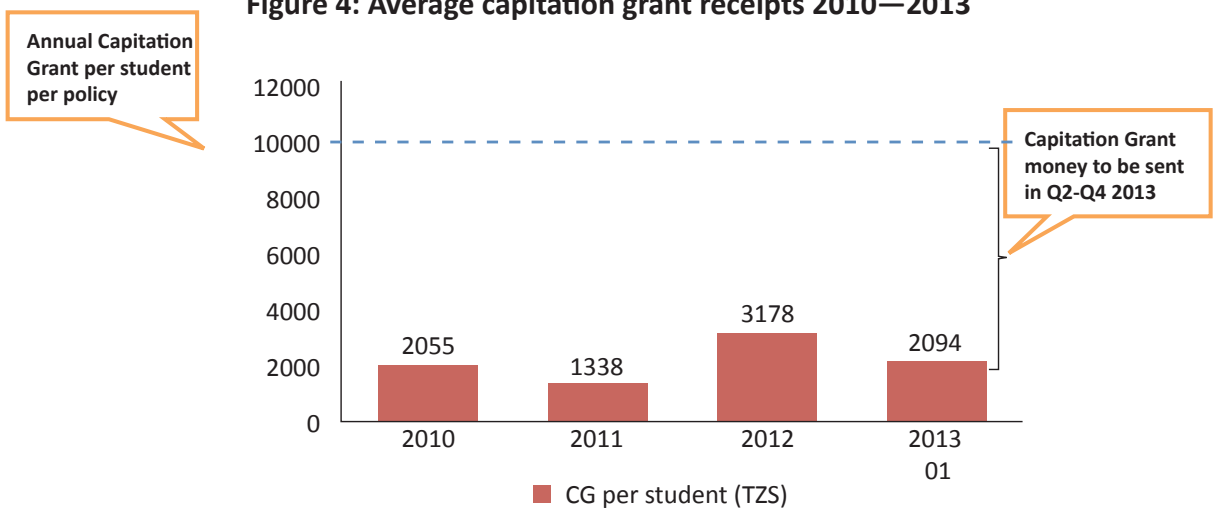
**Figure 3: How much capitation grant did your school receive in 2013?**



**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

Data from this mobile survey round and the *Sauti za Wananchi* baseline survey show that average annual capitation grant receipt has been under TZS 5,000 since 2010 (Figure 4, data only for schools called this round). The average over all four years amounts to TZS 2,202 per student.

**Figure 4: Average capitation grant receipts 2010—2013**



**Source of data:** *Sauti za Wananchi*, Baseline Data and Mobile Phone Survey - Round 2, April 2013.

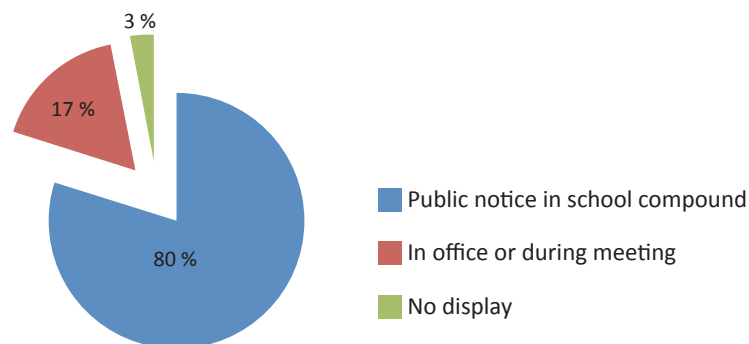
At the end of the first quarter of 2013, an average of 20% of the capitation grant has been received by schools. If the central and local authorities disburse this amount of capitation grant every quarter of 2013 the total capitation grant receipt per student would reach TZS 8,000. If so, while this would still be below the target of TZS 10,000, it would be a significant improvement as compared to earlier full years. *Sauti za Wananchi* will monitor capitation grant receipts at regular intervals and report findings in briefs to come.

