

# **PRO POOR EXPENDITURE TRACKING**

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## **1 Introduction**

Within the context of poverty reduction, the government has identified primary education and health, rural roads and water, agriculture, lands and judiciary and HIV/AIDS as priority sectors/activities. This has been institutionalized through the Public Expenditure Review (PER), the Mid Term Expenditure Forecast (MTEF) and the budget guidelines. Recent key government documents such as the Vision 2025, the National Poverty Eradication Strategy (NPES), the Poverty Reduction Strategy Paper (PRSP) and the draft Tanzania Assistance Strategy (TAS) have singled out these priority sectors/activities to be key in the fight against poverty.

The budget guidelines is the main instrument for operationalizing government policy decisions on public expenditure programmes, and the PER is the main annual instrument for monitoring pro poor expenditures. As an input into the PER, the current study aims at tracking down government pro poor expenditures on the priority sectors. It is the study of the system, efficiency, and bureaucracy of the government disbursement of funds for pro poor expenditures. Therefore, the study has two related objectives. The first is to assess the efficacy of budget execution and the second is to make recommendations on systems for improving monitoring of pro-poor expenditures. The former entails a review and an assessment of the government procedures and channels for disbursing funds and reporting on pro-poor expenditures at all levels. The detailed terms of reference (TOR) are attached as Appendix 1.

The remaining part of the report is organized as follows. Section two presents the methodology. The Third Section reviews the government system of disbursing funds, at all levels. The Fourth Section examines government supplies of materials to pro-poor sectors. Finally Section Five presents a summary of issues and recommendations.

## **2. Methodology**

Local authorities receive funds from the central government to finance both personal emoluments (PE) and other charges (OC). In addition, local authorities also receive

materials directly from the central government to manage and distribute to relevant service units. Although the focus of the current study is on the management of funds, the study will also review the management of materials received directly from the central government as well. This is because service provision at the service units have depended largely on materials directly received from the central government. Only a limited supply of materials have originated from the local authorities.

There are three relevant levels that pro-poor funds/materials go through before reaching the final beneficiary, e.g. primary school pupils or health patients. The first is the central government, the second is the council headquarters and the third is the service units. At each of these levels or during transfers between them, delays and/or leakages may occur. Therefore, a close look at each level and follow up of the transfer process is important for assessing the efficacy of budget execution.

We have mentioned that eight sectors/activities are currently receiving government priority, in the context of pro-poor spending for poverty reduction. This study chose to focus on primary education and health and, rural water and roads. These four sectors have a long history of decentralization and can offer useful insights and lessons for improving government budget execution. However, only education and health could be addressed fully because rural water and roads have not established institutional linkages at the sub-district levels. Therefore, for the two sectors expenditure tracking can be made up to the district level. Below the district only the presence of those funds can be reviewed.

The study is based on two sources of information, namely desk review that focused on government documents and research and consultancy reports. This review provided the official procedures, channels and timing for disbursing funds. They also provided approved budget estimates, actual disbursements and dates the funds were disbursed. The integrated financial management system (IFMS) was also reviewed. This was done for all three levels, namely the central government, council headquarters and service units.

Field survey was conducted at the central government, local authorities and service unit levels. At the central government level discussions were held with the ministries of finance, education, health, water and regional administration and local government. At the local authorities level, five councils were visited, namely Babati, Kisarawe, and Dodoma rural

councils and Mtwara and Kigoma urban councils. Their choice was based on geographical balance, rural-urban and whether or not a council has installed IFMS. Table 1 gives a summary of the selected local authorities and selection criteria.

**Table 1: Summary of the Selected Local Authorities and Selection Criteria**

<i><b>Zone</b></i>	<i><b>Region</b></i>	<i><b>Local Authority</b></i>	<i><b>Type of Council</b></i>	<i><b>Installation of IFMS</b></i>	<i><b>Use of IFMS</b></i>
<i><b>North</b></i>	Arusha	Babati	District council	Not installed	N/A
<i><b>East</b></i>	Coast	Kisarawe	District council	Not installed	N/A
<i><b>South</b></i>	Mtwara	Mtwara	Urban council	Installed	Not yet
<i><b>Central</b></i>	Dodoma	Dodoma	District council	Not installed	N/A
<i><b>West</b></i>	Kigoma	Kigoma	Urban council	Not installed	N/A

**Note:** N/A stands for not applicable

At the council levels, four primary schools and health facilities were picked for interviews from each selected local authority. Two schools and two health facilities from the ward that houses the councils' headquarters and the other from the ward considered remote by the council. The remote/non-remote selection was intended to capture variations in administrative costs, lobbying power and population disparities. However, due to inaccessibility in some areas, only 16 primary schools and 15 health facilities were visited. (See Appendix 2)

Table 2 provides a summary of the interviewed, for the particular sectoral issues (e.g. on education), at all levels, from the ministries to the regions, councils, service units and final beneficiaries.

The field work was basically an audit exercise for the councils. The exercise was done in steps as follows:

- Step 1: information was obtained from the Ministry of Finance on the amount disbursed, purpose (e.g. PE/OC), earmarked sector and date of disbursement.
- Step 2: information was obtained from the council (in this case the Treasurer) on the amount received, purpose and date of receipt.
- Step 3: information was obtained from the Treasurer on the amount disbursed to the relevant sectors, purpose (e.g. OC, school materials) and date of disbursement.

Step 4: information was obtained from Sectoral Heads on the amount received, purpose and date of receipt.

Step 5: information was obtained from Sectoral Heads on the amount disbursed to service units, purpose and date of disbursement.

Step 6: information was obtained from service heads (e.g. head teachers) on the amount received, purpose and date of receipt.

At all these steps a second round of interviews aimed at clarifying and counterchecking information between levels was done. This was necessary to ensure consistency and validity of the information.

In addition to the “audit” exercise a careful review of the system of disbursement, reporting and accountability was made and followed through the various levels.

Auditing of materials that are sent directly from the central government (e.g. Ministries of Education and Health) focused mainly at the council and sub-council levels.

Finally interviews were made with direct beneficiaries, including pupils and residents, on availability of materials, drugs and services at the service units.



Table 2 Summary of Interviewed Departments and Key People

<i>Sector</i>	<b>Category of interview</b>						
	<i>Treasury</i>	<i>Ministry</i>	<i>Regions</i>	<i>Councils</i>	<i>Council's Departments</i>	<i>Service Units</i>	<i>Beneficiaries</i>
<b>Primary Education</b>	Policy section, Budget section, Assistant Accountant General, Exchequer Section	Ministry of Education: Director of Planning ECU	RAS, Local Government Officer	DED, DT, The Chairperson, Social Service Committee	DEO	School- Committee Chairperson Headteacher Storekeeper Class teacher	Selected pupils
<b>Primary Health care</b>	Policy section, Budget section, Assistant Accountant General, Exchequer Section	Ministry of Health: Director of Planning Chief Pharmacist Chief Accountant	RAS Local Government Officer	DED, DT, The Chairperson, social Service Committee	DMO	Health Centers Dispensaries (MA, RMA, Nurses)	Selected local residents
<b>Water</b>	Policy section, Budget section, Assistant Accountant General, Exchequer Section	Ministry of Water and Livestock; Director of Planning	RAS, Local Government Officer	DED, DT, The Chairperson, Social Service Committee	District Water Engineer	N/A	Selected local residents
<b>Rural Roads</b>	Policy section, Budget section, Assistant Accountant General, Exchequer Section	Ministry of RALG: Chief Accountant Road Toll Officer	RAS, Local Government Officer	DED, DT, The Chairperson, Social Service Committee	District Engineer	N/A	Physical observation, Selected residents.

