

Inadequate Budget Allocation for the Health Sector

Over two-thirds of Tanzanians reside in rural areas, and majority of them rely on local public health facilities to provide them with basic health services. Tanzanians do not enjoy equitable access to healthcare services. Citizens are faced with a myriad of challenges when accessing health services - there are severe queues in the health facilities due to shortage of health workers. There is also poor availability of essential health commodities and medical equipment. A significant number of Tanzanians still have to travel long distances to reach their nearest health facility, and many of these are poor unable to pay the prescribed contributory fees for the services. Citizens are hardly involved in the decision of health related matters, lack of awareness on operationalization of Community Health Fund (CHF), those who are aware and enrolled to CHF, are being disappointed by turning up at facility and being told that there are no medicines, which discourages others from enrolling. The policy on waiver or exemption of aged, pregnant women, elderly and child under-five is not working primarily because facilities are not given sufficient resources, hence cannot cater satisfactorily to all these groups.

To achieve quality health services for all and reduce number of challenges in the health sector, the government needs to plan and allocate adequate financial resources for the health sector, in order to meet the set targets and achieve the intended outcomes as set out in the costed Health Sector Strategic Plan-IV (HSSP-IV 2015 to 2020). Among other needs; financial resources are required to:

- 1. Equitably allocate human resource for health according to the demand and workload on health facilities.*
- 2. Improve availability of essential medicines in all public health facilities; by improving governance and accountability of the health commodity supply chain, eliminate frequent stock outs of essential medicines and supplies, and strengthening MSD's operational performance.*
- 3. Enhance health facility performance capacity by instituting fiscal decentralization to health facility level from the current council level, as well as strengthening social accountability.*

Equitable allocation of Human Resources for Health (HRH)

The shortage of health care workers has continued to affect the provision of quality health services in Tanzania. According to 2014 Ministry of Health and Social Welfare, Human Resource for Health Information System, the health

sector is experiencing about a 52% shortage¹ of the required health workers, 70,244 available health workers leaving a gap of 75,210 to reach a required number of 145,454 health workers. While the health facilities in urban areas are better resourced, the pinch of the shortage is being felt much more in rural areas where the working and living environment is rather challenging to staff and their families. There is an urgent need for the government to increase the budget for Human Resource for Health to cope with the increasing population and corresponding demand for health workers. A starting point would be to ensure that the Ministry of Health's Directorate for HRH is adequately funded to perform its functions. Looking at the recent budget trend, it is worrying to see that there has been a cut in the budget from TZS 25.9 Billion (2014/15) to TZS 22.6 Billion (2016/17). Despite the fact that Human Resource for Health is one of the four components of the Big Results Now initiative and a key result area in the Health Sector Strategic Plan IV, increase budget for HRH will increase number of skilled health workers in the rural district councils, to foster equity in distribution of HRH, for example in 2015; the Urambo District did not have any Medical Doctor while Kinondoni District had 75 medical doctors, government should increase financial resources in employing health worker to reduce the gap from the current number of 70,244 health workers to required number of 145,454, and improve working environment in the rural health facilities to retain health workers in the rural District Councils.

Need for Allocating Sufficient Financial Resources for Essential Medicines and Supplies

Public health facilities have been experiencing shortages of essential medicines and supplies for a number of years, primarily due to the failure of the central government to allocate adequate financial resources (as requirements). For example, the actual needs of essential medicines in FY 2016/17 is estimated to be more than TZS 577 billion and whilst what has been allocated is TZS 251 Billion which only meets 43% of the required needs. Apart from inadequate funding, the government has also failed to disburse whole budgeted amount for essential medicines and supplies for 3 consecutive years and failed to meet the actual demand of essential medicines for 5 consecutive years as shown in the Table below;

Budget Trend For Essential Medicines & Supplies 2011-2016						
Financial Year Contribution	Budget	2011/12	2012/13	2013/14	2014/15	2015/16
Total budget (bn)		123.4	80.5	64	70.5	29
Disbursed (bn)		98	80.5	50	20	21*
Disbursed (%)		79%	100%	78%	28%	72%
Actual Demand (bn)		188	198	549	577	577+
Gap: Disbursed vs Actual Demand		-90	-117.5	-499	-557	-557+