### Fact 3: Head teachers have capitation grant manuals and display expenditure

Capitation grants are paid out by the government using public revenues supplemented by donor funds. In order to ensure transparency and accountability of the use of these funds, PEDP established an official manual describing rules for capitation grant expenditure. A large majority of head teachers (95%) report that their school does have such a manual.

Moreover, when asked about the percentage of capitation grant that should be spent on books according to policy, 86% of head teachers provide answers consistent with Ministry of Education directives that 40% of the grant be spent on books. A further instruction is that capitation grant expenditures must be publicly displayed at the school. Again a large majority of head teachers (80%) report that they follow this guideline (Figure 5). One interpretation of these findings is that at school level there do not seem to be large challenges in the implementation of the capitation grant policy: the manuals are there and appear to be well understood. In other words, the infrastructure is in place to receive and spend the capitation grant according to policy.

**Figure 5: Where is capitation grant expenditure information displayed?**

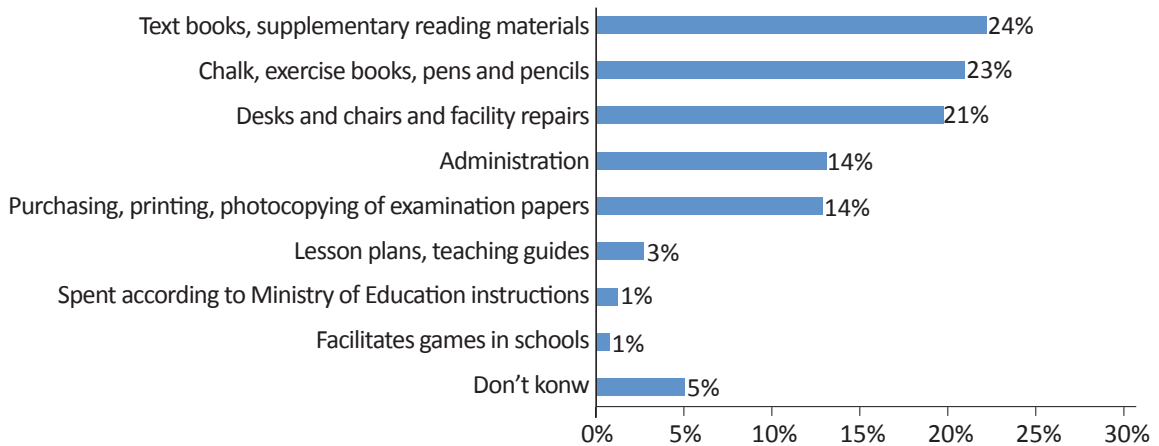


**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

### Fact 4: Schools spend capitation grant money according to rules

PEDP states that the capitation grant should be used to pay for books, learning materials, facility repairs, stationery; and also to support administrative expenses such as organizing examinations. When *Sauti za Wananchi* asked head teachers how they spend the capitation grant, the majority of answers fall within the categories specified by policy (Figure 6).

**Figure 6: Head Teachers report on how they spend the capitation grant**



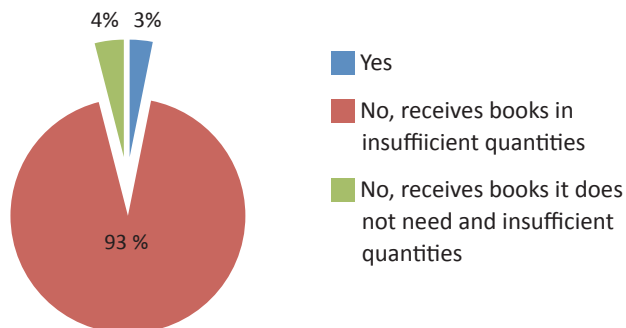
**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

**Fact 5: 93% of head teachers report shortages of books**

When asked about acquiring books, 87% of head teachers reported having purchased at least some books since 2010. These purchases are largely financed by the capitation grant. Only 14% of head teachers reported acquiring text books through other sources. Examples are purchase using community and parent contributions; using money the school makes through agricultural work; donations from corporate companies; and donations from NGOs.