Key: RAS=Regional Administrative Secretary, DED=District Executive Director, DT=District Treasurer, DEO=District Education Officer, DMO=District Medical Officer, RALG=Regional Administration and Local Government, ECU=Education Coordinating Unit





### 3 The Government System of Disbursing Pro Poor Funds

This Section is divided into two main sub-sections. Sub-section 3.1 reviews the system of disbursing funds as is supposed to operate. Sub-section 3.2 looks at the practice.

#### 3.1 The System in Theory

It is useful to review the system at both central and local government levels. We do this sequentially.

##### 3.1.1 Disbursement from Government Central Accounts to Ministries and Local Government Authorities

###### (i) *Determination of Monthly Sectoral allocations*

The fiscal system still operates under the Cash Budget System (CBS) introduced in 1996. The system constrains the government expenditures to its corresponding revenue collection during the period; thereby ruling out fiscal deficits, in principle. Under the system of cash budgeting, a joint committee comprising of the Bank of Tanzania (BoT), Treasury, Tanzania Revenue Authority (TRA), the Planning Commission meets monthly to assess revenue collection and government priorities (as reflected from approved budget estimates). The committee determines the allocation to various sectors according to government approved budget estimates. These allocations are thereafter reviewed and translated into actual figures by the Commissioner of Budget. The actual figures of the sectoral allocations contained in two separate documents, namely, PE (Personal Emoluments) and OC (Other Charges) are finally reviewed by the Permanent Secretary to the Ministry of Finance before authorization for payment to be effected by the Accountant General is given. It can be noted here that depending on the performance of revenue collection, actual payments may deviate from approved budget estimates.

###### (ii) *Payment Processing and Actual Disbursement of funds*

The Accountant General processes payments and disbursement of government funds to ministries and other government institutions. The exchequer section of the Accountant General's office prepares exchequer issue warrant of funds and punches the allocations in the IFMS (Integrated Financial Management System)<sup>1</sup> network. The allocations are automatically transferred to local networks of IFMS (ministries) through the global saver at the Accountant General's office (Headquarter). The exchequer issue warrant of funds (cheque) authorizes the Central Bank to pay the OC and PE allocations. Transfer of funds to beneficiaries' local bank accounts is done by the respective bank headquarters (e.g. National Microfinance Bank, Cooperative and Rural Development Bank, etc.) Beneficiaries (ministries, local authorities, etc.) receive exchequer issue notification from the Accountant General to notify them on the disbursements. Exchequer issue notification shows the current (latest) transfer of funds (amount) to the bearer and the cumulative transfers made so far for that respective financial year. Exchequer issues notifications for local authorities are sent through their respective Regional Administrative Secretaries (RAS), who forward the notification to the councils. Currently, these notifications include a breakdown of sectoral allocations at the council level.<sup>2</sup> On receipts of the funds (money order) from their headquarters, local banks credit the deposit accounts and write a credit advice to the respective local authorities. This is a notification of the arrival of councils' funds. Usually PE and OC are disbursed monthly (as dictated by the cash budget system) and separately.

In principle, the OC should be transferred at the beginning of the month and the PE at the end of the month. However, the cash budget system and the pressing requirements to pay PE in time determines the time of disbursement of both PE and OC, with the latter basically receiving a residual status.

### 3.1.2 Disbursement of Funds within the Local Government Authorities

Transfer of funds from local authorities' deposit accounts to the respective sectoral departments is, in principle a straight forward thing. This is because, the exchequer issue notification sent by the Treasury through the RAS is specific with regard to sector, level and purpose (PE, OC and activity such as funds for school materials).

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<sup>1</sup> See section 3.1.4 for details on IFMS

Therefore the council Treasurer has simply to play the role of a post office, i.e. transfer the funds from the council's deposit account to sectoral (department) bank accounts and issuing notifications to that effect.

Similarly, expenditures or transfer of funds at the sectoral level is, in principle a straight forward thing, given the details contained in the notifications. The department accounts have two categories of signatories: A and B. Category A comprises of department/sectoral signatories (normally the head) and category B comprises of signatures of the Director and Treasurer. All expenditures by departments/sectors must be authorized by both the department/sector and the Director/Treasurer, implying that no expenditures or transfers can take place at the sectoral level without the knowledge and consent of the sector concerned.

The question is whether all transfers take place with the knowledge and consent of sectoral heads. The answer is no. Only if they have access to information contained in the exchequer issue notification can they be able to know what is contained therein. And there is nothing in the system that provides this information, other than through the council Director/Treasurer. Since, as we have seen earlier on, in the context of the cash budget, the approved budgets are not necessarily adhered to, there is no guarantee that the Director/Treasurer will give correct information given the tight budget situation experienced in the non-grant sectors/activities at the council level.

### 3.1.3 Reporting

On receipt of the credit advice, the District Executive Director (DED) writes a receipt to RAS acknowledging the receipt of the funds from the Ministry of Finance. RAS compiles the receipts from local authorities and forwards them to Ministry of Finance. In addition local authorities send their monthly flash reports to their respective RAS, who compiles and sends them to the Ministry of Finance (Accountant General's Office). Therefore, expenditures can easily be checked against disbursements to ensure that both the levels and composition are adhered to. However, the practice has differed by council since details and format of expenditure

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<sup>2</sup> The breakdown by the treasury started in September 2000.

reporting has not been the same in all councils. Examples of this are given in Appendix 3.

#### 3.1.4 The Integrated Financial Management System

The Integrated Financial Management System is a wireless network computer package (platinum) that provides online retrievable financial reports through protected executable commands. It is a computerized and networked management of cash flows. The system has several substations (local networks of ministries and other government institutions) that are linked to the main saves (global saver) at the Treasury. Since the system is a network, financial transactions are not necessarily affected by breakdowns (files are accessible at any other institution linked to the system). Passwords restrict access to files by unauthorized users.

At the end of every month, the exchequer section of the Accountant General punches all the disbursement of funds to the global network at the Treasury. The entries are posted to local networks of the beneficiary departments. Beneficiaries can easily retrieve their PE and OC allocations from their local networks. The allocations show the breakdown of the OC by activity.

IFMS maps and saves all financial transaction of substations. LPOs and cheques are issued through the network, which controls cash balances of institutional accounts. Hence, overdrafts are automatically not permissible. Though the system cannot prevent reallocation between expenditure items they can easily be monitored.

#### *IFMS Coverage*

By the end of January 2000, all the ministries (except the President's Office) had been linked to IFMS. Efforts were also underway to link the President's Office. There are plans to link all the regions to IFMS. This would make it possible to have local government authorities linked to the network. A few local authorities that are currently running their own donor funded local IFMS networks are not yet linked to the global saver at the Treasury. This limits the benefits of the networks especially in

those decentralised sectors that have heavy expenditures at the sub-national levels, such as primary health and education.

### *Advantages of IFMS*

A main advantage of using the IFMS relates to increased automatic financial discipline. This is achieved through enhanced transparency. The second advantage relates to increased efficiency in the use of resources, both financial and human that arises from the automaticity of the system. And finally, as a result of increased speed and transparency of transactions (including reporting), there is significant improvement in public service provision.

But these advantages are not enjoyed without a cost. IFMS is costly to install and expensive to run. The initial costs are usually high and operations are skill intensive. Therefore, it will take some time before the System can be installed and operationalized in the entire government (including local authorities). This suggests that capacity to manage the manual systems currently in use at the sub-national levels has to be strengthened, especially at the local authorities (See REPOA, 1999).

## **3.2 Analysis of the Government System of Disbursement of Funds**

The use of IFMS in government ministries has simplified disbursement of funds and reporting procedures. Ministries know their monthly fund allocation immediately they are approved by the Ministry of Finance. However, Local Government Authorities are yet to be integrated to IFMS and information has to come through the RAS. This may cause delays and leakages that concern us in this report.