Source: MoHCDGEC & MoFP

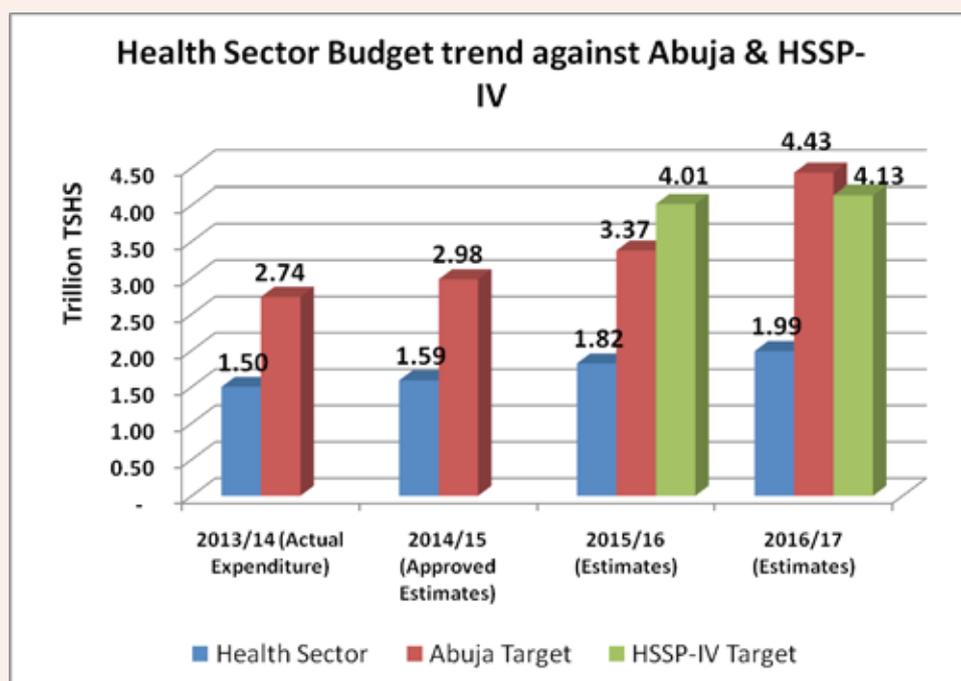
1 Ministry of Health did not employ any health worker from financial year 2015/16 to date.

Therefore, in addition to under budgeting, delayed and partial disbursements also contribute to the stock out problem in the country. The chronic underfunding has led to a situation where the Medical Stores Department has had to use its working capital to lend the government to honour some of its financial commitments. As a result the MSD is now owed more than TZS 140 Billion by the GoT and it is at a critical situation where it cannot fulfil its obligations contributing to the persistent health commodities shortages.

Government to Increase Health Sector Budget as per the Costed HSSP-IV 2015-2020

Government should increase budget allocation as stipulated in the Health Sector Strategic Plan (HSSP-IV) to provide quality health service for all Tanzanians. In the financial year 2015/16 HSSP-IV estimated the budget of TZS 4,013 billion for the health sector, but government allocated only TZS 1,821 billion, which is less by 55% of the estimated cost for the sector. The problem continued again in the FY 2016/17, the government allocated TZS 1,988 billion² for the health sector, which is less by 52% of the HSSP-IV estimated budget of TZS 4,133 billion. Not only that but also government has failed to reach the Abuja targets for consecutive five years since 2013/4, the target was agreed by all African Union Countries in 2011 to allocate at least 15% of the annual nation budget to improve health sector, as shown in the table below, All these has caused crisis in the health sector in the country and especially not enough medicines and supplies, scarcity of vaccination, inadequate number of human resources for health and poor infrastructures in many public health facilities

Table Below Shows the Trend of Health Sector Financing Against Abuja Declaration and HSSP-IV Estimates



Source: MoHCDGEC&MoFP (HSSP-IV & Budget Speech/Books)

2 Budget books and Speech of Ministry of Finance and planning 2016/17

Fiscal Decentralization from Councils to Health Facilities

The Government needs to improve health systems to facilitate the implementation of fiscal decentralization, from District Councils to health facilities as pointed out in the HSSP-IV, with the aim of increasing social accountability at facility and community level and enable health facilities to manage their own income and expenditures. To achieve that the following should be done;

1. Enhance participation of citizen in planning and budgeting for their health needs,
2. Strengthening of health facilities oversight teams to effectively perform their roles at all levels.
3. All health facilities should adhere to the guidelines and policies related to collection and spending of revenue at health facilities, which will increase efficiency, transparency and accountability on provision of health services.
4. All health facilities should use electronic devices to collect revenue, which will increase revenue and reduce embezzlements of funds collected at health facilities.
5. Ensure all health facilities have bank accounts to deposit fund collected at health facilities, receive National Health Insurance Fund (NHIF) reimbursement and Community Health Fund (CHF) matching grants, Government should Instruct NHIF to channel all reimbursement to Health Facility account instead of DMO account which cause unnecessary bureaucracy and delays.

Key Policy Issues

- The Government needs to allocate sufficient financial resource to the health sector inline with the costed HSSP-IV 2015-2020.
- There is a need for decentralization of fiscal management from Councils to health facilities and tied to this is the need to strengthen social accountability at health facility level.

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