

**Motivation**

This study was carried out in Tanzania as part of a process of enhancing accountability and to respond to funding leakage issues.

**Objectives**

The main objective of the PETS was to establish more exact knowledge on the actual amount of resources disbursed from the central level that reach local schools.

**Main findings**

The disbursement of capitation grant from the central level to the districts has been in line with the initial plans for this program. There are huge variations in the inflow of capitation grant at the school level. In the sample, it varies from 1,600 Tsh to 8,700 Tsh per student per year. There is a complex system of disbursement from the central level to the councils, involving three ministries (MOEC, MOF, PO-RALG) and the regions.

**Leakage**

The transfer of development grant seems to have performed much better than the transfer of capitation grant. On average, councils only acknowledge receiving 59% of the development grant sent to the regions. The recorded inflow of development grant at the school level is 84% of the central level disbursement for 2002 and 2003. The recorded inflow of overall capitation grant at the school level is in the range of 54%-64% of the central level disbursement for 2002 and 2003. The recorded inflow of the cash part of the capitation grant at the school level is 76-86% of the central level disbursement for 2002 and 2003. The book part of the capitation grant is the main cause of the leakage in the transfer of capitation grant. The recorded inflow of books at the school level is 28% of the central level disbursement for 2002 and 2003.

**Sample**

210 primary schools

**Sample design**

Selection of 7 regions (Dar es Salaam, Kilimanjaro, Lindi, Mara, Mbeya, Rukwa, and Singida) according to a stratification based on the Human Development Index (URT (2003c)). Due to bad weather conditions, the Coast Region replaced Lindi. Within each region, three councils were sampled according to their proximity to the regional headquarters and within each council 10 schools were sampled.

**Resources monitored**

-Capitation grant (cash and book), development grant and capacity building grant for school communities

-3 levels: central government, councils and schools.

-Data for 2002 and 2003

**Recommendations**

Simplify the current system of transfers within PEDP (primary education development plan).

**Main report**

REPOA, (2004) "Tanzania Public Expenditure Tracking Study of the Financial and Non-financial PEDP flows from Central government to schools in 2002 and 2003".