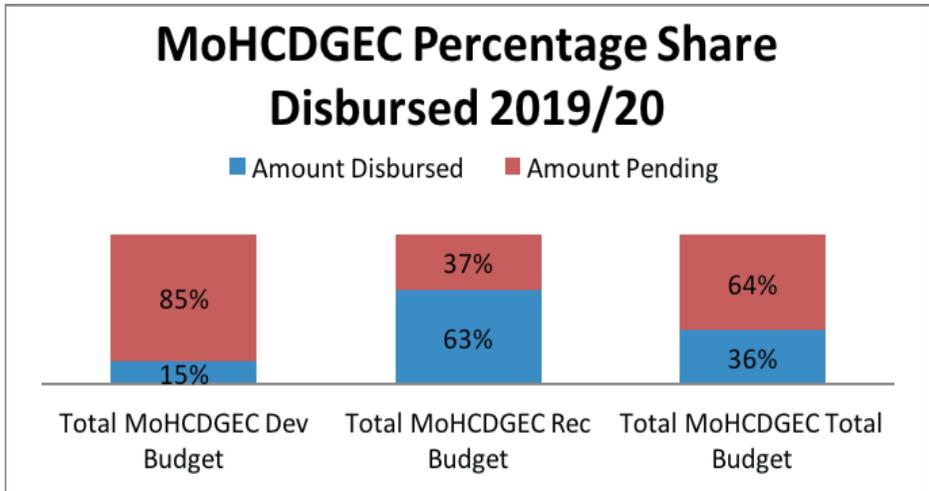


This brief presents an analysis of the budget for the Ministry of Health Community Development Gender Elderly and Children (MoHCDGEC) Budget for 2020/21 in comparison to 2019/20.

MoHCDGEC Allocation Versus Disbursement

The pie chart below shows the percentage of the 2019/20 MoHCDGEC-H budget that was disbursed as of March 2020.

Figure 1 Disbursement of 2019/20 MoHCDGEC Total Budget as of March 2020



Source: Fungu 52, Mpango wa Mapato, Matumizi ya Kawaida na Miradi ya Maendeleo kwa Mwaka wa Fedha 2020/21 (Randama)

Out of the approved budget for the Ministry of Health of TZS 959.15 billion, only TZS 343.49 billion had been disbursed as of March 2020, which is only 36% of the approved budget. In the previous year's budget, the amount of the Ministry of Health budget disbursed

was TZS 340.25 Billion, which was 39% of the total Ministry of Health budget of TZS 866.23 Billion. This shows that although the nominal amount disbursed increased year on year as of 3 quarters, the amount disbursed as a percentage of the approved budget has decreased year

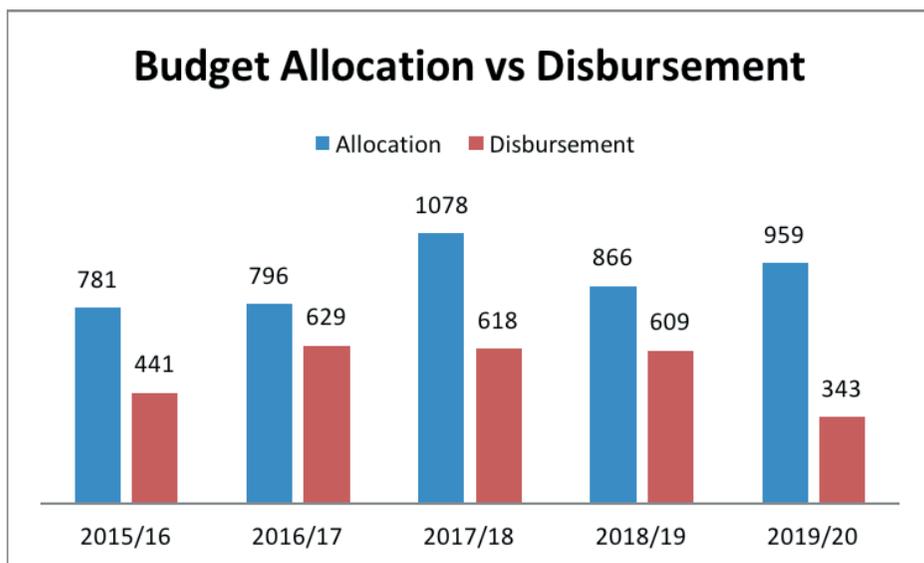
on year. We should note however, that we are not taking into account disbursement as per end of the year, so the outcome after a full year's disbursement could be quite different.