Generally, disbursement of government funds follow all the procedures outlined in Section 3.1 above. Therefore, the focus in the remaining parts of the report is on efficiency in terms of time or delays and leakages or discrepancy between the amounts disbursed vs received by the target institutions.

### **3.2.1 Time Efficiency of Government Disbursement of Funds**

#### **3.2.1.1 *Central Government Disbursements***

The prop-poor expenditure survey conducted at the Ministries of Finance, Education, Health, Water and Regional Administration and Local Government; and the five Local Government Authorities shows significant differences in the time between disbursement at the Treasury and receipt by target beneficiaries.

Tables 3a and 3b describe the time efficiency of the disbursement of government funds during 1999/2000 and the first half of 2000/2001. They are based on two assumptions. The first is that disbursement of OC by the Treasury takes place at the beginning of the respective month (the first date of every month). The second is that disbursement of PE takes place latest by the end of each respective month. Based on these assumptions delays can take place at the Treasury, i.e. before the funds are disbursed and between the Treasury and the beneficiaries. These delays are shown in Tables 3a and b for fiscal year 1999/2000 and the first half of 2000/2001.

A few observations can be made from the Tables 3a and b. Firstly, there is significant delay in the processing of OC funds at the Treasury ranging from 6-42 days. This is different for the PE whose processing is hardly delayed. The difference between OC and PE reflects government priority of PE over OC. Given this prioritisation, the requirements of cash budget has basically relegated OC to a residual position, implying that the OC is processed after payment for PE are guaranteed. Therefore the requirement/assumption that OC is disbursed at the beginning of the month cannot be realized under a constrained cash budgeted system. And this conclusion is correct regardless of the operationalization of IFMS. The binding constraint is availability of money.

**Table 3a: Time efficiency of the Disbursement of Government Pro-poor Funds: July 1999-June 2000**

<i>Time cost (In days)</i>		<i>Ministry</i>		<i>Selected Local Government Authorities</i>				
		<i>Educ</i>	<i>Heal</i>	<i>Kis</i>	<i>Dom</i>	<i>Bat</i>	<i>Mtw</i>	<i>Kig</i>
<i>Processing at the Ministry of Finance (range of delay in days)</i>	<i>OC</i>	11-30	9-28	8-42	8-42	8-42	8-43	10-42
	<i>PE</i>			0-3	0-3	0-3	0-3	0-3
<i>Delay from disbursement date to actual receipt date (average days)</i>	<i>OC</i>	17	22	11	13	24	15	12
	<i>PE</i>			5	11	4	9	3
<i>Delay from disbursement date to actual receipt date (range of days)</i>	<i>OC</i>	10-28	9-43	5-27	4-31	9-29	5-38	2-33
	<i>PE</i>			2-21	1-8	0-13	3-16	1-8

Key: Educ=Education, Heal=Health, Kis=Kisarawe, Dom=Dodoma, Bat=Babati, Mtw=Mtwara, Kig=Kigoma

**Table3b: Time efficiency of the Disbursement of Government Pro-poor Funds: July-December 2000**

<i>Time cost (In days)</i>		<i>Ministry</i>		<i>Selected Local Government Authorities</i>				
		<i>Educ</i>	<i>Heal</i>	<i>Kis</i>	<i>Dom</i>	<i>Bat</i>	<i>Mtw</i>	<i>Kig</i>
<i>Processing at the Ministry of Finance (range of delay in days)</i>	<i>OC</i>	15-27	9-28	6-37	19-31	22-30	25-37	28-54
	<i>PE</i>	-	-	0-2	0-1	0-2	0-1	0-1
<i>Delay from disbursement date to actual receipt date (average days)</i>	<i>OC</i>	19	24	9	12	21	6	8
	<i>PE</i>	-	-	8	5	6	5	4
<i>Delay from disbursement date to actual receipt date (range of days)</i>	<i>OC</i>	14 –26	19-39	6 - 10	7 - 14	1- 10	5 - 7	6 – 14
	<i>PE</i>			2 - 8	2 - 7	3 – 12	2 - 25	1 - 3

Key: See Table 3a.

Secondly, it takes more time for the OC disbursed from the Treasury to reach local authorities, compared to PE. This may suggest existence of temporary re-allocations at the banks and/or the office of the Council Director/Treasurer. This also reflects local prioritization of PE over OC.

However, with the introduction of IFMS at the Treasury, significant improvements in the time taken for the OC to reach the local authorities can be noticed. The improvements are marginal, if any, for the PE, suggesting that prioritization (arising from pressure to pay) more than technology determines the level of efficiency.

It is interesting to note that significant delay occurs in the time taken for the OC to reach the Ministries. Given their linkage to the IFMS and location advantage (with both the Treasury and bank headquarters) this result is surprising. Delays caused by bank transactions can only be part of the story.

Thirdly, there are indications that OC funds take less time to reach urban local authorities than rural local authorities. This observation is clearer during the first half of 2000/2001, with the introduction of IFMS. This may be a reflection of differences in accessibility to communication between urban and rural councils.

### 3.2.1.2 Disbursements within the Councils

Once the funds have been deposited at the councils' deposit accounts, the next step is for the council Treasurer to effect transfer to sectoral accounts for utilization. This



transfer may be subject to abuse since the heads of sectors may not have accurate information about the time the funds arrived and the amount received. Tables 4a and b provide indication on the time it takes for funds to be transferred from Councils' deposit account to Sectoral accounts during 1999/2000 and the first half of 2000/2001. The focus here is on the OC since PE funds are not transferred to Sectoral accounts; because salaries are paid directly by the Council Treasurer. In addition, transfers to the roads sector are discussed separately later on because they come from a different route.

**Table 4a: Local Authorities' transfer of Pro poor funds from Deposit Accounts to Departments' Accounts: July 1999-June 2000**

Local Authority	Range of Delay in Days		
	Education	Health	Water
Dodoma	1-34	10-16	NIL
Babati	23-35	13-87	46-66
Mtwara	2-48	2-39	N/A
Kigoma	1-41	1-46	N/A

Key: NIL implies no transfers were made

N/A implies inapplicability because urban councils do not have water departments

**Table 4b: Local Authorities' transfer of Pro poor funds from Deposit Accounts to Departments' Accounts: July -December 2000**

Local Authority	Range of Delay in Days		
	Education	Health	Water
Dodoma	NIL	1-3	3-16
Babati	30-53	NIL	NIL
Mtwara	14-34	4-31	N/A
Kigoma	1-38	1-38	N/A

Key: as in Table 4a.

The following observations can be made from Tables 4a and b. There are significant delays in transferring OC funds to Sectoral accounts in all councils. The delays cut across all the sectors, indicating serious problems at the council level. The tables also show that in some councils transfers to some sectors were not made at all for the specified period. For example, Dodoma Rural did not allocate any OC to the water department during 1999/2000 and the education department during the first half of 2000/2001. Similarly Babati did not allocate any OC to health and water departments during the first six months of 2000/2001.

### 3.2.2 Receipt of Funds

In principle, the Treasury is obliged to transfer funds as approved by Parliament. According to the Treasury, disbursements are done in twelve equal installments. However, due to cash budget requirements actual disbursements may vary from planned.

But disbursements once made by the Treasury may be subject to “leakages”. Therefore, it is important that these disbursements are followed to their destinations. Section 3.2.2.1 reviews the situation up to the Councils’ level, i.e. the Treasurers’ office. This is followed by a review within the Councils, i.e. transfers between the Council Treasurers and Sectoral departments.

#### 3.2.2.1 *Receipt of Funds by the Councils*

Tables 5a and b compare disbursements and receipts in two different financial periods, July 1999 – June 2000 and July-December 2000.