When asked whether the school currently obtains the books it needs in sufficient quantities, 93% of the head teachers say no (Figure 7). This finding is backed up by the answers from parents: 55% of parents with children in primary school report that their children have no text books at all (see *Sauti za Wananchi* Brief 1, May 2013).

**Figure 7: Does the school currently obtain the books it needs in sufficient quantities?**

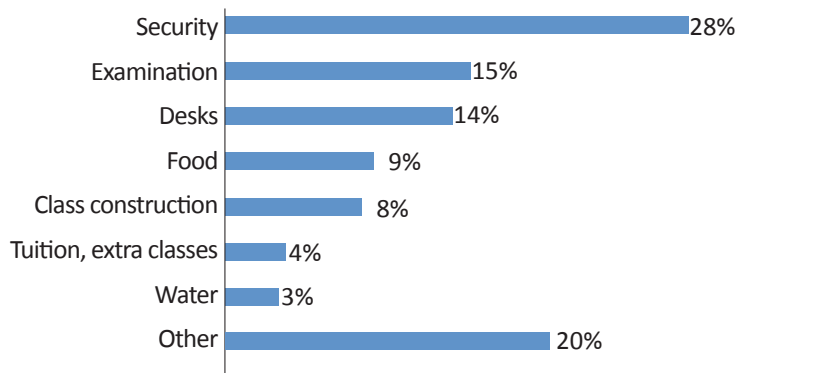


**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

### Fact 6: Parents' continue to contribute to public primary schools

The basic objective of the capitation grant was to replace revenue lost to schools due to the abolition of school fees under PEDP, in the interest of ensuring equitable access for all. However, when asked whether they make any financial contributions to the school their child attends, 87% parents reported that they did. Figure 9 provides the distribution of answers indicating the types of contributions parents are paying; each bar gives the percentage of the total number of positive answers given.

**Figure 8: Types of contributions “michango” paid by parents**

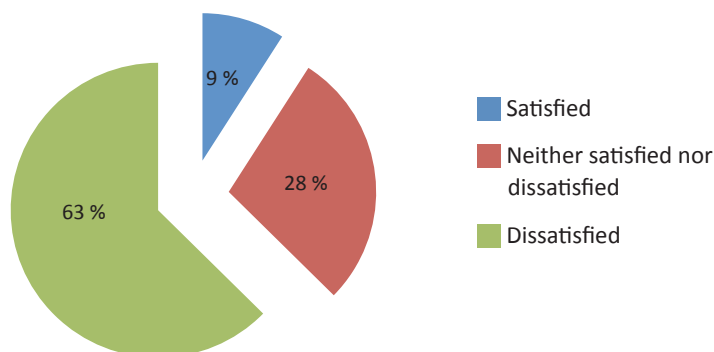


Source of data: *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

### Fact 7: Head teachers are dissatisfied with capitation grant disbursement

Head teachers are involved in the day to day running of schools and so depend on the capitation grant. When head teachers were asked about their level of satisfaction with the disbursement of the capitation grant, 63% of expressed dissatisfaction, 28% had no opinion, and only 9% reported satisfaction.