The approved recurrent budget for the Ministry of Health for 2019/20 is TZS 415.01 Billion. TZS 260.42 Billion of the recurrent budget has been disbursed as of March 2020, which is 63% of the approved recurrent budget.

The approved 2019/20 development budget for Vote 52 was TZS 544.14 Billion. Of the approved budget, only TZS 83.07 Billion was disbursed, which is only 15% of the total budget. However, a further TZS 216 billion worth of medicines and supplies was received by the Ministry of Health from other integrated projects, but it is not clear whether these were accounted for in the approved budget.

The below graph shows the five year trend of disbursement from the MoHCDGEC-H Budget:

Figure 2 MoHCDGEC-H Allocation vs Disbursement 5 year trend



The 2019/20 disbursement figure only shows disbursement up to quarter 3, so it would appear that 2019/20 disbursement at the end of the year will be similar to previous years as disbursement tends to increase in the final quarter. However the trend continues of how disbursement in comparison to allocation, which is also troubling when taking into consideration the fact that health financing is key issue, yet even the funds allocated are

not fully utilized (annual percentage of allocation that is disbursed is 66% taking into account the years where we have full disbursement data).

KEY ASK: Disbursement must be improved to ensure that sufficient funds are available to finance interventions needed to implement the HSSP V and other relevant national strategies.

MoHCDGEC Recurrent budget for 2020/21

The total 2020/21 allocation for the MoHCDGEC- Health budget is TZS 900.1 Billion, which is a 6.2% decrease from the 2019/20 allocation of TZS 959 Billion. Of the 2020/21 allocation, the recurrent budget for MOHCDGEC is TZS 539.1 billion, which is about 59.9% of the total budget. This is a 29.9% increase compared to the recurrent budget of 2019/20, which was TZS 415 Billion, accounting for 44.7% of the 2019/20 budget for MoHCDGEC. In the 2020/21 recurrent budget for the MoHCDGEC-Health it is noted that apart from Basic Salaries-Pensionable Posts, and Personnel Allowances - (Non-Discretionary), the other budget line that seems to have a considerable allocation is Extra-budgetary accounts and funds -Cash, which has a total allocation of TZS 193.69 Billion, which is 36% of the total recurrent budget for the Ministry of Health. This is an 85% increase against the previous year's allocation of TZS 104.57 Billion, which was 25% of the 2019/20 recurrent budget for the MOHCDGEC-Health budget. The rationale given for the allocation for this line item in the Randama is that it is for paying staff salaries for various institutions, as well as for hospital operational (Other Charge) costs, and administrative costs such as on-call allowances and salaries of contract workers. The high allocation to these line items seems to indicate that compensation of human resources for health is being prioritized in the budget.

The 29.9% increase in the recurrent budget is predominantly in 3 areas; Referral Hospitals, Curative Services Delivery & Human Resources Development.

Referral Hospitals

Funding allocated to Regional & Referral Hospitals for 2020/21 is TZS

175.7 Billion, a 58.1% increase from the 2019/20 allocation of TZS 111.1 Billion. Allocation to Regional Referral Hospitals take up a 32.6% share of the total Recurrent budget for health in 2020/21, as opposed to a 27% of the total recurrent budget in the previous year. The main areas that have received increases in allocation under Regional Referral Hospitals are 2 budget line items mentioned above; Basic Salaries-Pensionable Posts, and Extra-budgetary accounts and funds -Cash.