**Table 5a: Disbursements and Receipts of Government Pro Poor Funds:  
July 1999-June 2000**

		<i>Selected Local Government Authorities</i>				
		<i>Kis</i>	<i>Dom</i>	<i>Bat</i>	<i>Mtw</i>	<i>Kig</i>
<i>Disbursement as % of approved estimates</i>	<i>PE</i>	85	123	130	114.4	124.4
	<i>OC</i>	93	88	96.8	113.46	105
<i>Receipts as % of disbursement</i>	<i>PE</i>	100	100	100	100	100
	<i>OC</i>	84.8	81	64	78	96.5

Note: Abbreviations from Table 3a apply.

**Table 5b: Disbursements and Receipts of Government Pro Poor Funds: July-December 2000**

		<i>Selected Local Government Authorities</i>				
		<i>Kis</i>	<i>Dom</i>	<i>Bat</i>	<i>Mtw</i>	<i>Kig</i>
<i>Disbursement as a % of approved estimates</i>	<i>PE</i>	69.7	61.7	85	76.75	68.5
	<i>OC</i>	74.3	76.4	61.5	130	99.5
<i>Receipts as % of disbursement</i>	<i>PE</i>	100	100	100	100	100
	<i>OC</i>	100	100	103.8	35.1	76.6

Note: abbreviations from table 3a apply.

The following observations can be made. Firstly, significant deviations are noted between disbursements made by the Treasury and Parliament approved funds. In general, disbursements tend to be lower than approvals. This finding is also consistent with the results of previous study that monthly disbursements to councils are not made according to the approved budget (Semboja and REPOA, 1999; World Bank Aide-

memmoire, 2001). These deviations apply for both PE and OC. The justification for PE being that disbursements are based on employees' data sheets that reflect the actual situation more accurately. Secondly, deviations are not the same across councils. The disbursements are generally higher in urban compared to rural councils. Nevertheless, these results do not point to any clear formula for determining cuts. Thirdly, there is a tendency for Councils to report lower OC receipts than what the Treasury claims to have disbursed. Results show that there is no discrepancy on PE between the report of the Treasury and the Councils. Table 6 shows a few cases which Councils report to have received no funds against the Treasury's claim. Cases of this type are probably common across councils.

**Table 6: OC disbursement by the Treasury, claimed to have not been recorded/received by Local Authorities**

<i>Local Authority</i>	<i>Date of disbursement by the Treasury</i>	<i>Amount (OC) disbursed</i>	<i>Receipt by Local Authority</i>
<i>Kisarawe</i>	16/10/1999	6,208,826/=	Nil
	25/1/2000	5,976,506/=	Nil
	29/2/2000	13,274,336/=	Nil
<i>Dodoma</i>	25/1/2000	16,469,180/=	Nil
	29/2/2000	13,274,336/=	Nil
<i>Babati</i>	25/1/2000	8,459,855/=	Nil
	29/2/2000	13,374,336/=	Nil
<i>Mtwara</i>	16/10/1999	7,829,292/=	Nil
<i>Kigoma</i>	16/10/1999	6,047,053/=	Nil
	8/6/2000	11,583,262/=	Nil

### 3.2.2.2 Receipts of Funds by Targeted Sectors in the Councils

In principle, all funds earmarked for the sectors are transferred to the respective sectors to be utilized according to instructions given in the exchequer issue notification, dispatched by the Treasury through the RAS. This stage of transferring funds from the Council Treasurer to the Sectors is also a potential source of leakage. Table 7 shows that, in general, Sectors report to have received less than what was claimed by the Treasury to have been disbursed during the months of September, October and November, 2000. Some report to have received no funds at all, i.e. zero percent. However, the results also show that some sectors receive higher priority than others by being allocated more than

what the exchequer issue notification directs. For example, in Kisarawe education got 126 percent of the Treasury's disbursement during the three months. Therefore, the results in Table 7 also reveal some kind of re-prioritisation in response to the Treasury's cuts. This re-prioritisation is not limited to the four grant sectors. In Babati, for instance, some funds must have been transferred to sectors/activities other than those shown in Table 7.

**Table 7: Department receipts of OC as a % of sectoral disbursement by the treasury for selected three months: September, October and November 2000.**

Item	Name of the Local Authority	Department			
		Education	Health	Water	Roads
Actual receipt as a % of actual sectoral disbursement	Kisarawe	126	31.7	84.4	-
	Dodoma	42	90.2	80.5	-
	Babati	101.86	16.8	0	-
	Mtwara	89.18	100	N/a	-
	Kigoma	72.7	93.9	N/a	-
Actual receipt as a % of approved sectoral allocation	Kisarawe	118.3	57.2	97.5	-
	Dodoma	46.9	59.9	93.7	-
	Babati	86.1	16.3	0	-
	Mtwara	77.2	37.4	N/a	-
	Kigoma	81.4	29.3	N/a	-

### *Disbursement of the Road Fund*

The system of disbursing road funds differs slightly from that of PE and OC. The road funds are disbursed through the Ministry responsible for Regional Administration and Local Government. The Ministry then allocates the funds to councils based on the requirements for roads maintenance and upgrading. The funds are disbursed on a quarterly basis. Tables 8a and b show the amounts claimed to have been disbursed by the Ministry and the percentage claimed to have been received by the councils during October 1999 to September 2000. There are significant variations between councils. Babati reported to have received all the funds disbursed and Dodoma Rural between 0-8% of the claimed disbursement.

In principle, once received by the council the road fund cheque should be deposited in the road fund account of the council for utilization. In practice, many councils do not follow this procedure. Instead the same council Treasurers deposits the cheque in the Miscellaneous Deposit account and manage the funds by transferring money to the road fund account as need arises. This system of managing road funds opens room for leakage and has invited many complaints from the road sector heads.

**Table 8a: Actual Disbursement of Road Funds by the Ministry of Regional Administration and Local Government (Figures are in Tshs)**

Quarter	Council				
	Kisarawe	Dodoma	Babati	Mtwara	Kigoma
Oct-Dec99	17,633,375	18,204,617	17,928,050	21,374,626	21,421,178
Jan-Mar 00	15,606,502	16,123,304	15,873,094	18,991,203	19,033,318
Apr-Jun 00	20,783,812	21,431,315	21,117,768	25,933,304	25,986,059
Jul-Sep 00	16,371,498	23,176,518	21,450,607	18,787,773	20,020,567

**Table 8b: Net Receipt of Road Funds by local authorities as % of actual disbursement**

Quarter	Council		
	Kisarawe	Dodoma	Babati
Oct-Dec99	72.23	7,88	100
Jan-Mar 00	102.93	0	100
Apr-Jun 00	75.09	4.90	100
Jul-Sep 00	98.40	4.07	100

Partly due to adopting a different system from that of the PE and OC accountability and reporting of the road funds have suffered. The road fund is not included in the annual budget estimates and it is not disbursed using the same procedures and timing as the other government grants. This has produced a loophole in the reporting system. Many councils do not include explicitly road funds in their financial accounts. Appendix 3 shows that councils not only have different systems of reporting expenditures but also that they may prefer systems that aggregate expenditure items to reduce transparency.

### 3.2.2.3 *Transfers from Council Departments to Service Units*

The council department is the last point of cash flow in the disbursement system. There is no flow of cash beyond the Council departments. The OC funds are converted into supplies and services for distribution to service units.

In principle, sectoral heads are obliged to carry out expenditures in accordance with approved budgets and exchequer issue notifications. In practice however, complications arise when sectoral heads have no access to exchequer issue notification, approved budgets are not transferred in full and criteria for budget cuts are not known to them. This apparent lack of information on the part of sectoral heads allows them to use their discretion in allocating the limited OC to many demanding activities.