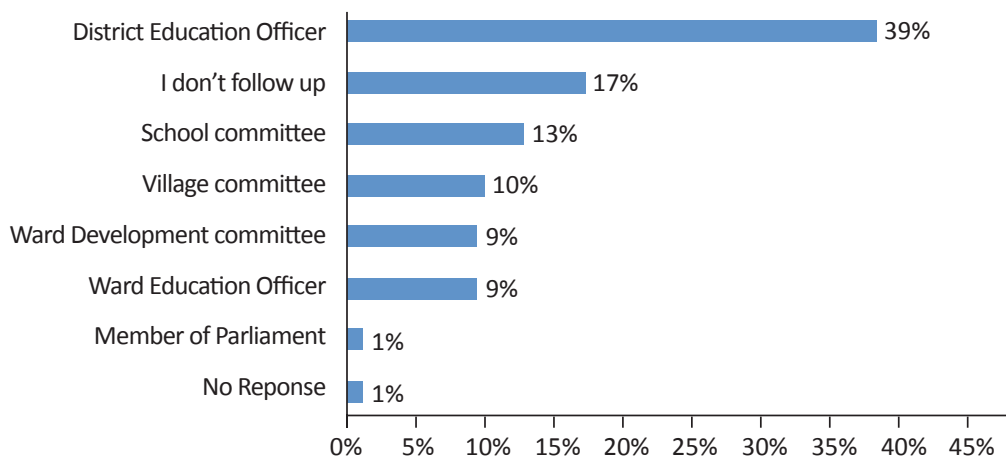
**Figure 9: Head teachers express dissatisfaction with the disbursement of the capitation grant**



Source of data: *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

When head teachers were asked whether and how they follow up on the capitation grant, the answer categories in Figure 11 were referred to. Most answers (39%) refer to contact with the District Education Officers (DEOs); again this confirms that head teachers know how the system works (as the capitation grant is transferred via the DEO’s office). A sizable 17% report that they do not follow up.

**Figure 10: Where do head teachers follow up on the disbursement of the capitation grant?**



**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey - Round 2, April 2013.

### 3. Conclusion

This brief provides a number of findings regarding the capitation grant based on recent interviews with parents and head teachers across mainland Tanzania. The main finding is mixed: between January and April 2013 many schools have not received any funds. On the other hand, by 25 April 2013 schools have on average received funds equivalent to the average yearly receipt between 2010 and 2012. Will capitation grant disbursement in 2013 prove to be faster than in previous years and reach the full TZS 10,000 per student? Future *Sauti za Wananchi* monitoring rounds will provide an answer.

A further finding is that on the side of schools, the policy infrastructure for the receipt of the capitation grant is in place: manuals are available and understood, received funds are spent on approved items and public displays provide information for interested parties, including parents. However, if the funds do not arrive, this infrastructure cannot be used to improve the quality of learning, and people may become discouraged and stop paying attention.

Given the failure to disburse the capitation grants in full or on time in recent years, not surprisingly nearly all head teachers report obtaining too few text books, a finding echoed by parents. This is in stark contrast with the ambitions formulated at the start of PEDP (BEDC, 2001), with the stated goal was one book per student in 2006. Recently central government funds have reportedly been released to address these book shortages, including a one time special disbursement using funds recovered from the

radar procurement scandal. Again, *Sauti za Wananchi* monitoring will keep track of book purchases in 2013.

It is hard not to see the link between the unfulfilled ambitions of PEDP and the dismal results of the 2012 Form Four exams, exactly one school career (Standard 1-7, Form 1-4) since the start of PEDP in 2002. This “lost school generation” raises major questions about the quality of management and oversight of PEDP by responsible actors, including the role of the Parliament and the donor community. The general concern raised here is transparency about the public budget: did the money not reach schools because there were insufficient funds available or was it due to poor prioritization and lack of transparency?

A potentially powerful way to answer these questions is to implement Tanzania’s open data commitment under the Open Government Partnership, which has received new impetus under the Big Results Now initiative. Under an open data policy, any person – including parents, teachers, education officials, auditors, MPs and the President – should be able to use a computer or mobile phone to know what is going on in each school, district and the country. It should show the number of pupils, the amount of (capitation) grant budgeted and disbursed for the year, and the date of disbursement, as well as lots of other relevant school level information. This administrative information is reported annually by head teachers and compiled by the Ministry of Education, so all that is needed is to capture it and make it available to the public. The government could create opportunities for citizens to provide feedback next to official data, so that responsible persons could be quickly informed and take action. Ready access to such data would identify gaps and could eliminate the current widespread lack of books and learning materials. Moreover, such a platform could build public trust and confidence in the government, and contribute towards resolving the Tanzanian learning crisis.