Curative Services Delivery

Allocation towards Curative Services Delivery also increased by 15.4% to TZS 298.1 Billion in 2020/21, up from TZS 258.4 Billion in 2019/20. Curative Services Delivery share of the total Recurrent budget decreased however, from 62.3% in 2019/20 to 55.3% in 2020/21. The main budget line item responsible for the increase is Extra-budgetary accounts and funds -Cash, where according to the Randama; the funds will be used to support key hospitals in Dar es salaam, Mbeya and other areas, which had not been classified under Regional Referral Hospitals as discussed in the earlier paragraph. This will also support various health boards, councils and institutions within the sector. Another notable increase is in the Personnel Allowances - (Non-Discretionary) line item under the Chief Medical Officer Sub vote, the majority of which is to be used for intern allowances.

Human Resources Development

Allocation towards Human Resource Development increased by 130.9% to TZS 29.1 Billion shillings in 2020/21, up from TZS 12.6 Billion in 2019/20. Human Resource Development allocation as share of the total Recurrent budget is 5.4% in 2020/21, up from 3% in 2019/20. In Human Resources Development, the main budget line items



that saw an increase were Educational Materials, Services and Supplies (money for books, teaching supplies, technical materials, and examination expenses), as well as Hospitality Supplies and Services (money for food and catering services for college students, as well as gifts and prizes for best employees at the colleges).¹

It is notable that Human Resources for Health have been prioritized in the MoHCDGEC budget. This is important because according to the HSSP IV Medium Term Review Report, as of 2019 there was a shortage of 109,919 health workers across all facility levels (99,684 available out of a required 209,603).²

This is a shortage of 52%, which is expected to have increased by now due to the increased staffing need due to 400 newly constructed and improved health facilities. In the FY 2019/20 the Government employed about 1,500 skilled health workers who have been posted in various health facilities across the country. If we add this amount to the 99,684 available health workers now there are 101,184, which means that the staff shortage is now 51.7%, which is hardly any change. However, this does not take into account the 400 newly constructed and improved health facilities, as well as an estimated annual HRH attrition rate of 3% per year. One must also note that the annual population growth rate for Tanzania is 3% as per World Bank estimate for 2018, which must be taken into account in relation to its effect of reducing the ratio of health workers available per number of citizens as the population grows. Furthermore, the last year of HSSP IV is 2019/20, which means we should expect that the HRH gap will still be significant at the end of the strategic

¹ Fungu 52, Mpango wa Mapato, Matumizi ya Kawaida na Miradi ya Maendeleo kwa Mwaka wa Fedha 2020/21 (Randama), 2020, URT

² Mid Term Review of the Health Sector Strategic Plan IV 2015-2020, 2019, URT

plan period, so this will most likely remain a priority for the planning and costing of HSSP V.

KEY ASK: Human Resources for Health remains a key gap, there needs to be clarity on how to fill the HRH gap while taking into account the attrition rate, population growth, and the need to staff newly constructed health facilities so that the HRH shortage does not increase over time.

Health Commodities

Although the purchase of medicines and supplies are generally considered a recurrent expense, the majority of the allocation is found in the development budget. However, in the recurrent budget there are a total of TZS 2.3 Billion shillings allocated to medicines & supplies, which is just 1.1% of the total amount of TZS 203.2 Billion that was found during the analysis that was allocated to Health Commodities in the MoHCDGEC-H budget. Of the TZS 2.3 Billion in the recurrent budget, 52.9% was allocated to the Curative services sub vote, with the purpose of maintenance and protection of Radiology equipment. A further TZS 800 Million was allocated to the Preventive services sub vote, with the purpose of purchasing vaccines and related products. This accounted for 35% of the recurrent allocation for medicines & supplies. A further TZS 100 Million (4% of the recurrent allocation for medicines and supplies) was allocated to the Human Resource Development Sub Vote, for the costs of laboratory teaching equipment. The remainder of the allocation was allocated to referral hospitals, to cover the costs of special diet foods of hospital patients, as well as surgical allowances for post mortems, and laboratory equipment at hospitals. It must be noted however that Development Partner Allocation that is shown in the budget books is not the total amount of funding that is provided by a particular development partner.

The relevant donor partner may also be contributing health related funding to other ministries, departments or agencies, such as TACAIDS or PO-RALG. It could also be contributing funding to Regional Administrative Secretariat votes. Furthermore funding from development partners may also not be included in the budget books for various other regions, e.g. due to funding agreements that are still being negotiated, or funding that is going directly to non-government partners and does not enter the Government Exchequer System.