Table 9 provides a breakdown on the use of OC in health and education in Kigoma Urban and Babati District Councils in 1999/2000.

**Table 9: Break down of department oc expenditures in Health and Education in two selected district councils: July 1999-June 2000.**

<i>District</i>	<i>Depart ment</i>	<i>Trav/v eb</i>	<i>Offi stat</i>	<i>Fn-gene</i>	<i>Exams</i>	<i>Scho mat</i>	<i>Train</i>	<i>Sanit</i>	<i>Equip- disp</i>	<i>Misc</i>

<i>Kig</i>	Educ	56.6%	16.0 %	5.0%	1.0%	19.8 %	0.1%	N/A	0	0.4%
	Heal	28.1%	3.7 %	22.9%	N/A	N/A	5.3%	35.6%	0	4.4%
<i>Bat</i>	Educ	34.7%	7.6 %	0	39.7%	6.0%	3.9%	N/A	-0	8.4%
	Heal	61.0%	25.2 %	0	N/A	N/A	1.8%	0	9.8%	2.2%

Key: Trav/veh=Travelling and vehicles, Off stat=Office stationary,  
Fu-gene=Fuel for generator, Scho mat=School materials,  
Train=Training, Sanit=Sanitation, Misc=Miscellaneous  
Equip-disp=Equipment for dispensaries,

The Table shows that a major part of the expenditure is on travelling and vehicles, including vehicle repairs and fuel. Expenditures on items that directly benefit service units such as school materials and medical supplies are not given priority in the councils' allocation and are below approved national estimates. During 1999/2000 Kigoma and Babati spent 19.8% and 6% of the received OC; the approved national estimate was 24%. The percentage for medical supplies were 0% and 9.8% for Kigoma and Babati, compared to the approved national estimate of 35%. Therefore, re-allocations made at the sectoral departments are biased in activities that facilitate the operations of the Council departments, at the expense of those that benefit service units directly. These results endorse those of earlier studies that show significant re-allocations away from activities that benefit service units directly. (cf REPOA, 2000).

#### 4 Supply Materials/Equipment to Target Sectors

In Section Three, we concluded that Councils spend very little Central Government grant OC on items that directly benefit service units. Therefore, most of the materials that are sent to service units originate from outside the councils. Most of them are sent by or through the Sectoral Ministries to the councils' headquarters for allocation and distribution. In this section, we review the supply of materials/equipments to service units. First we review the distribution system and later the availability of materials/equipment. A complete review would start at the Sector Ministries and include movement of supplies to the Councils. There are possibilities that leakages take place at the councils. There are possibilities that leakages take place at the Ministries and during

the movement to the councils. Unfortunately these levels were not explored and our review therefore starts at the Council level. However since our interest is on availability of materials/supplies at the service units the analysis will provide useful value to this study.

#### **4.1 Distribution of Supplies to Service Units**

Allocation and distribution of supplies to service units is the responsibility of sectoral departments. Distribution can be done by the council or tendered to the private sector. Table 10 reports the delay (in days) before education supplies reach the targeted service units. This delay shows the difference between the day the supplies arrived at the Council Office and the day they were received at the service units.



**Table 10 Distribution of School materials: Time efficiency July 1999 to December 2000**

<b>Item</b>	<b>Kisarawe</b>	<b>Dodoma</b>	<b>Babati</b>	<b>Mtwara</b>	<b>Kigoma</b>
<i>Average Delay from DEO to service Units</i>	17.5	14	24	-	11.2
<i>Delay range from DEO to service units</i>	26-29	10-22	19-31	-	9-99

The table shows a reasonably low average delay. Even in the rural councils it takes an average of three weeks; with a maximum delay of a month, presumably experienced by remote schools. A worrying situation of a maximum of three months is experienced in Kigoma urban council; which is difficult to comprehend.

OC funds are provided to cover for the costs of distribution of school materials to the service units. The practice, however, has been to use teachers who have to shuttle to the Councils every month to collect their salaries. Occasionally some financially healthy schools hire transport to collect supplies from the Councils.

Table 11 reports delay (in days) before health drug kits reach the targeted service units in Dodoma Rural and Kisarawe Council. Drug kits are normally scheduled to reach service units on the 5<sup>th</sup> day of every month. Therefore, delay is in relation to this day. Table 11 shows that for the service units visited and provided information, drug kits arrived on time and sometimes before scheduled date. However, Fufu (Dodoma Rural) is in a different disutation. This facility operates on a cost sharing system and drug kits are replaced on demand. Positive deviations in this case may indicate that drugs take time to run down.

**Table 11: Distribution of Drug Kits (Selected District councils)  
July-December 2000**

Council	Facility	Type	Months					
			July	Aug.	Sept.	Oct.	Nov.	Dec.
Kisarawe	Msanga	Disp.	-1	-3	-3	+1	+6	+3
	Masangan ya	Disp.	0	+1	0	0	0	0
Dodoma	Buigiri	Disp.	-8	-11	-11	-30	-17	-22
	Furu	Disp.	+7	+19	+6	+11	+11	+10

Key: + implies delayed delivery  
- implies early delivery  
0 implies Kit delivered on time

## 4.2 Availability of Materials/Supplies at the Service Units

The ongoing school mapping exercise will provide a complete picture regarding public provision of school materials. The exercise has already revealed serious problems in many councils in the availability of text books, especially in the areas of mathematics and science. For example, the ratio of pupils to mathematics books is as high as 28.1 in Serengeti and 22.1 in Musoma districts. The exercise has also revealed high inequalities in the allocation of mathematics books across the country. The ratio has been found to be 3:1 in Kisarawe, Magu and Bagamoyo districts and 7:1 in Morogoro municipality (Galabawa, 2000). Our own field survey reported in Tables 12 shows that science and mathematics textbooks are quite scarce. Except in Dodoma rural where schools in remote areas got one book each, none of the schools were supplied with a book for pupils in these subjects during the period shown in the Table. In addition the table shows that the distribution of materials and supplies is not only unequal between councils but also between the service units. Nevertheless, in all councils and schools there is a general complaint that school materials are in limited supply. An average of 1-2 exercise books given per pupil per year is far lower than the requirement of 15 for standard 1-2, 35 for standard 3-4 and 48 for standard 5-7. These results support those of other studies which have found that there is a big shortage of both exercise and textbooks for pupils in the schools. (Cooksey, 1997, Galabawa, 2000, REPOA, 2000 ...).

Table 12 also shows that there is no clear timetable for supplying school materials and supplies. This introduces an element of unpredictability in the system and promotes leakages.

**Table 12: School Material Supplies in Dodoma Rural (May-October 1999) and Kisarawe (August-December, 1999)**

District	Item	Qty received by DEO	Date received	Qty supplied per school
Kisarawe	Text Book: (peri-urban)			
	Math 7(I)	71 pcs	10/9/99	7
	Science 5 (I)	71 pcs	25/8/99	7
	English 7 (P)	808 pcs	2/12/99	95
	Text book: (rural)			
	Math 7(I)	71 pcs	10/9/99	10
Dodoma (R)	Science 5 (I)	71 pcs	25/8/99	10
	English 7 (P)	808 pcs	2/12/99	90
	Daftari B (Peri urban)	205000 pcs	17/5/99	205
	Pencil	12960 pcs	17/5/99	86
	Maarifa ya Jamii 6 (P)	2341pcs	18/6/99	17
	Daftary B (rural)	20500 pcs	17/5/99	205
	Pencil	12960 pcs	17/5/99	86
	Science 5 (P)	2594 pcs	20/10/99	1

Key: T stands for teachers  
P stands for pupils

Table 13 presents results of the survey on drugs availability. Except for Dodoma Rural, service centers were visited far from delivery dates to give indication on the duration of drugs availability. The results show that in Babati, Kigoma and Mtwara at least 50 per cent of the drugs were available beyond two weeks after delivery. Kisarawe whose service centers reported virtually no drugs at all two days before drug kits are supplied requires further study. Possible explanations include: drug cannot last for a full month and extravagancy (including leakages) close to delivery date.

**Table 13: Drug availability in selected health facilities**

Type of drugs	Kisarawe		Dodoma			Babati	Kig	Mtwara	
	Sun	Mas	Bui	Cha	Fuf	D/Ka	Bus	Mta	Lik
Amoxac	A	A	A	A	A	A	A	A	A
Aminoph Iline	NA	NA	A	A	A	A	A	A	A
Asprin	A	NA	A	A	A	A	A	A	A
Adrenaline	NA	NA	A	A	NA	NA	NA	A	A
X-pen	A	A	A	A	A	A	NA	A	A
BBE	NA	NA	A	A	NA	A	A	A	A
FEFO	NA	NA	A	A	NA	NA	NA	NA	NA
CQ Tabs	NA	NA	A	A	A	NA	A	A	A
CQ Inj	NA	A	A	NA	A	A	A	A	A
CQ Syrup	NA	NA	A	NA	NA	NA	A	A	A
Piriton	NA	NA	A	NA	NA	NA	A	A	A
Lagact Tabs	NA	NA	A	NA	NA	NA	NA	NA	NA
Benzoic Acid oit	NA	NA	A	NA	NA	NA	A	NA	NA
Magnezium	NA	NA	A	A	NA	A	A	A	A
Mebendazole	NA	NA	A	NA	NA	NA	A	A	A
Flaglyly	NA	NA	A	A	NA	A	NA	A	A
Ephedrin	NA	NA	A	NA	NA	NA	A	A	A
Diazip	NA	NA	A	NA	NA	NA	NA	NA	NA
Pived Aiodine	NA	NA	A	NA	NA	A	A	NA	NA
Ergometrine	NA	NA	A	NA	NA	A	A	NA	NA

ORS	NA	NA	A	A	NA	A	NA	A	A
Paracetamol	NA	NA	A	A	A	NA	A	A	A
Phenobabton	NA	NA	A	A	A	NA	A	A	A
PPF	NA	NA	A	A	NA	A	A	A	A
Vitamin A	NA	NA	A	A	NA	A	A	A	A
TCC. Oint	NA	NA	A	A	NA	A	A	NA	NA
Cotri Tabs	NA	NA	A	A	A	NA	A	A	A
Doxy	NA	NA	NA	A	NA	NA	A	NA	NA

Note Kig = Kigoma  
Sun = Sungwi Dispensary. Researchers visited it on 3<sup>rd</sup>, Jan. 2001  
Mas = Masanganya Dispensary. Researches visited it on 3<sup>rd</sup>, Jan 2001  
Bui = Buigiri dispensary. Researchers visited it on 5<sup>th</sup>, Jan 2001  
Cha = Chamwino health center. Researchers visited it on 6<sup>th</sup>, Jan. 2001  
Fuf = Fufu dispensary. Researchers visited it on  
D/Ka = Dareda Kati dispensary. Visited it on 21<sup>st</sup>, Dec, 2000  
Bus = Businde dispensary. Researchers visited it on 19<sup>th</sup>, Jan, 2001  
Mta = Mtawanya dispensary. Researchers visited it on 21<sup>st</sup>, Dec, 2000  
Lik = Likombe dispensary. Researchers visited it on 21<sup>st</sup>, Dec, 2000  
A = Available  
NA = Not available

### *Views from Beneficiaries on Availability of Supplies*

Views were solicited from beneficiaries at the service centers regarding availability of supplies and service provision. As shown in Table 2, in this context, beneficiaries included school committee members, primary school staff members, staff of health centers and dispensaries, primary school pupils and local residents.

The views and perceptions of beneficiaries support the results on availability of supplies presented above. The supply of educational materials and supplies faces two problems. Firstly they are inadequate and secondly they are supplied in an ad hoc manner. 1-2 exercise books per student per year is clearly inadequate. In addition, although significant variations were observed in the availability of text books, among councils and schools, there was a general complaint about availability of textbooks, especially in the sciences and mathematics subjects.

Table 12 shows that councils can not plan distribution of materials and supplies to schools because no schedules are given and followed. For example in 1999 Kisarawe received science and mathematics text books for teachers in August and September, but Dodoma did not receive textbooks for teachers during this period; Kisarawe received English textbooks for pupils in December but Dodoma didn't; Dodoma received science textbooks for pupils in October but Kisarawe didn't; Dodoma received exercise books and pencils for pupils in May but Kisarawe didn't. Although this information is limited it points to unpredictability of the delivery system that may easily promote leakages.

Beneficiaries were more positive on the availability of materials and supplies and supplies at health centers. As we have seen, availability tend to diminish towards the delivery dates. Perhaps the beneficiaries positive perceptions on delivery is based on the predictability of the delivery system that the health sector has managed to put in place.

## **5 Summary of Issues and Policy Implications**

This report aimed at assessing the efficacy of budget execution with the intention of drawing lessons that could be used to improve implementation of pro-poor public expenditures. The study focused on primary education and health, two of the eight sections/activities that have been identified to receive government priority in the fight against poverty. Rural roads and water which were to receive equal treatment in the study have featured only marginally because they have not established institutional linkage at the sub-district levels.

The study reviewed government procedures and channels for disbursing funds, reporting systems and the flow of funds from one level to the other. In addition to the flow of funds, an assessment was made on the flow of materials and supplies.

Both desk work and field work were undertaken. In the former a review of documents was made. In the latter visits and interviews were made in the relevant government ministries and local authorities. Five local authorities were visited, three rural and two urban, namely Babati, Kisarawe and Dodoma rural councils and Mtwara and Kigoma urban councils. In the councils documents were reviewed and interviews were made with staff. In addition service centers were visited to provide a feel about supply and availability of materials and supplies. At this level interviews with the beneficiaries were also held.

A number of observations have been made in the main report. Below we present the salient ones and draw policy implications. Firstly, the cash budget system has in principle relegated OC to a residual position. This has implications on the timing and level of OC disbursement. Lack of predictability on the disbursement of OC has promoted leakages especially at the sub-national levels. Other things being equal, increased predictability would enhance transparency and minimize leakages.

Secondly, the existing system of disbursing funds is in principle alright. However, it assumes adequate transparency in information sharing and transmission. The present review has found that in situations of scarce resources ownership of information and misinformation are important for redistributing resources to suit the owners of information. In the case of local authorities information contained in the exchequer issue notification has normally not been transmitted to sectoral heads. This has opened room for re-allocations, without the knowledge and consent of sectoral heads. The introduction of IFMS at the ministries level has improved al beit marginally the speed of OC disbursements. However, it has not reduced reallocations at the local authorities because it has not been implemented at that level. And since it will take a long time for the IFMS to be implemented at lower levels efforts should be made to build capacity to manage the existing manual system and promote transparency there. On the latter, it is proposed that sectoral heads be given copies of the exchequer issue notification to minimize misinformation.

Thirdly, perhaps in response to budget cuts, at both the Treasury and the council, sectoral heads have tended to re-allocate the OC they receive in favour of activities that benefit the council staff at the headquarters, at the expense of service units. In this case traveling and vehicles have been favoured at the expense of school materials and health drugs.

Fourthly, councils have managed to get away with observations two and three above because financial reporting requirements have accommodated too much aggregation. This report has included appendix 3 that show expenditure reports from two urban councils that are very different in the level of details. It is important that an acceptable format be developed that can easily be related to the exchequer issue notification.