MoHCDGEC Development budget 2020/21

The total development budget for 2021/20 is TZS 361 billion, which is about 40.1% of the MoHCDGEC budget. This is a 33.6% decrease compared to the development budget on 2019/20, which was TZS 544.1 Billion, and accounted for 55.3% of that year's budget. The main funder of the 2019/20 development budget was the GoT, who accounted for 49.7% of that year's budget with a contribution of TZS 270.6 Billion shillings. In the 2020/21 budget the GoT contributed a total of TZS 280.7 Billion to the development budget, which accounts for 77.8% of the current year's allocation, and is a 3.7% increase from the previous year.

Contributions of Development Partners to the MoHCDGEC

In terms of contributions from Development Partners in the 2019/20 development budget, the Global Fund was the highest contributor with TZS 223.6 Billion shillings, accounting for 41.1% of the development budget allocation for that year. The other notable contributor was the World Bank, which contributed an allocation of TZS 49 Billion, which was 7.7% of

the total development budget allocation for 2019/20. In 2020/21 however, the contribution from the 2 major Development Partners for 2019/20 shrank considerably. The Global Fund allocation decreased by 79.5% to TZS 45.9 Billion shillings, accounting for 12.7% of the total MoHCDGEC development budget allocation, while the World Bank allocation decreased by 84.8% to TZS 6.4 Billion, which accounted for 1.8% of the 2020/21 development budget allocation for the MoHCDGEC. The decrease in allocation attributed to these 2 Development Partners played a large part in the 33.6% decrease in the overall development allocation for the MoHCDGEC in 2021/20. To offset this however, the Global Alliance for Vaccines & Immunization (GAVI) Alliance allocated TZS 18.5 Billion to the 2020/21 development budget, which accounted for 5.1% of the total development budget for the MoHCDGEC. This is notable as they did not contribute to the previous year's budget allocation. It must be noted that there are Development Partners whose contributions are not reflected in the budget books, but contribute considerably to the Health Sector. One such historic example is the President's Emergency Plan for AIDS Relief (PEPFAR) funding.

Health Commodities in the Development Budget

In the MoHCDGEC development budget the main priority in terms of allocation seems to be the strengthening of Referral Hospitals, mainly through the purchase of health commodities. It is curious that this budget line item is found in the development budget since health commodities is a recurrent purchase that happens every year and therefore one would expect it to be found in the recurrent budget. Such a misclassification of expenditures results in development expenditures being



overstated and recurrent expenditures being understated within the Ministry of Health Budget. The Pharmaceutical Services Unit sub vote takes up TZS 200 Billion of the development

allocation, which amounts to 55.4% of the development budget allocation for MoHCDGEC. The share of allocation for health commodities is as follows:

Table 6 Pharmaceutical Services Units funds for Health Commodities (TZS)

Pharmaceutical Services Unit Funds for Health Commodities (TZS)		
General purchase of medicines & supplies for health facilities across the country	102,173,562,500	51%
Payment of MSD debt from importation and distribution of drugs to health facilities around the country	32,000,000,000	16%
Procurement of contraceptives, malaria medicines for pregnant mothers, lifesaving medicines for pregnant women	20,500,000,000	10%
Purchase of laboratory equipment and other requirements for the National Blood Transfusion Service	10,912,500,000	5%
Importation, Supply Chain Management & Distribution of medicines and medical supplies	10,000,000,000	5%
Purchase for medical equipment including a CT-SCAN, to be used for research at Njombe, Geita, Katavi, Songwe, Kwangwa, etc.	10,000,000,000	5%
Purchase of reagents and other related medical equipment	5,000,000,000	3%
Purchase of equipment and medicines for the diagnosis and treatment of tuberculosis	5,000,000,000	3%
Purchase of beds, mattresses, sheets and maternity beds	2,942,625,000	1%
Purchase of medicines and medical supplies for Oral and Dental Health	1,471,312,500	1%
Total	200,000,000,000	100%

Source: Fungu 52, Mpango wa Mapato, Matumizi ya Kawaida na Miradi ya Maendeleo kwa Mwaka wa Fedha 2020/21 (Randama), 2020, URT



The government also allocated funds to the strengthening of immunization services, of which the Ministry of Health has allocated a total of TZS 52 Billion shillings, equivalent to 14.3% of the development budget. This is notable considering that there had been no allocation to the strengthening of immunization services in the 2019/20 budget.

Areas of Reduced Allocation in the MoHCDGEC budget

There are areas that have shown a decrease in allocation from 2019/20, namely the HIV & AIDS Control Program, Control of Communicable Diseases/Vaccines, and the Primary Health Development Program. The 2019/20 allocation for the HIV & AIDS Control Program was TZS 114 Billion, equivalent to 21% of that year's budget. It has decreased by 82.5% to TZS 20 Billion in the 2020/21 development budget for MoHCDGEC, equivalent to 5.5% of that development budget. This was funded predominantly by the Global Fund, and is therefore in line with the trend we had previously noted in the decreased allocation from the Global Fund, although it is also possible that funds may have been redirected to RAS votes. This may also be a reflection of grants that are finishing at the end of 2020, and does not reflect Global Fund funding that may become available in 2021. As per information on the global fund websites on investments, for the funding period of 2020 to 2022, there is \$364.8 million allocated towards HIV & AIDS, \$179.4 million allocated towards malaria, and \$43.1 million allocated to tuberculosis,³ all of which is funding that most likely has not found its way into the budget yet.

In the 2019/20 allocation to Control of Communicable Diseases/Vaccines was TZS 97 Billion shillings, which

³ <https://data.theglobalfund.org/investments/location/TZA>

was equivalent to 17.1% of that year's development budget for the MoHCDGEC. In 2020/21 the allocation to this area was TZS 20 Billion, a 79.7% decrease from the previous year, and equivalent to 5.5% of the 2020/21 development budget for the MoHCDGEC. As the predominant Development Partner funding this area was the Global Fund, this is also in line with the trend noted earlier in the decreased allocation from the Global Fund. The 2019/20 allocation to the Primary Health Development Program was TZS 42 Billion shillings, equivalent to 7.7% of that year's development budget for the MoHCDGEC. In 2020/21 the allocation to that area dropped by 88.1% to TZS 5 Billion, equivalent to 1.4% of the total development allocation for the MoHCDGEC. This area was predominantly funded by the World Bank, and is there for consistent with the trend noted earlier of the decrease in World Bank allocation within the MoHCDGEC, of which funding seems to be channeled predominantly towards the RAS votes to strengthen service delivery at health facilities at local government level.

The information above should raise awareness that the risk in the long term of insufficient resources to the Ministry of Health due to decreased allocation from Development Partners is still a possibility. As shown in the reduced allocation to the Ministry of Health, if the Global Fund allocation for the next funding period is delayed for any reason to the point where it cannot be used in the 2020/21 fiscal year, a considerable gap may need to be filled in terms of funding, whether from local sources or through development partners. It is noted however that some of the funding allocation that was previously going to the Ministry of Health is being reallocated to other budgets such as the RAS votes as has been previously explained.



Health related issues in the audit report The CAG report (Annual General Report on the Audit of LGAs 2018/19) indicates that there are potential risks (viashiria) that would lead to misuse/mismanagement of public funds in the health sector. Among of the potential risks include; some health facilities (about 206 health centers and dispensaries) in 8 LGAs had not installed the electronic revenue collection system as per order issued by the Permanent secretary-PO-RALG which instructed LGAs to ensure all facilities have Electronic Revenue

Collection system (GoT-HoMIS) for the purpose of monitoring and controlling revenues collected. It is anticipated that due to absence of proper information systems this could lead to mismanagement/misuse of funds. On the other hand, some LGA's ordered and paid TZS 1,090,741,646 for goods, but the same were not delivered by suppliers (the amount includes a total of TZS 619,148,011 of Undelivered CEMONC medical equipment from MSD paid by the Ministry of Finance purposely for rehabilitated Health Centers).



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