Fifthly, sectoral departments are the last point of cash flow in the disbursement system. There is no flow of cash beyond council departments. Only supplies and services flow to the service units. However, as stated above very little materials and supplies originate from the councils. Most of the materials distributed by councils originate from sectoral ministries. In this context survey results show that the supply of primary materials is limited and ad hoc. The lack of predictability may promote leakages. This is different

from the supply of health drugs which is more reliable in both timing and quality. The perceptions of beneficiaries on availability of school materials and health drugs support the above observation. Beneficiaries are more satisfied with availability of health drugs than school materials. A closer look at survey results show that both the quantity supplied and reliability play an important role in influencing beneficiaries perceptions. It is important that the Ministry of Education work on improving both quantity and reliability, i.e. there should be a known schedule on the distribution of materials that is followed.

## References

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3. REPOA (1999), ‘Framework for Operationalizing the System of Grants to Local Government’. Report prepared for the Public Expenditure Review (PER) Working Group.
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5. World Bank (2000), “Tanzania Public Expenditure Review FY01 Main Mission”. Aide Memoire.

## **Appendix 1: TERMS OF REFERENCE**

### **PRO-POOR EXPENDITURE TRACKING STUDY**

#### **INTRODUCTION**

Government efforts to target public expenditures for poverty reduction dates back to the mid 1990's when economic reform programmes intensified. In pursue of a tight fiscal policy regime aimed at restoring macroeconomic stability, the Government commenced in the mid 1990's to identify and focus resource allocation to a few priority areas/sectors to match the constrained resource envelope. Overtime, and in particular since 1997/98 social services and infrastructure (particularly roads) have been identified as priority sectors and institutionalized through the PER/MTEF and Budget Guidelines. Since last year, the list of priority sector activities has been extended to include Agriculture, Lands and Judiciary as well as HIV/AIDS.

The PER/MTEF are based the Vision 2025, the NPES and PRSP. The Vision 2025 provides a long term macro and sectoral targets, and based on the Vision 2025, the NPES provides a framework to guide poverty eradication initiatives in order to reduce absolute poverty by 50% by year 2010 and eradicate it by year 2025. It also, provides guidelines to all key stakeholders on how to mainstream poverty eradication actions in formulation implementation and evaluation of poverty eradication programme.

The Poverty Reduction Strategy Paper (PRSP) which is an integral part of the enhanced High Indebted Poor Countries (HIPC) initiative focuses on pro poor programmes. More specifically it is aimed at increasing and protecting funding in poverty reducing activities. The PRSP which was approved by the Government in September 2000 has consolidated and refined the pro poor expenditure focus initiated under the PER/MTEF process. Based on the PRSP process and earlier initiatives the Government has decided to focus pro poor funding on the following areas.

- (i) Education (mainly primary)
- (ii) Health (mainly primary)
- (iii) Agriculture mainly (research and extension)



- (iv) Roads mainly (mainly rural)
- (v) Water
- (vi) Judiciary
- (vii) HIV/AIDS

The Budget Guidelines are the main instrument for operationalizing Government policy decisions on public expenditure programmes, and the PER has been adopted as the main annual instrument for monitoring pro poor expenditures.

## **2. Objectives of the Study**

This study is intended to achieve the following:

- 2.1 To assess the efficiency of budget execution
- 2.2 To make recommendations on systems for improving monitoring of pro poor expenditures

## **3. Consulting Tasks**

Taking into account the above explanations the consultant will undertake the following:

- 3.1 Review and assess the adequacy of the Government procedures and channels for disbursing funds and reporting on pro poor expenditures at all levels.
- 3.2 On the basis of the 1999/2000 budget and the first quarter of 2000/01 budget, carry out a pro poor expenditure survey in selected sectors and Local Government Authorities.

## **4. Duration of Study**

The study is estimated to take eight weeks commencing mid-December, 2000

## **5. Reporting**

The consultants will report to the Permanent Secretary, Ministry of Finance. A draft report will be submitted by mid-February 2001.

## Appendix 2: Facilities Visited by the Research Team

	<b>DODOMA</b>	<b>KISARAWAWE</b>	<b>BABATI</b>	<b>KIGOMA</b>	<b>MTWARA</b>
Health Center	Chamwino RHC		Bonga		
Dispensary	Fufu Buigiri	Msanga Sungwi Masanganya	Galapo Dareda Kati	Businde Kigoma	Ufukoni Likombe Naliendele Mtawanya
Primary School	Chamwinoe Buigiri Fufu	Msanga Visiga Chanzige Sanza	Galapo Dareda Mission Babati	Businde Kigoma	Lilungu Ufukoni Mlimani Likonde
Road	Dodoma (U) to Fufu  Dodoma R to Chamwino	Kisarawe Ward to Msanga to Sungwi Msanga to Visiga	Gendi to Galapo  Seloto to Sabilo to Mandi		

### Appendix 3: Two Examples of Local Authorities Expenditure Reporting

#### Example 1

<b>SCHEDULE OF EXPENDITURES 1999</b>			
ITEM	DETAILS	AMOUNT	
		TSHS	CT
1101	Mishahara	442,707,746	
1202	Usafiri na usafirishaji	33,403,045	
1203	Usafiri likizoni	2,263,854	
1302	Matumizi ya ofisi	8,944,479	
1303	Gharama za simu	6,595,978	
1304	Gharama za umeme	954,744	
1305	Gharama za maji	450,643	
1306	Mavazi rasmi	30,000	
1309	Gharama za posta	159,000	
1311	Uandikishaji wa vitabu	210,000	
1313	Gharama za kisheria	1,446,000	
1314	Ukarabati wa ofisi kuu	296,700	
1315	Gharama za mazishi	888,000	
1316	Gharama za benki	1,778,493	
1318	Gharama za matibabu	243,500	
1402	Magari na mitambo	44,509,616	
1411		824,299	
1502	sikukuu za kitaifa	147,324	
1503	Zawadi kwa wafanyakazi bora	160,000	
1505	Matangazo na Uchapishaji	486,400	
1507	Kamati ya halmashauri ya Mji	1,167,954	
1510	Vikao vya TSC	94,000	
1517	Posho ya Madiwani	13,337,200	
1518	Posho ya watendaji	5,240,000	
1521	Gharama za makaburi	70,000	
1524	Vikundi vya uhamasishaji	127,500	
1533	Utayarishaji makisio	146,000	
1534	Michezo na Burudani	50,000	
1554	Michango ya shule za sekondari	440,000	
1602	Majengo na maeneo	2,783,057	
1605	Michango ya ALAT Taifa	1,490,000	
1606	Matumizi mengineyo	4,614,200	
1607	Gharama za ukusanyaji mapato	1,575,594	
1611	Matengenezo madogo madogo	30,000	
1802	Ununuzi wa pikipiki	24,895,024	
1803	Ununuzi wa fenicha za ofisi	131,050	
1805	Zana za mitambo	135,000	

1905	Nyumba za watumishi	1,776,000	
2004	Makaribisho	773,238	
2005	Ziara nchini	1,235,000	
2006	Ulipaji madeni ya nyuma	2,250,958	
2102	Kozi na semina	939,700	
2104	Mafunzo ya watumishi	773,000	
2202	Upotevu wa fedha za umma	240,400	
2203	Kiinua mgongo cha madiwani	1,502,000	
2222	Posho za askari wa zimamoto	264,000	
2607	Ukarabati wa barabara	4,734,931	
2609	Upandaji miti	35,000	
2610	Mfuko wa maendeleo ya wanawake na vijana	9,000,000	
2611	Mchango wa H/mji kwa CSPD	260,000	
2613	Uimarishaji wa ofisi kuu	1,675,374	
2615	Ukarabati wa Jumba la maendeleo	95,154	
2616	Mpango wa uwiano Miradi vijijini - RIPS	249,250	
2618	Ujenzi wa Barabara	980,300	
2720	Huduma za uvuvi na maliasili	526,232	
2729	Mafunzo ya akina mama	99,500	
3306	Gharama za mitihani	3,433,930	
3307	Ununuzi wa vifaa vya shule	10,531,738	
3902	Matengenezo ya barabara	2,771,060	
5102	Vifaa vya Hospitali	8,049,365	
5308	Elimu ya afya	10,000	
5309	Gharama za chanjo	58,800	
5310	Magonjwa ya kuambukizwa	376,000	
5314	Gharama za usafi wa mazingira mjini	9,136,087	
5315	Kugharamia maktaba ya mkoa	250,000	
	Depreciation costs	18,367,466	
	<b>JUMLA KUU</b>	<b>683,220,883</b>	

Example 2

SCHEDULE OF EXPENDITURES 1999			
NO	PARTICULARS	AMOUNT	
		TSHS	CT
	<b>KAMATI YA FEDHA NA UONGOZI</b>		
1	Bank Account	161,622	
2	Mishahara	121,000	
3	Salary advance	35,000	
4	Transfer	3,795,000	
5	Usafiri na uchukuzi	20,591,657	
6	Huduma za magari	6,151,370	
7	Ununuzi wa mafuta	5,365,540	
8	Ufungaji wa mahesabu	837,000	
9	Fidia ya kuumia kazini	-	
10	Vifaa vya ofisi	4,744,362	
11	Gharama za posta	74,800	
12	Posho za madiwani	6,868,500	
13	Kazi ndogondogo	1,205,616	
14	Maji	1,596,437	
15	Mafunzo ya watumishi	-	
16	Matangazo na uchapishaji	935,000	
17	KUET	2,029,006	
18	Matengenezo ya vifaa vya kitaalam	726,750	
19	Sherche za kitaifa	360,100	
20	Bima	104,195	
21	Gharama za hoteli	887,650	
22	Gharama za mazishi	673,190	
23	Gharama za matibabu	506,000	
24	Gharama za bajeti	50,000	
25	ALAT taifa	600,000	
26	Kodi ya nyumba za NHC	798,410	
27	Kamati za Halmashauri	1,427,160	
28	mafunzo mafupi	1,175,000	
29	Takrima	1,339,400	
30	Majengo na maeneo mengine	661,500	
31	Fenicha nyumba za watumishi	28,000	
32	Ununuzi wa madawati	1,020,000	
33	Gharama za komputa	100,000	
34	Gharama za umeme	265,439	
35	Mchango wa akina mama na vijana	210,000	
36	Gharama za simu	2,342,674	
37	Usafiri likizoni	689,000	
38	Imprest	606,620	

39	mchango miradi ya maendeleo	1,440,555	
40	Madeni miaka ya nyuma	1,491,830	
41	Kiinua mgongo madiwani	58,500	
42	Usafi wa soko	29,000	
	<b>KAMATI YA BIASHARA NA UCHUMI</b>		
43	Usafiri na uchukuzi	10,297,904	
44	Usafiri likizoni	1,120,140	
45	Vifaa vya ofisi	3,076,998	
46	Ununuzi wa mafuta	781,350	
47	Mishahara	48,648,136	
48	Gharama za simu	3,617,706	
49	Gharama za umeme	221,770	
50	Maji	683,700	
51	Salary advance	2,778,574	
52	Imprest	5,757,799	
53	Ufungaji wa mahesabu	489,000	
54	Gharama za posta	100,000	
55	Huduma za magari	2,544,402	
56	Matengenezo ya vifaa vya kitaalamu	156,782	
57	Sherche za kitaifa	350,000	
58	Matangazo na uchapishaji	248,500	
59	Gharama za bajeti	8,000	
60	Gharama za mazishi	60,600	
61	Posho za madiwani	2,129,000	
62	Kazi ndogondogo	131,000	
63	Fidia kuumia kazini	399,000	
64	Fenicha nyumba za watumishi	650,000	
65	Kodi ya nyumba	491,358	
66	Kamati za halmashauri	542,000	
67	Takrima	1,379,750	
68	Mafunzo ya watumishi	150,000	
69	Mchango wa KUE'T	911,120	
70	Mchango wa akina mama na vijana	1,041,233	
71	Mchango wa miradi ya maendeleo	269,765	
72	Mchango kwa LGLB	602,906	
73	Madeni miaka ya nyuma	3,503,214	
74	Transfer	2,515,000	
75	mchango miradi ya maendeleo		
	<b>KAMATI YA MIPANGO MIJI</b>		
76	Usafiri na uchukuzi	55,932	

77	Fidia mazao	385,000	
78	Uchoraji ramani	216,000	
	<b>ELIMU</b>		
79	Mishahara	354,359,879	
80	mfuko wa wafanyakazi	14,949,935	
81	Usafiri na uchukuzi	10,295,390	
82	Gharama za mazishi	100,000	
83	Ununuzi wa mafuta	64,850	
84	Salary advance	1,587,200	
85	Umeme	52,700	
86	Usafiri likizoni	1,482,400	
87	Simu	986,423	
88	Vifaa vya ofisi	3,114,000	
89	Madarasa	1,000,000	
90	Mtihani	1,630,485	
91	Kodi ya nyumba	359,500	
92	Majengo	2,497,500	
93	Matengenezo ya magari	332,100	
94	Msamaha wa karo	200,000	
95	SHIMISEMITA	1,711,400	
96	Transfer	1,420,000	
97	Vifaa vya shule	1,350,000	
98	Madawati	47,500	
99	Mafunzo mafupi	43,800	
	<b>AFYA</b>		
100	Mishahara	76,330,465	
101	mfuko wa wafanyakazi	4,805,266	
102	Usafiri na uchukuzi	763,484	
103	Ununuzi wa mafuta	1,536,650	
104	Gharama za mazishi	585,500	
105	Matumizi ya magari	323,503	
106	Kazi ndogondogo	65,000	
107	Usafi wa soko	1,180,435	
108	Vifaa vya ofisi	739,370	
109	Gharama za halmashauri	200,000	
110	Maji	1,068,095	
111	Vifaa vya Zahanati	1,910,400	
112	Kufyeka	153,000	
113	Salary advance	1,025,534	
114	Madawa kituo cha afya	60,000	



115	Usafiri Likizoni	233,000	
116	Unyonyaji maji machafu	12,000	
117	Usafi wa mazingira	4,761,098	
118	Safari imprest	250,000	
119	Gharama za matibabu	727,500	
120	Elimu ya afya	136,850	
121	Huduma za afya (kinga)	2,912,000	
122	Chanjo	6,000	
123	Mifereji maji machafu	245,000	
	<b>UJENZI</b>		
124	Mishahara	15,169,686	
125	Michango ya watumishi	1,425,480	
126	Usafiri na uchukuzi	243,100	
127	Usafiri likizoni	24,000	
128	Matmizi ya ofisi	282,100	
129	Umeme	10,000	
130	Matengenezo ya magari	1,026,780	
131	Ununuzi wa mafuta	2,765,950	
132	Matengenezo vifaa vya ufundi	28,000	
133	Matengenezo vifaa vya Zimamoto	1,900,000	
134	Kazi ndogondogo	5,000	
135	Majengo na maeneo	40,000	
136	Ujenzi wa barabara	2,800,210	
137	Ujenzi wa mifereji	25,000	
138	TALGWU	52,888	
139	Hazina	6,252	
140	Bima	26,208	
	<b>GRAND TOTAL</b>	<b>691,862,388</b>	